

# SUMMONS

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**Council Meeting (Budget Meeting)**

Date: **25 February 2014**

Time: **10.30 am**

Place: **Council Chamber - County Hall, Trowbridge BA14 8JN**

**PLEASE SIGN THE ATTENDANCE  
BOOK BEFORE ENTERING THE  
COUNCIL CHAMBER**

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Please direct any enquiries on this Agenda to Yamina Rhouati, of Democratic Services, County Hall, Trowbridge, direct line 01225 718024 or email [Yamina.Rhouati@wiltshire.gov.uk](mailto:Yamina.Rhouati@wiltshire.gov.uk)

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

This summons and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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## PART I

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

1 **Apologies**

2 **Minutes of Previous Meeting** (*Pages 1 - 34*)

To approve as a correct record and sign the minutes of the last meeting of Council held on 4 February 2014.

3 **Declarations of Interest**

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

4 **Announcements by the Chairman**

5 **Petitions**

No petitions have been received for presentation to this meeting and no petitions (excluding petitions on regulatory matters) have been received since the last report to Council on 4 February 2014.

## 6 **Public Participation**

The Council welcomes contributions from members of the public.

### Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named above for any further clarification.

### Questions

To receive any questions from members of the public received in accordance with the constitution. Those wishing to ask questions are required to give notice of any such questions in writing to the officer named above (acting on behalf of the Corporate Director) no later than **5pm on Tuesday 18 February 2014**. Please contact the officer named on the first page of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Councillors prior to the meeting and made available at the meeting and on the Council's website.

### **BUDGET 2014/15**

**To consider Wiltshire Council's Financial Plan  
The Budget Book and Fees and Charges details were previously circulated  
(please bring with you to the meeting) and available on the Council's website  
along with this Summons.**

## 7 **Wiltshire Council Financial Plan 2014/15**

- 7a) **Leader's Budget Speech (To be tabled)**
- 7b) **The report of the Special Overview and Scrutiny Management Committee held on 5 February 2014 (Pages 35 - 38)**
- 7c) **Relevant extract of the minutes of Cabinet held on 11 February 2014 (Pages 39 - 44)**
- 7d) **Financial Plan - Report by Michael Hudson, Associate Director - Finance and S.151 officer (Pages 45 - 116)**

Budget book and details of fees and charges as previously circulated, please bring with you to the meeting and available online with the Council Summons.

- 7e) **Wiltshire Council's Policy on Fees, Charges and Concessions (Pages 117 - 128)**

To consider Cabinet's recommendation from its meeting held on 11 February 2014 that Council adopt the policy on fees, charges and concessions (relevant extract of Cabinet minute page 39). Report by Michael Hudson, Associate Director - Finance

7f) **Proposed Council Tax Resolution** (*Pages 129 - 168*)

Report by Michael Hudson, Associate Director - Finance

8 **Treasury Management Strategy 2014/15** (*Pages 169 - 252*)

To consider Cabinet's recommendation from its meeting held on 11 February 2014 (relevant extract of Cabinet minute at pages 42-43).

Report by Michael Hudson, Associate Director - Finance

**COUNCILLORS' MOTIONS AND QUESTIONS**

9 **Notices of Motion**

No motions received for this meeting.

10 **Councillors' Questions**

Please note that Councillors are required to give notice of any such questions in writing to the officer named on the first page of this agenda (acting on behalf of the Corporate Director) not later than **5pm on Tuesday 18 February 2014**. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Councillors prior to the meeting and made available at the meeting and on the Council's website.

**OTHER ITEMS OF BUSINESS**

11 **Parish/Community Governance Review** (*Pages 253 - 268*)

Report by Dr Carlton Brand, Corporate Director

12 **Membership of Committees**

To determine any requests from Group Leaders for changes to committee membership in accordance with the allocation of seats to political groups approved by the Council.

**MINUTES OF CABINET AND COMMITTEES**

13 **Minutes of Cabinet and Committees**

- a. The Chairman will move that Council receives and notes the minutes of Cabinet and the various Committees of the Council as listed in the Minutes Book enclosed separately.
- b. The Chairman will refer to Cabinet and each Committee in turn:
  - i. The Leader, Cabinet members and Chairmen of Committees will be invited to make any important announcements.
  - ii. Councillors will be given the opportunity to raise questions on points of information or clarification on the minutes presented.

- c. Councillors will be given an opportunity to raise general issues relating to Area Boards but not specific local issues.
- d. Councillors will be given an opportunity to raise any questions on the minutes of the Wiltshire and Swindon Fire Authority

(Under the Constitution, Councillors wishing to ask a question on the Fire Authority minutes are required to give written notice to the officer named on the front of this agenda (acting on behalf of the Corporate Director) not later than five clear days before the Council meeting – 5pm on Monday 17 February 2014).

## **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.**

None

Dr Carlton Brand  
Corporate Director  
Wiltshire Council  
Bythesea Road  
Trowbridge  
Wiltshire BA14 8JN

## **COUNCIL**

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### **DRAFT MINUTES OF THE COUNCIL MEETING HELD ON 4 FEBRUARY 2014 AT COUNCIL CHAMBER - COUNTY HALL, TROWBRIDGE BA14 8JN.**

#### **Present:**

Cllr Desna Allen, Cllr Glenis Ansell, Cllr Pat Aves, Cllr Chuck Berry, Cllr Nick Blakemore, Cllr Richard Britton, Cllr Rosemary Brown, Cllr Liz Bryant, Cllr Allison Bucknell, Cllr Trevor Carbin, Cllr Mary Champion, Cllr Terry Chivers, Cllr Ernie Clark, Cllr Richard Clewer, Cllr Mark Connolly, Cllr Christine Crisp (Chairman), Cllr Brian Dalton, Cllr Andrew Davis, Cllr Tony Deane, Cllr Christopher Devine, Cllr Stewart Dobson, Cllr Dennis Drewett, Cllr Peter Edge, Cllr Peter Evans, Cllr Sue Evans, Cllr Nick Fogg, Cllr Richard Gamble, Cllr Jose Green, Cllr Howard Greenman, Cllr Mollie Groom, Cllr Russell Hawker, Cllr Mike Hewitt, Cllr Alan Hill, Cllr Charles Howard, Cllr Jon Hubbard, Cllr Keith Humphries, Cllr Chris Hurst, Cllr Peter Hutton, Cllr Simon Jacobs, Cllr George Jeans, Cllr David Jenkins, Cllr Julian Johnson, Cllr Bob Jones MBE, Cllr Simon Killane, Cllr Gordon King, Cllr John Knight, Cllr Jerry Kunkler, Cllr Jacqui Lay, Cllr Magnus Macdonald, Cllr Alan MacRae, Cllr Howard Marshall, Cllr Laura Mayes, Cllr Helena McKeown, Cllr Ian McLennan, Cllr Bill Moss, Cllr Christopher Newbury, Cllr John Noeken, Cllr Paul Oatway, Cllr Stephen Oldrieve, Cllr Helen Osborn, Cllr Jeff Osborn, Cllr Linda Packard, Cllr Mark Packard, Cllr Sheila Parker, Cllr Graham Payne, Cllr Nina Phillips, Cllr David Pollitt, Cllr Horace Prickett, Cllr Leo Randall, Cllr Fleur de Rhé-Philipe, Cllr Pip Ridout, Cllr Ricky Rogers, Cllr Jane Scott OBE, Cllr Jonathon Seed, Cllr James Sheppard, Cllr Toby Sturgis, Cllr John Thomson, Cllr Ian Thorn, Cllr Ian Tomes, Cllr Dick Tonge, Cllr Anthony Trotman, Cllr John Walsh, Cllr Nick Watts, Cllr Bridget Wayman, Cllr Ian West, Cllr Stuart Wheeler, Cllr Roy While, Cllr Philip Whitehead, Cllr Christopher Williams and Cllr Graham Wright

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#### **1 Apologies**

Apologies for absence were received from Councillors Chris Caswill, Bill Douglas, Mary Douglas, John Smale, Jemima Milton, Phil Whalley and Fred Westmoreland.

#### **2 Minutes of Previous Meeting**

The minutes of the last meeting held on 12 November 2013 were presented.

**Resolved:**

**That the minutes of the last Council meeting held on 12 November 2013 be approved as a correct record and signed by the Chairman.**

**3 Declarations of Interest**

Cllr Toby Sturgis declared a disclosable pecuniary interest in the item on the Drainage Byelaws (minute no. 11 refers) as the Bristol Avon River flowed through his land and took no part in the discussion or voting on the item.

**4 Announcements by the Chairman**

**(a) Recent Royal Visits**

The Chairman announced that in November, His Royal Highness the Prince of Wales visited Sherston at the invitation of the Prince's Countryside Fund.

His Royal Highness visited business units – Compass Graphic Design Ltd., - Pulse Business Software/Electric Octopus Ltd., - Balcony House Cellars and Sherston Post Office and Stores where he spoke with employers and staff about their respective products.

**(b) County of Wiltshire Carol Service**

The Chairman explained that at the last meeting in November, she had reminded members of the carol services being held, both the Wiltshire Carol Service on 10 December and the staff carol services held at the hubs.

The Chairman thanked all members who had supported these services.

**(c) New Year Honours List – Wiltshire Recipients**

The Chairman was delighted to to announce that a number of Wiltshire residents had received national recognition in the recent New Year Honours list.

A CBE was awarded to

**Professor Van Jonathan Gore** of Salisbury for services to higher education

An OBE was awarded to

**Professor Nigel Leslie Brown**, FRSE of Chapmanslade for services to science

**Mr. Robin Clark** of Calne for charitable services through the Underwood Trust

MBE's had been awarded to:

**Mrs. Susan Veronica Eliot-Cohen**, DI of Marlborough for services to charity and to the community in Ramsbury, Wiltshire

**Wiltshire Councillor John Nicholas Fogg** of Marlborough for services to the Marlborough International Jazz Festival and to the community in Marlborough, Wiltshire

Mrs. **Lesley Gaynor Frazer** of Chippenham for services to law and order and criminal justice

British Empire Medals were awarded to:

**Mr. Michael John Henry Beck** of Salisbury for services in fundraising in Salisbury, Wiltshire

**Mrs. Diane Patricia Bell** of Chippenham for services to the community in Nettleton, Wiltshire

**Mrs. Clare Victoria Cliverd** of Chippenham for services to the community in Seagry, North Wiltshire and to young people in Bath, Bristol And Great Somerford

**Miss. Florence Anne Devine** of Devizes for pastoral services to armed forces personnel

**Mrs. Elspeth Ann Gibb** of Marlborough for services to the community and to charity in Great Bedwyn, Wiltshire

Council joined with the Chairman in congratulating them all on receiving national recognition, noting in particular that an MBE had been awarded to the Council's own Cllr Nick Fogg.

(d) **Members' briefing on future provision of youth activities: positive leisure proposals**

The Chairman reminded Council that a briefing for all members had been arranged to be held on the rising of this meeting. Cabinet at its meeting on 21 January considered various options for the future provision of youth activities and support and resolved to consult on all four options with local people – young people in particular, staff and other key stakeholders.

As part of this consultation process, members were invited to attend the briefing which would be led by the Cabinet member for Children's Services, Cllr Laura Mayes and would outline the options being considered for future provision. It was hoped that members would be able to stay on for the briefing.

(e) **Wiltshire Olympians**

Council wished to place on record their good wishes to the Wiltshire Olympians due to compete in the forthcoming Winter Olympics.

**(f) Update on Notice of Motion – Blacklisting Practices**

With the Chairman's consent, the Leader took the opportunity to update Council on the above motion.

At its meeting on 12 November 2013 Council agreed to refer Cllrs' Ricky Rogers and Jeff Osborn's motion on blacklisting practices to the Leader (and Cabinet Member) to consider how best to take forward the objectives of the motion.

Cllr Dick Tonge, Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform, had met with Cllrs Rogers and Jeff Osborn, supported by relevant officers, and agreed the following steps in response to the motion:

- To amend the council's pre-qualification questionnaire to require prospective tenderers to provide details of any use of blacklisting, enabling the council to exclude them from consideration in the tender process if a satisfactory response is not provided.
- To amend the Contract Regulations at Part 11 of the Constitution to reflect these requirements.
- To draw this to the attention of existing contractors and seek assurances where appropriate.

**5 Petitions**

**a) Petition Received**

The Chairman reported receipt of a petition from Mr Paul Gaunt, a Wiltshire resident. The petition with 2,648 signatories called for the resignation of the Leader and Cabinet of Wiltshire Council.

Mr Alan Shellard and Mr Mike White presented the petition to the Council. The petition had been instigated in response to increases in members' allowances following Council's decision dated 12 November 2013 to accept the recommendations of the Independent Remuneration Panel (IRP). The petitioners considered that in the face of the challenging financial situation, job cuts and the financial hardships faced by many residents, the Council should have shown restraint. Reference was also made to the evidence considered by the IRP in arriving at its recommendations. The Council was asked to review its decision on members' allowances.

The Chairman thanked the petitioners for their petition. She explained that the appointment and dismissal of the Leader were matters for the Council to determine and the appointment and dismissal of Cabinet members were



determined by the Leader. This meant that what was being sought from the petition could not be achieved through this means. The Chairman understood this had already been explained to Mr Gaunt.

The Chairman explained that given that the petition was very much linked to the issue of members' allowances which would be debated later in the meeting under item 7 (a) – notice of motion on members' allowances, she did not intend for there to be a debate on the petition. She invited Mr Gaunt and petitioners present to stay for that item and indeed the rest of the meeting. The Chairman therefore moved that the petition be received and noted and this was duly seconded.

**Resolved:**

**That the Petition from Mr Gaunt be received and noted by the Council.**

b) **Petitions Update**

A report by the Democratic Governance Manager presented which gave Council details of the 2 petitions received for the period since the last Council meeting, one of which was presented to Council under (a) above.

**Resolved:**

**That Council note the report, the petitions received and the actions being taken in relation to them, as set out in the Appendix to the report.**

**6 Public Participation**

The Chairman reported receipt of a written statement and question from Mr Tom Corbin, details of which were presented together with a response to the question. Mr Corbin took the opportunity of asking a supplementary question to which the Chairman replied.

The Chairman also reported receipt of two questions from Mrs Charmian Spickernell, details of which were presented together with the response to the first question and a verbal response given to the second question. Mrs Spickernell took the opportunity of asking a supplementary question to which Cllr Fleur de Rhé-Philippe, Cabinet Member for Economy, Skills and Transport responded.

Details of the statement, questions and responses are attached as an Appendix to these minutes.

## 7 Notices of Motion

- a) **Notice of Motion No.6 - Members' Allowances - Cllrs Jeff Osborn, Terry Chivers, John Walsh, Helen Osborn, Ernie Clark, Brian Dalton, Ian West, Ian Tomes, Ricky Rogers, and Trevor Carbin**

### Public Participation

Mr Brian Warwick and Mr John Bowley addressed Council on this issue.

The Chairman reported receipt of the above mentioned motion from Cllr Jeff Osborn. As the motion involved a proposal to rescind a decision made within the last six months, the motion was signed by ten Councillors mentioned above as required by the constitution.

Cllr Jeff Osborn moved the following motion which was duly seconded by Cllr Terry Chivers:

*'That this Council agree to rescind the decision on Members' Allowances made by Council on 12<sup>th</sup> November 2013.'*

Cllr Jeff Osborn explained that the increase in members' allowances was of great concern to the public and that he, as had other members, been contacted by several constituents over the matter. He considered that the decision on members' allowances had attracted negative media attention for the Council, both locally and nationally and sparked comments from Government ministers. He considered given the challenging financial situation faced by the Council and many of its residents, members should not have taken the increase and urged them to now rescind the decisions on members' allowances. Cllr Osborn did acknowledge that the Leader had decided to forgo her increase.

Given that the issue of members' allowances was a matter reserved for Council, the Chairman moved that the motion be debated and this was duly seconded by the Vice-Chairman and on being put to the vote, it was

### **Resolved:**

**That the motion be debated.**

### Debate

The Leader explained that her decision to forgo the increase was her personal decision, which was also open to any other member. She noted that some members who had voted against the increase were taking the increase, whereas some members who had voted for it, were not. She did

however agree with the decisions made by Council in November and would therefore not be supporting the motion. The Independent Remuneration Panel (IRP) had acknowledged that the allowances set in 2009 had in hindsight not been set at the right level given that time had shown that the duties and time commitment required for the various roles on the Council had been significantly under estimated.

She explained that the attention being given to her own allowances in particular had been detracting from the real work of the Council with the pressing priority being emergency planning and responding swiftly to the developing flooding crisis. The Leader also pointed out that the decision to become a unitary authority had also generated significant savings on allowances as a result of having far fewer members across the County. She also emphasised that the decisions on allowances taken by Council in November had been made democratically and having regard to the recommendations of the IRP.

Cllr Jon Hubbard explained that he had voted against the increase at the November meeting. However, he accepted that the decision was taken democratically and considered that a decision should only be rescinded in cases where the basis of the original decision was unsound. He did not believe this to be the case and would therefore not be supporting the motion.

Cllr Hubbard accepted that he was a net beneficiary of the increase as a result of being Chairman of an Area Board and a Select Committee and being a group leader. He pointed out that these roles commanded a considerable amount of his time in addition to being a division member which included Council representation on other bodies. The amount of time involved had necessitated him in giving up his full time employment. In this connection, he considered that allowances should be set appropriately to attract people to the role of Councillor which in some cases can become a full time commitment.

Cllr Ernie Clark congratulated the Leader on giving up her increase. He urged members to have regard to the principles as laid down in the Council's Code of Conduct which included selflessness and accountability when it came to voting on the motion.

Cllr Ricky Rogers advised that the amount of interest and concern generated by the allowances issue in his division had been unprecedented. He accepted that the right balance needed to be made between pay and public office but on balance supported the motion to rescind the decisions.

Having heard from Group Leaders, the Chairman opened up the motion to general debate. A number of comments were made summarised as follows:

- The November decisions were properly and thoroughly debated and

that no new factual information had emerged to warrant rescinding the decisions

- The report of the IRP was comprehensive based on reasoned arguments and evidence
- The motivation for the motion was simply an opportunity to again debate the issue of allowances and in so doing, attract publicity
- Allowances should be set at an appropriate level to make the position of Councillor a viable proposition and attract membership from a cross section of the County to match its diversity
- The levels of SRA's recognised the roles and workloads involved
- There was strong public feeling on this issue
- Compared the increase in allowance with Council being advised that it could not afford to implement living wage proposals (previously referred by Council to the Staffing Policy Committee)
- Compared the increases with town and parish councillors who did not receive any allowances yet worked hard for their communities
- The motion was concerned with fairness and leadership
- Comparisons drawn with staff who had been subjected to a pay freeze for several years with a 1% increase this year
- That there should be a flat 1% increase for allowances in line with the staff increase
- Too low an allowance would bar those without independent financial means from standing for election
- Prospective councillors had been made aware of the rate of allowances and time commitment required for the role
- An acknowledgement was made of the significant work undertaken by members which included attendance at several town and parish councils and other bodies
- Members of the public were finding it difficult to reconcile significant increases in allowances with recent staff redundancies
- That any increase should be phased in over a number of years
- A reduction in the number of Cabinet members and the consequential saving on allowances was noted

Following a thorough debate, the motion was put to the vote and LOST and a recorded vote having been recorded by the requisite number of members, the voting was recorded as follows:

**For the Motion (24)**

Cllrs Brian Dalton, Chris Hurst, Dennis Drewett, Dr Helena McKeown, Ernie Clark, George Jeans, Gordon King, Graham Wright, Helen Osborn, Ian McLennan, Ian Thorn, Ian Tomes, Ian West, Jeff Osborn, John Walsh, Nick Blakemore, Nick Fogg MBE, Nick Watts, Peter Edge, Ricky Rogers,

Rosemary Brown, Stephen Oldrieve, Terry Chivers, Trevor Carbin.

**Against the motion (60)**

Cllrs Alan Hill, Alan MacRae, Allison Bucknell, Andrew Davis, Bill Moss, Bob Jones MBE, Bridget Wayman, Charles Howard, Christine Crisp, Christopher Devine, Christopher Newbury, Christopher Williams, Chuck Berry, David Jenkins, Desna Allen, Fluer de Rhe-Philipe, Glenis Ansell, Graham Payne, Horace Prickett, Howard Greenman, Jacqui lay, James Sheppard, Jane Scott OBE, Jerry kunkler, John knight, John Noeken, John Thomson, Jonathon Seed, Jose Green, Julian Johnson, Keith Humphries, Laura Mayes, Leo Randall, Liz Bryant, Magnus Macdonald, Mark Packard, Mary Champion, Mike Hewitt, Mollie groom, Nina Phillips, Pat Aves, Paul Oatway QPM, Peter Evans, Peter Hutton, Philip Whitehead, Pip Ridout, Richard Britton, Richard Clewer, Richard Gamble, Richard Tonge, Roy While, Russell Hawker, Sheila Parker, Simon Jacobs, Simon Killane, Stuart Wheeler, Sue Evans, Toby Sturgis, Tony Deane, Tony Trotman.

**Abstentions (6)**

Cllrs David Pollitt, Howard Marshall, Jon Hubbard, Linda Packard, Mark Connolly, Stewart Dobson.

It was therefore

**Resolved:**

**That motion no. 6 – members’ allowances be NOT adopted.**

**b) Notice of motion No. 7 - Changing Call-in Procedures - Cllrs Jon Hubbard and Gordon King**

The Chairman reported receipt of the above mentioned motion from Cllrs Jon Hubbard and Gordon King.

Cllr Hubbard moved the following motion which was duly seconded by Cllr King:

*‘Council resolves to amend the provisions on call-in as set out in Part 8 Overview and Scrutiny Procedure Rules of the constitution to enable a call-in request to be made by any 5 non-executive members of the council or the Chair of the Management Committee.*

*Specifically to amend Paragraph 34 removing the words "three members of the management committee" and inserting "five non-executive members of*

*the council". Therefore the new paragraph would now read:*

*During that period, the designated scrutiny officer shall call-in a decision for scrutiny by the management committee if so requested by the chair or any five non-executive members of the Council, and shall then notify the decision-maker of the call-in. He/she shall call a meeting of the management committee on such date as he/she may determine, where possible after consultation with the chair of the management committee, and in any case within five days of the decision to call-in.*

*This change to the constitution to take immediate effect.'*

Cllr Hubbard considered that the motion should be adopted to correct what he considered to be an anomaly in that it only took 5 members out of 98 to requisition an extraordinary meeting of Council and only 3 members limited to the membership of a 13 strong overview and scrutiny management committee to request a call-in. He considered that the request for call-in should be available to all non-executive members.

As amendments to the constitution were reserved to Council, the Chairman moved that motion be debated and this was duly seconded and on being put to the vote, it was

**Resolved:**

**That the motion be debated.**

Debate

It was noted that the Standards Committee in considering the proposal at its meeting on 20 January 2014, agreed that the matter could be considered and determined by this Council meeting without referral back to the Committee.

In the debate which ensued, Cllr Roy While proposed an amendment to the effect that a request for call-in be made by any 10 non-executive members and this was accepted by Cllrs Hubbard and King.

Cllr Simon Killane, Chairman of the Overview and Scrutiny Management Committee explained that whilst he did not necessarily agree with the motion, it was up to the Council to agree.

**Resolved:**

**a) That motion no 7 – Changing call-in procedures be adopted as amended as follows:**

**That paragraph 34 of Part 8 of the constitution – Overview and Scrutiny Procedure Rules be amended as follows:**

**'During that period, the designated scrutiny officer shall call-in a decision for scrutiny by the management committee if so**

**requested by any ten non-executive members of the Council, and shall then notify the decision-maker of the call-in. He/she shall call a meeting of the management committee on such date as he/she may determine, where possible after consultation with the chair of the management committee, and in any case within five days of the decision to call-in’.**

**b) That this change to the constitution to take immediate effect.**

## **8 Councillors' Questions**

The Chairman reported receipt of questions from Cllrs Terry Chivers, Jeff Osborn, Helen Osborn, Helena McKeown and David Jenkins, details of which were circulated in the agenda supplement with one response tabled at the meeting, copy attached as an Appendix to these minutes.

Questioners agreed to take their questions as read and were given an opportunity to ask a relevant supplementary question to which the relevant Cabinet member responded. Verbal responses as indicated in the supplement were given where the questioners were still present.

## **9 Wiltshire Local Transport Plan 2011-2026: Other Strategies**

Cllr John Thomson, Cabinet member for Highways and Streetscene and Broadband presented four sub documents of the Wiltshire Local Transport Plan (LTP3) 2011-2026: Accessibility Strategy, Cycling Strategy, Powered Two-Wheeler Strategy and Smarter Choices for Council’s consideration and adoption. It was noted that further LTP3 theme strategies and area strategies, and implementation plans were planned to be developed.

The documents had been approved for onward recommendation to this Council meeting by Cabinet at its meeting on 21 January, 2014. The report considered by Cabinet was presented as background information. Cllr Thomson guided Council through the key points of the documents and answered members’ questions which included questions on safe cycle routes and electric buggies.

**Resolved:**

**That Council adopt the Wiltshire Local Transport Plan (LTP3) 2011-2026: Accessibility Strategy, Cycling Strategy, Powered Two-Wheeler Strategy and Smarter Choices Strategies.**

## **10 Standards Committee Recommendations on Changes to the Constitution**

As requested at the last Council meeting, a briefing session for members was held on 30 January 2014 to go through the detail of the proposed changes as recommended by the Standards Committee. Members thanked Ian Gibbons,

Monitoring Officer for the excellent briefing held and suggested that similar briefings be arranged in respect of future changes.

Cllr Julian Johnson, Chairman of the Standards Committee presented a report which detailed the proposed changes together with the necessary documents from the constitution with tracked changes for ease of reference. Cllr Johnson moved the proposed changes and this was duly seconded by Cllr John Noeken.

**Resolved:**

- a) **That Council approve the recommended changes to the following documents of the constitution as presented:**

**Protocol 2 - Councillor/ Officer Relations  
Protocol 3 - Guidance to Members on Outside Bodies  
Protocol 4 - Planning Code of Good Practice  
Part 5 - Access to Information Procedure Rules**

- b) **That Council agree:**

- i. **Not to amend the Code of Conduct to impose a requirement to register additional interests over and above the statutory disclosable pecuniary interests, but to rely on the existing provisions of the Code, in particular, paragraph 6, and guidance from the DCLG 'Openness and transparency on personal interests' and to draw this guidance to the attention of parish, town and city councils.**
- ii. **To amend the Council's Constitution to require councillors with a disclosable pecuniary interest to withdraw from a meeting in their capacity as a councillor when business relating to their interest is being considered.**
- iii. **Not to make any changes to the Code of Conduct on gifts and hospitality on the basis that the existing provision is adequate.**

**11 Drainage Byelaws**

Cllr Toby Sturgis declared a disclosable pecuniary interest in this item as the Bristol Avon River flowed through his land and took no part in the discussion or voting on the item.

Cllr Jonathon Seed, Cabinet Member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding was invited by the Chairman to present a report which sought Council's adoption of Land Drainage Byelaws. The making of the Byelaws would help protect communities, especially those who were most vulnerable, from flooding. They would provide scope for the Council



to work with local communities to reduce flood risk, and help empower communities to do more for themselves.

The proposed Byelaws, based on the Defra model, would cover matters such as changes to flows in watercourses, obstructions, vegetation, damage to river banks and other issues which would be of help to the Council in carrying out its duties as Highway and Lead Local Flood Authority.

Council was advised of the various stages in making the Byelaws which had been followed and of responses to the consultation, details of which were presented. The views of the Environment Select Committee which had considered proposals for the Byelaws at its meeting on 10 December 2013 were also reported.

**Resolved:**

**That Council:**

- (a) agree to make the Drainage Byelaws as included as Appendix 1 of the report presented and carry out the formal consultations and**
- (b) subject to the outcome of the formal consultations, request the Secretary of State to confirm the Drainage Byelaws.**

## **12 Pay Policy Statement and the Publication of Senior Staff Pay**

Council considered a report which sought Council approval of an updated pay policy statement which applied to all non-schools employees of Wiltshire Council as recommended by the Staffing Policy Committee held on 8 January 2014. Once approved, the pay policy statement would be published in accordance with Section 38 of the Localism Act 2011.

**Resolved:**

**That Council approve:**

- (a) the updated Pay Policy Statement set out in Appendix 1 of the report presented and**
- (b) the continued publication of senior staff salaries with a threshold of £58,200, along with job descriptions, budget responsibilities and numbers of staff. Individuals are asked to consent for their names to be included.**

## 13 Minutes of Cabinet and Committees

The Chairman moved that Council receive and note the following minutes as listed in the separate Minutes Book and this was duly seconded by the Vice-Chairman:

Cabinet	17, 21 November 2013, 21 January 2014
Cabinet Capital Assets Committee	21 November 2013, 21 January 2014
Cabinet Transformation Committee	17 December 2013
Overview and Scrutiny Management Committee	5 November, 7 January 2014
Children's Select Committee	3 December 2013
Health Select Committee	19 November 2013
Environment Select Committee	29 October 2013, 10 December 2013
Licensing Committee	5 November 2013
Northern Area Planning Committee	23 October, 13 November, 4 December 2013, 8 January 2014
Eastern Area Planning Committee	24 October, 5 December 2013
Southern Area Planning Committee	28 November 2013
Western Area Planning Committee	6 November, 27 November, 18 December 2013
Strategic Planning Committee	11 December 2013
Standards Committee	20 January 2014
Audit Committee	18 December 2013
Staffing Policy Committee	6 November 2013, 8 January 2014
Wiltshire pension Fund Committee	4 December 2013
Wiltshire Police and Crime Panel	5 November, 26 November 2013
Wiltshire health and Wellbeing Board	21 November 2013

The Chairman then invited questions from members on points of information or clarification on the above minutes and gave the Chairmen of those meetings the opportunity to make any important announcements on the work of their respective Committees.

### **Overview and Scrutiny Management Committee**

Cllr Simon Killane, Chairman of the Committee reminded Council that a special meeting of the Committee would be held on 5 February to consider the proposed 2014/15 budget to which all members were invited.

### **Children's Select Committee**

Cllr Jon Hubbard, Chairman of the Committee explained that the next meeting would be preceded by a training session on the extremely important issue of

childhood sexual exploitation. All members were welcome to attend this and future training sessions.

### **Western Area Planning Committee**

Cllr Roy While, Vice-Chairman of the Committee reminded members that the meeting to be held on 5 February would be preceded by a briefing on the Wiltshire Core Strategy and consideration of the future timing of the Committee.

### **Standards Committee**

Cllr Julian Johnson explained that the Committee would be considering among other things the Council's petitions scheme and members' access to part II reports.

### **Police and Crime Panel**

Cllr Richard Britton, Chairman of the Panel advised that a meeting of the Panel would be held on 6 February when it would be considering the Police and Crime Commissioner's precept proposal for 2014/15.

### **Resolved:**

**That the minutes of the above mentioned minutes be received and noted.**

## **14 Membership of Committees**

The Chairman invited Group Leaders to present any requests for changes to committee membership in accordance with the allocation of seats to political groups approved by Council.

Cllr Jon Hubbard, Leader of the Liberal Democrat group Sought Council's approval to the following changes in membership:

Staffing Policy Committee	Remove - Cllr Jon Hubbard
	Add - Cllr Bob Jones
	Substitutes:
	Remove - Cllr Rosemary Brown
	Add - Cllr Jon Hubbard

### **Resolved:**

**That Council approve the above mentioned committee membership changes.**

## **Appendix**

### Questions and responses

(Duration of meeting: 10.30 am - 3.15 pm)

The Officer who has produced these minutes is Yamina Rhouati, of Democratic & Members' Services, direct line 01225 718024, e-mail [Yamina.Rhouati@wiltshire.gov.uk](mailto:Yamina.Rhouati@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115

**Wiltshire Council**

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**Item 6 - Public Participation**

**From Mr Tom Corbin**

**Question 1**

Is it not a slap in the face of every Wiltshire Council employee for Wiltshire Councillors to accept these massive hikes in members SRAs when council employees have suffered years of pay freeze and below inflation pay rises that are effectively also pay cuts, 252 redundancies, voluntary or not they are still financially led. Shortly after the latest redundancies this Council authorised a massive hike in Directors wages, which understandably led to a public outcry. How is it then that this Council saw fit to increase members SRA payments to such levels when knowing that there would be no public support?

What is this council going to do to show its own staff that they really do matter in light of the last 6 months?

**Response**

The report of an independent Remuneration Panel was considered by Full Council on 12 November 2013. At the meeting Members agreed to accept the recommendations of the independent remuneration panel, convened to review members allowances.

I thought that it would be useful just to recap that the panel was convened under The Local Authorities (Members' Allowances) Regulations 2003. The regulations require all local authorities to set up and maintain an advisory independent remuneration panel to review and provide advice on members' allowances. All councils are required to convene a remuneration panel and seek its advice before making changes or amendments to members allowances and they must 'pay regard' to the panel's recommendations before setting new or amended allowances.

The Independent Remuneration Panel last undertook a detailed review of the Members' Allowances Scheme in Wiltshire in 2009. A review was carried out in 2012 to update the scheme following changes to the standards regime introduced by the Localism Act in 2012, the new governance arrangements for the Health and Wellbeing Board and the Police and Crime Panel and following revised scrutiny arrangements

The review in 2013 was the first full detailed review since 2009. In undertaking the review, the panel considered a range of evidence and the recommendations made by the panel were independent of any elected member of Wiltshire Council and were based on the post and role required and not based on any individuals currently in a post or role.

As there is a motion on the agenda to discuss this subject, members who wish to will have the opportunity to respond at the appropriate time.

### **Statement of Mr Corbin**

As the only member of public present at the November meeting of the Full Council I paid great attention to what was being said, indeed I would have liked to have been able to speak on the debate. Through all the motions that came and fell and for all the votes against the motions there was one particular lack of forthcoming information that I was most interested to hear. Just one independent Councillor spoke up in favour of the report for the specific reason that they felt that the 1% increase was necessary as they are struggling to get by on their current standard allowance. They did not go into detail as to how the rise in SRA would affect them.

But here it is, I think the current basic level is wrong - adding £122 to the basic allowance was not enough. I believe that the SRAs should have stayed low, after all the more special responsibilities you wish to take on the more you will receive in allowances. However this fails to address the baseline issue that I believe the Independent Councillor was raising.

Whilst as Councillors you give yourselves over to working for the local communities, hopefully acting as a representative person of that community. However if you look at the demographic of people in this chamber you will soon realise that most people here are either of retirement age or not too far from it. If you wish to encourage younger working age people to put themselves forward to be Councillors you have to show that in carrying out their duties you will cover their loss in earnings.

In debating item 7a) rescinding of the motion that set your increases in allowances, I want to hear you say you are worth it, that you need these agreed increases to cover the costs because right now the public perception is that you are all just quietly lining your pockets!

**Wiltshire Council**

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**Item 6 - Public Participation**

**From Mrs Charmian Spickernell, Campaign for the Protection of Rural England (CPRE)**

**To Councillor Fleur de Rhé-Philipe, Cabinet Member for Economy, Skills and Transport**

**Question 2**

**Re Transport Schemes being prioritised for matched funding, M4 Junctions 15, and 16 and A350 widening north of Chippenham.**

**Junction 16 Improvements**

Given that:

1. Originally this was part of the Wichelstowe permission but is now said to be needed generally. (Applications to the north of the Junction have been granted on appeal)
2. The junction has a size constraint with narrow bridges over the motorway so there are limitations to improving the traffic flow. If traffic flow is improved, congestion on the small feeder roads will be increased.
3. There are safety issues with the proposed layout, the details are still to be finalised and Wiltshire has not agreed the layout. (Junction 16 is in Wiltshire)
4. There is a case, supported by the LEP Chairman, for looking strategically at a rail solution, re-opening Wootton Bassett Station. The possibility of new stations west of Mannington and at Moredon should also be considered.
5. Government funding is coming through the Local Economic Partnership (LEP), and Wiltshire has two representatives on the Local Transport Body(LTB) within the LEP but there is no opportunity for members of the public to ask questions before LTB/LEP Meetings. A consultation was held in September but the responses, which did raise important issues regarding process and projects, do not appear to have been addressed.

The cost for Junction 16 improvements is said to be £8million and this has to be match funded, how is this going to be financed and have all the issues raised above been taken into account?

**Response**

Based on the outcome of a Department for Transport (DfT) approved prioritisation process, the M4 Junction 16 Improvement was approved as a 'prioritised scheme' by the Swindon

and Wiltshire Local Transport Body (SWLTB) at its first meeting on 8 July 2013 (see <http://ww5.swindon.gov.uk/moderngov/ieListDocuments.aspx?CId=940&MId=6298&Ver=4>).

Subsequently, following confirmation of the SWLTB's allocated funding level of £11.3m on 16 July 2013, the M4 Junction 16 Improvement was submitted to the DfT on 30 July 2013 as one of the SWLTB's 'prioritised schemes' (the others being the A350 Chippenham Bypass Improvements and M4 Junction 15 Improvement). This submission was formally approved by the SWLTB at its meeting on 2 October 2013 (see table below and <http://ww5.swindon.gov.uk/moderngov/ieListDocuments.aspx?CId=940&MId=6359&Ver=4>).

**Table 3: Prioritised Schemes**

Local Transport Authority	Scheme	Estimated scheme cost <sup>1</sup>	Included in Programme		
			Dft funding	Local contribution	Funding shortfall
Wiltshire Council	A350 Chippenham Bypass Improvements	£2.25m	£1.67m	£0.58m	TBC
Swindon BC / Wiltshire Council	M4 J16 Improvement	£8m	£5.92m	£2.08m	TBC
Swindon BC	M4 J15 Improvement	£5m	£3.70m	£1.3m	TBC
Total			£11.29m	£2.98	TBC

Notes:

1. Based on estimated scheme. Further work is recommended to be undertaken to establish the exact level of local/third party contributions.

The three 'prioritised schemes' are now being progressed in accordance with the DfT's Transport Business Case guidance. Following this guidance will ensure that the business case for each scheme is sound and the evidence base (for example on congestion, safety and environmental issues) is robust. Assessments equivalent to Strategic Outline Business Cases were completed as part of the prioritisation process and at its meeting on 2 October 2013, the SWLTB approved draft Appraisal Specification Reports for the development of Outline Business Cases. Further information on the proposed approach to developing the relevant Outline Business Cases was approved by the SWLTB at its meeting on 8 January 2014 (see <http://ww5.swindon.gov.uk/moderngov/ieListDocuments.aspx?CId=940&MId=6398&Ver=4>).

It is anticipated that Outline Business Cases will be submitted to the SWLTB's meeting on 16 April 2014 at which time further information will be available on the Swindon and Wiltshire Local Enterprise Partnership's emerging 'Strategic Economic Plan' (SEP) which has to be submitted to Government as part of the Local Growth Fund – the SWLTB's funding is now effectively part of the Local Growth Fund.

In terms of the consultation exercise undertaken over the summer, the results of this process were reported to the SWLTB at its meeting on 2 October 2013 where the following was stated:

- 3.7 The prioritisation process and outcomes have been consulted on for 6 weeks and no fundamental issues have been raised. A summary of the consultation is shown in **Appendix 1** and a verbal update will be provide at the meeting. Scheme specific consultation will take place through the business case development.



With regard to rail, a number of options were considered as part of the long list of potential local major transport schemes reported to Wiltshire Council's Cabinet meeting on 21 May 2013 (see <http://cms.wiltshire.gov.uk/ielIssueDetails.aspx?IId=35934&Opt=3>). Subsequently, Westbury Additional Platform has been included in the SWLTB's 'contingency scheme' list and Wilton Station, Royal Wootton Bassett Station and Corsham Station have been included in the SWLTB's 'development scheme' list.

## **Item 6 - Public Participation**

**From Mrs Charmian Spickernell, Campaign for the Protection of Rural England (CPRE)**

**To Stuart Wheeler, Cabinet Member Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services)**

### **Question 3**

How many consultants is Wiltshire Council employing generally and how much are they being paid?

### **Response**

It was not cost effective to employ full time consultants. Given this, consultants were engaged as and when required in order to minimise costs.

**Item 8 - Questions from Councillors**

**From Councillor Terry Chivers, Melksham Without North Division**

**To Councillor Toby Sturgis, Cabinet Member for Strategic Planning,  
Development Management, Strategic Housing, Property, Waste**

**Question 1**

Councils across England hold £1.5bn in unspent money from section 106 agreements.

a) How much unspent money is this Council holding in 106 agreements, and b) how much has been returned to developers' since this Council was formed?

**Response**

a) At 31 December 2013, Wiltshire Council held a total balance of £26,825,416.36 in unspent Section 106 monies. The split of these funds was as follows

Public Open Spaces	£10,709,470.33
Highways	£8,259,410.25
Education	£3,507,075.06
Affordable Housing	£4,146,621.50
Other Departments	£202,839.22

**Total** **£26,825,416.36**

This balance is spread across more than 800 individual agreements, each with separate conditions relating to how and when the funds may be spent.

There are various reasons why these funds might remain unspent. Some of the balances relate to maintenance agreements covering a 20 year period; a suitable amount is contributed to the Council maintenance budget each year.

Other amounts are effectively deposits that cannot be spent until work is completed on the relevant development, in some cases these balances will be refunded if the development does not take place. Further balances have been allocated to specific parish schemes and will be released at the appropriate time.

During the 2012/2013 financial year more than £3 million was spent from the Section 106 monies that Wiltshire council holds.

b) In respect of any unused amounts that have been returned to developers on implemented planning permissions, the Council has returned £16,135 from 2009 to date in relation to a Section 106 agreement entered into by a predecessor Council.

**Item 8 - Questions from Councillors**

**From Councillor Jeff Osborn, Trowbridge Grove Division**

**To Councillor Jonathan Seed, Cabinet Member for Communities, Campuses,  
Area Boards, Leisure, Libraries and Flooding**

**Question 2**

I wish to congratulate the Cabinet Member for the planning, incident response and now recovery that went into the recent flooding across much of Wiltshire. I know that we are yet not out of danger, but I would like to put on public record my thanks and gratitude to all of the staff, across all services, contractors and partner agencies, who worked so hard and effectively, including over the holiday period. This, I know, is much valued by the people of Wiltshire.

Sadly, flooding throughout the county is likely to become a regular event. As such it is important that we use the recent experiences to learn and develop our response plans to ensure we minimise wherever possible the impact to citizens, their homes and businesses. Could the Cabinet member please include the following learning points in the post incident review that I understand will be taking place, and could he also encourage scrutiny to play an essential role in that review:

- Customer contact: Consider alternative telephone reporting arrangements that avoid the necessity for calls to be routed via remote call centres where operators are not familiar with the county geography (emergency on call and Clarence)
- Web site information: Develop a process to improve the consistency of information published between the web sites of the key partner agencies; Wiltshire Council, Police, Environment Agency and external bodies like BBC Wiltshire and other media.
- The role of elected members: Some members were actively and effectively engaged in supporting their communities, whilst others seemed confused about their role in the incident. This needs to be developed and clarified.
- Town and Parish Councils: We need to encourage all parishes to develop and adopt their flood plans quickly and to nominate their flood wardens and develop local counter measures to protect vulnerable homes and businesses ahead of the next flood event. Some parishes have done this very well but others have not and this is a major risk for some communities.

Could I encourage all members in the Chamber today to join me in thanking everybody in the community who worked so hard on these recent events.

## **Response**

On behalf of all those involved in the recent response to flooding throughout Wiltshire, I would like to thank Cllr Osborn and others for their support and words of appreciation. Last month we experienced the highest level of rainfall in January for over one hundred years. The impact of this rainfall was inevitably widespread flooding with implications across every part of the authority from highways and drainage to social care and support of the vulnerable.

The response from Wiltshire Council staff has been exemplary and this Authority has been congratulated on our coordination and strong communication strategy, however our response can always be improved and I can confirm that a full strategic debrief of the incident has taken place in recent days and this will be followed by a further programme to review all necessary plans and procedures, thus ensuring we learn the valuable lessons this experience has provided.

Specifically in response to the individual points:

- **Customer contact:** The internal review has already highlighted a need to improve both the information we provide to the public and to simplify contacting the council both in and outside of normal working hours. Flooding is a distressing experience and we want to ensure the public know when and how to contact us. I can confirm contact numbers will form part of the review process.
- Considerable information is available on our web site however learning points regarding communication have been identified and will be implemented. Through the Local Resilience Forum, which brings together the key partner agencies in emergency response, the issue of sharing information and ensuring a consistency particularly with the media and websites was highlighted and action taken. This learning will be cemented into plans and procedures.
- The role of members to support their communities is considered a vital link, particularly when gathering information regarding community impact on the ground. The response team recognised the importance of keeping councillors fully briefed throughout this incident and they widened the distribution lists for the briefing as the event progressed. Keeping Members informed is seen as essential so that councillors can respond to questions from residents. This will certainly be developed and clarified further.
- This authority is regarded as a beacon authority by our agency partners for the way we have coordinated our flood alleviation through the work of our Operational Flood working Groups over many years. I would urge all Members to both attend and take part in the work of these vital coordination groups. The Operational Flood Working Groups have been encouraging parishes to take the time to develop and adopt flood plans, and nominate flood wardens and those that do so are in far better position when flooding occurs. As part of our ongoing review we will be updating the contact details and plans that Parishes have submitted.

This recent severe flooding episode has emphasised the importance for us all to work together to create more resilient communities.

To this end I am today announcing a new Community Flood Resilience Scheme for Towns and Parishes to bid to this Council for sand bags, aqua sacks, sand and portable flood warning signs to be stored locally so that parishes and their flood wardens can act quickly to protect their communities in the event of flooding. This scheme will run in a similar manner to the distribution of gritting salt being issued out to communities.

Finally Members will be aware that this Council has consistently maintained and on occasion increased the discretionary funding allocated to flood alleviation in recent years and Members will note from the publication of the budget for next year that this prudent policy will continue.

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**Item 8 - Questions from Councillors**

**From Councillor Jeff Osborn, Trowbridge Grove Division**

**To Councillor Stuart Wheeler, Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services)**

**Question 3**

I am given to understand that some members who are eligible for Special Responsibility Allowances (SRA), have indicated that they will not be taking the "back pay" that resulted from the Council decision on 12 November 2013.

May the Council be informed if this is the case and given the names of the said members?

Also are there any members who have declined their increase in SRA and could Council be informed of their names?

**Response**

The Members' Allowance Scheme makes provision for a councillor or co-optee to elect to forgo any part of his or her entitlement to an allowance by giving notice in writing to the Corporate Director.

In respect of Special Responsibility Allowances to which the question relates, to date, the under mentioned elected members have given written notice that they have elected to forgo all or part of their SRA as follows:

Councillor Jane Scott:	to forgo the increase in the Leader of Council Special Responsibility Allowance, to forgo the Health and Wellbeing Board SRA and to forgo any back pay
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Councillor Laura Mayes	to forgo 50% of the increase in SRA for the role of Cabinet Member
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**Correction to meeting response:**

To add

Cllr Graham Payne	to forgo the back pay on the increase to the Area Board Chairman SRA
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**Wiltshire Council**

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**Item 8 - Questions from Councillors**

**From Councillor Helen Osborn, Trowbridge Lambrok Division**

**To Councillor John Thomson, Deputy Leader of the Council and Cabinet Member for Highways and Streetscene and Broadband**

**Question 4**

At the last Council meeting I asked when the metro count service would operating fully. In my division I have at least two metro counts outstanding and my residents are increasingly concerned as to speed issues.

When will Mr Christmas be replaced and when will we have a fully functioning service?

**Response**

The metro count service is now operating fully.

We have employed a team to catch up with the backlog and this we expect to be completed within the next 2 weeks.

There are currently no plans to replace Tim Christmas as the metro counts are now being dealt with by the same team, from Balfour Beatty, who deploy the SIDs (Speed Indicator Devices).

If there are queries regarding individual metro counts, the area board managers may be able to help or alternatively please contact the road safety team; Vicky Oates on 01225 701970 [vicky.oates@wiltshire.gov.uk](mailto:vicky.oates@wiltshire.gov.uk)



**Item 8 - Questions from Councillors**

**From Councillor Dr Helena McKeown, Salisbury St Edmund and Milford Division**

**To Councillor Toby Sturgis, Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste**

**Question 5**

I am sure you know that Salisbury`s street plan was laid down in the early 13<sup>th</sup> Century; and that the design of streets running parallel to each other, North/South and East/West, which resulted in the formation of chequer squares, is a fine example of Mediaeval town planning. Each chequer early acquired its own unique name, and their central areas contained the gardens of the homes and businesses which occupied the “tenements” which faced the streets. There is extensive reference to Vanner`s Chequer in the Heritage Statement of September 2012, which is part of an original planning application in St Edmund and Milford Division.

The Bargate Homes development is accurately called, in their brochure, Vanners Court, since it occupies the historic Vanners Chequer area. In October 2013 local residents and our residents associations contacted our Council regarding the address of three new detached houses which stand in the central garden area of the original chequer and do not abut an existing street and asked **as a matter of urgency** for the Council to designate their postal addresses as Vanners Chequer. It was noted then in writing to the Council that in a planning application published in Salisbury Journal of October 24<sup>th</sup> 2013, the area is designated as Bedwin Court, for which there is absolutely no historical precedent.

Salisbury City Council have written in support of the preservation of the valuable historical name to our City`s History and we would like to know and for a justification of why the Council have been unable to act on behalf of the residents of St Edmund and Milford Division in Salisbury please?

**Response**

Wiltshire Council has a statutory power to name and number streets and to approve and register official property addresses in the county of Wiltshire.

In line with national best practice guidelines, the preferred option for numbering new properties is always to use existing street names where possible, not least to aid the emergency services. In this particular case, because the layout of the properties were between two existing streets with no through road, the properties were

numbered off the existing streets, half the site was numbered as Bedwin Street and the other half was numbered as Salt Lane.

The development name given by any developer in a brochure is only a temporary name and has no bearing on the official naming of a street. Wiltshire Council support retaining the historic reference of the Vanners Chequer's site and have therefore offered the options of adding a plaque or adding a dedication description to a street sign referencing the historical Vanners Chequer area.

**Item 8 - Questions from Councillors**

**From Councillor David Jenkins, Westbury North Division**

**To Councillor Toby Sturgis, Cabinet Member for Strategic Planning,  
Development Management, Strategic Housing, Property, Waste**

**Question 6**

Wiltshire has been identified as an “area under consideration” for exploration and extraction of shale gas. Given the recent decision of the UK’s shale gas companies to expand operations and the Government announcement on possible shale gas incentives, what plans have Wiltshire Council adopted to manage future licence applications that balance the needs of industry whilst protecting local democracy?

**Response**

The Council will not be responsible for managing any licence applications, should they be offered, for the exploration and production of any shale gas resources in Wiltshire.

The oil and gas licensing system is administered by the Department of Energy and Climate Change (DECC). The Secretary of State for Energy and Climate Change periodically offers licences to search for, and extract, these resources.

DECC plans to conduct a new round of onshore licensing in 2014 and has published for consultation an Environmental Report on its proposals. The consultation is open until 28 March 2014. Once the consultation responses have been taken into account the Government will issue a “Post-Adoption Statement” which will summarise how it intends to proceed in relation to further onshore licensing.

Current onshore oil and gas production licences are called Petroleum Exploration and Development Licences (PEDLs). Operators bid for exclusive rights to an area in competitive license rounds. The operator then has to obtain access rights from landowners and planning permission, which may require an environmental impact assessment. They also need environmental permits from the Environment Agency and Health and Safety Executive approval. They then seek final consent from DECC.

Planning permission is one of the main regulatory requirements and the Council, in its capacity of Minerals Planning Authority for Wiltshire, will be responsible for determining whether to grant permission for the location of any wells and wellpads, and impose conditions to ensure that the impact on the use of the land is acceptable.

Guidance on how shale gas (and other onshore oil and gas) developments should proceed through England's planning system was issued by the Department for Communities and Local Government in July 2013.

**Wiltshire Council**

**Council**

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**Item 8 - Questions from Councillors**

**From Councillor Terry Chivers, Melksham Without North Division**

**To Councillor Jane Scott OBE, Leader of the Council**

**Question 7**

It was reported in The Western Daily Press, on 22<sup>nd</sup> November that the hundreds of volunteers, who without this Council would not operate, are charged for tea and coffee when working for nothing for this Council. Considering that you found the money to give yourself, and your inner "Magic Circle" an eye watering pay increase, do you not feel this policy is mean, and should be reviewed?

How much would it cost to provide free hot drinks for the volunteers that work hard for this Council, and would you agree that this policy should be reviewed as soon as possible?

**Response**

**A verbal response was to be given based largely off the following briefing note:**

The council does engage many volunteers to support the delivery of its services, and this engagement supports our vision to build stronger and more resilient communities for Wiltshire. The council does not provide free tea and coffee to any of its employees or volunteers, and there are no plans to review this. I understand that both employees and volunteers collectively contribute towards the provision of refreshments for their use.

**Question 8**

After the recent expenses scandal that has seen yourself awarded a 37% pay increase, that now makes you one of the highest paid Councillors in the UK. And also the massive pay increases that were awarded to your Cabinet and the inner "Magic Circle".

Taking into account, the comments from Jacob Rees-Mogg and the "Conservative Home" Web Site and the anger of the residents of Wiltshire many of whom have signed the peoples petition calling for your and the Cabinets resignation. Do you feel that you totally miss-judged the mood of local residents, and do you agree that you are totally out of touch with the residents of Wiltshire?

**Response**

A verbal response was due to be made, however Cllr Chivers was not present to receive it.

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**Wiltshire Council**

**Cabinet  
11 February 2014**

**Council  
25 February 2014**

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## **Special Meeting of the Overview and Scrutiny Management Committee**

### **Report on the Draft 2014-15 Budget**

#### **Purpose of report**

To feed back to Cabinet and Full Council a summary of the main issues discussed at the special meeting of the Overview & Scrutiny Management Committee held on 5 February 2014.

#### **Background**

1. This special meeting of the Overview and Scrutiny Management Committee provided an opportunity for non-executive councillors to question the Cabinet Member for Finance and the Associate Director for Finance on the draft 2014/15 budget before it is considered at Cabinet on 11 February 2014 and Full Council on 25 February 2014.
2. The Associate Director of Finance and the Cabinet member for Finance gave a presentation covering the key components and influences on setting this year's budget, under the themes below:
  1. Introduction to appendices flow & Key messages
  2. 2013/14 Budget position
  3. Government Funding
  4. Investment
  5. Savings
  6. Other budgets – fees, HRA & Capital
  7. Reserves
  8. Impact on Council Tax

The key messages were as follows:

- CT Frozen again (4<sup>th</sup> year) and 2014/15 despite 7.6% reduction in Government Revenue grant (32% overall in 5 years)

- Protection of delivery in vulnerable adults and children
- Investment in highways and waste continues
- On top of ongoing investment already agreed on campuses, housing, economy and broadband
- £142m in capital, campuses progressing and hubs in place
- 1% Pay inflation, incremental freeze lifted and pensions funded
- Savings from reducing non-essential spend and efficiency
- Less posts than planned as not filling vacancies
- Despite taking out over £90m in last 4 years with minimised impact on performance

### **Main issues raised during questioning and debate**

1. The Committee acknowledged that 2014/15 was a particularly challenging budget demonstrated by the level of the savings required as detailed in the budget book, with the main concern being that there was little room for flexibility.
2. It was noted that it was projected that the 2013/14 budget would balance at year end despite current continuing overspends in some services. This would be down to the success of recovery plans and underspending in other areas.
3. It was highlighted that there was a lack of focus on risk in the presentation but the Committee was assured that risks have been properly accounted for by the appropriate professionals and adequately catered for in the budget.
4. It was noted that transport was one of the Council's largest expenditures hence the focus of the strategic savings being on this area.
5. It was confirmed that as a Council we do get value from recyclables and that this is reviewed to maximise savings. The Environment Select Committee was aware of this issue and would be looking to investigate it further to incorporate a reward principle into the new waste contract from 2016.
6. The involvement of Area Boards in promoting more effective public consultation on setting the budget should be better utilised, potentially with a dedicated session. It was reported that last year turnout was disappointing at the consultative road shows. This year events have been directed at particular demographic groups. The Committee recognised that by whichever means chosen, that relaying the key messages of the budget to the public required refinement, although doing something meaningful within the timescales set was challenging. It was confirmed that Communications would be producing a summary document for public consumption following Council.
7. The potential influence that campus development could exert within the local economy was felt to be significant and should be fully exploited under Action 2. However it was recognised that contract regulations required fair competition but the nature of the work involved would naturally benefit local suppliers and employment. It was reported that improved controls and challenge are to be put into place within the procurement process to help in such matters.



8. It was confirmed that the pressure points identified in the Report are predominantly due to an increase in demand on the services involved due to the change in demographic, these being Adult Social Care and Children's Services. The Committee accepted the premise of the investments outlined in these areas and that priorities are being set in line with the Business Plan.
9. Clarification was sought in relation to the monies in Action 3 and the role that Area Boards would have to influence other spend beyond the continuing grant. For town and parish councils, despite the grant to offset the consequences of the Council Tax Reductions (CTR which has had the effect of reducing the Council Tax Base) not being ring-fenced by Government, would still be passported to town and parish councils as agreed by Cabinet on 21st November 2013.
10. Action 5 - The Better Care Plan had been drafted and will be ready for release shortly following approval by the Health and Well-Being Board. The funding for which will be drawn from the acute hospitals in the form of top slicing 3% from their budgets to streamline services and form a centralised system aimed at providing more community care. The Health Scrutiny Select Committee would be involved in monitoring delivery.
11. Item 4 of the strategic savings was confirmed to be aimed at subsidised transport and did not constitute a decision to withdraw funding but rather to seek joint funding via the Further Education establishments, with no loss to the service. It was noted that no impact assessment has been completed on this as yet and that Scrutiny should be a part of this process.
12. The detail of Item 13 should be considered by the Highways and Street Scene (BBLP) Task Group.
13. The Voluntary Redundancy scheme yielded more volunteers than anticipated and therefore resulted in higher initial costs to the Council. The shortfall was funded by monies borrowed from reserves and replaced by the additional savings that were accumulated after the one-off payments were made. This resulted in the 'technical' draw down best described as a cash flow issue. Certain costs have also been capitalised under a scheme offered by Government.
14. The work of the Committee's Financial Planning Task Group included early discussion on aligning budget, performance, risk and service planning which would continue through 2014/15. It was anticipated this would enhance its monitoring role and make an overall contribution to reviewing the strategic delivery of the Council's 4-year Business Plan.

## **Conclusion**

1. To thank all those who attended the meeting and contributed to discussion and, in doing so, to acknowledge the work done by the officer team in drawing the budget documents together and the challenges faced by the Executive in difficult financial circumstances.

2. Cabinet and Full Council are asked to take this summary of the issues raised at the special scrutiny meeting into account when finalising the budget and council tax for 2014/15.

**Cllr Simon Killane**  
**Chairman –Overview & Scrutiny Management Committee**

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Report Author: Emma Dove, Scrutiny Officer, 01225 718071 or [emma.dove@wiltshire.gov.uk](mailto:emma.dove@wiltshire.gov.uk).

## Relevant Extract of minutes of Cabinet dated 11 February 2014

### 22 Wiltshire Council's Policy on Fees, Charges and Concessions

**Key** Cllr Dick Tonge presented a report which explained proposals to harmonise the setting of fees, charges and concessions across the County. Accordingly, Cabinet's approval was sought on a proposed policy for onward recommendation to Council.

If approved, the proposal would not be applied to the fees and charges initially set as part of the 2014/15 budget process. However, this did not preclude fees and charges being amended during that year as a result of a review of the current charges against the principles set out in the proposed policy.

Cllr Laura Mayes had slight reservations over the wording in the proposed policy which referenced the provision of accommodation for children under section 20 of the Children Act 1989 – paragraph 3 (6) of the policy refers. Cllr Mayes agreed to clarify this further with the relevant Corporate Directors. Cllr Thomson referred to a recent court case which could have implications on the charging policy in this regard and it was agreed that this be referred to the Associate Director, Law and Governance to investigate.

Cllr Jon Hubbard questioned whether the proposed policy should make provision for the Council not providing services where there were commercial alternatives. Cllr Tonge whilst appreciating the point being made, clarified that the proposed policy was for where charges were being made; the decision on whether or not particular services should be provided was a separate issue.

#### **Resolved:**

**That Cabinet agree the Wiltshire Council Fees, Charges and Concessions Policy and recommend its approval to Council (subject to any clarification required as a result of the points raised in the third paragraph of this minute).**

Reason for decision:

To enable the Council to:

- Maintain a consistent approach to setting its fees and charges.
- Deliver the outcomes of its Business Plan through effective pricing, subsidising those areas of strategic need.
- Recover costs and contribute to the medium term financial plan.

### 23 Wiltshire Council Financial Plan 2014/2015

**Key** The Leader presented the draft Financial Plan for 2014/15 for Cabinet's consideration, agreement and onward recommendation to Council on 25 February 2014.

The Leader explained that once again, in the face of continued reduction in Government grant, increased demand for services particularly children's services and adult care and the Council's commitment to protect front line services as far as possible, it had not been an easy task. She acknowledged that next year was likely to be even more challenging. The proposed budget included savings from services of £25.540 million. Every effort had been made to optimise efficiency savings internally to minimise the impact on the public and maintain a zero increase in council tax.

Cabinet received a report which provided an assessment of draft proposals to Council to set a budget for 2014/15 and the impact on Council Tax, rents, fees and charges, the capital programme, school budgets as well as reserves.

Cllr Dick Tonge presented the Financial Plan and guided members through the document and the detailed financial information in the Budget Book.

It was noted that the specific changes to the Financial Plan also reflected decisions that the Council was already progressing and the Plan thus confirmed the commitments to resource the 12 key actions as detailed in the report presented, in order to ensure delivery.

The budget for 2014/15 would redirect and invest £18.085 million of resources in line with the Business Plan. To date in response to the consultation responses received, investment as set out at Section 7 of the report presented, supported money being directed into the identified priority areas, namely the maintenance of roads, older people and adult social care and affordable housing.

It was noted that £1.994 million net was proposed to safeguard vulnerable Children. Provision was being made for £2.548 million before savings to increase pay by 1%, the first pay rise for staff in five years. The proposals also protected ongoing investment in building more homes and campuses which would help stimulate the local economy. £10.481 million of new capital money would be invested in Highways in 2014/15 and £45 million over the next four years. Aligned to the Business Plan the budget would also safeguard the commitment to Military Civil Integration and creating / protecting jobs.

Cllr Roy While, presented the report of the Special meeting of the Overview and Scrutiny Management Committee held on 5 February to consider its response to the budget proposals. Cllr While guided Cabinet through the key points raised by the Committee and acknowledge the challenges faced by Cabinet in drawing up a budget in difficult financial circumstances.

The report also detailed the various forms of consultation undertaken on the budget which included a household survey, details of which were presented; a meeting with trade unions; a meeting with non-domestic rate-payers had been arranged; People's Voice; a very well attended budget consultation event on 10 February with various sectors and ages of the community and the Wiltshire Council's Housing Board on 27 January, the minutes of which were presented.

Cllr Jon Hubbard commented that works to highways should also include residential and rural roads. Cllr John Thomson explained that Area Boards would be involved in prioritising works to rural roads and footpaths in their respective areas.

Cllr Thomson referred to concessionary fares which cost the Council £4.2 million and was well received. There was an argument that the scheme should be targeted with some of the funds directed towards provision for youth facilities.

Cllr David Jenkins commented on the high collection levels of council tax and asked what the administration attributed this to. Cllr Tonge explained that this was down to improved efficiencies and taking a prudent approach on anticipated levels. He did acknowledge that nationally, debt levels were on the increase and this could well impact on future collection levels.

Cllr Tonge paid tribute to the immense hard work on the budget by officers and thanked Michael Hudson and his team.

**Resolved:**

**That Cabinet recommend to Council that it:**

- a. Endorses the update of the Financial Plan for 2014/15.**
- b. Approve the savings and investment proposals summarised at Sections 9 and 7 respectively of this report and at Appendix 1, to provide a net revenue budget for 2014/15 of £333.063 million.**
- c. To:**
  - i. Freeze Wiltshire Council's element of the Band D council tax for 2014/15 £1,222.43, as calculated in accordance with statute, as set out in Section 10 of this report.**
  - ii. Set the Council's total net expenditure budget for 2014/15 at £333.063 million.**
  - iii. Set a 3.7% increase for dwelling rents in accordance with rent restructuring;**
  - iv. Set the HRA Budget for 2014/15 (original) as set out at Appendix 1G of this report;**
  - v. That all other service charges related to the HRA be increased by 3.7%, and Garages rents to be increased by 2%**
  - vi. Approve the Capital programme proposed at Appendix 1F of this report.**
  - vii. Set the changes in fees and charges set out in detail at Section 8 of and at Appendix 1H of this report.**

Reason for decision:

To enable the Council to:

Set its revenue, capital, housing revenue accounts, fees and charges, levels of reserves and resultant Council Tax 2014/15 to then issue Council Tax and rent bills. Provide the council with a strong business and financial plan for sustainable delivery for the remaining years of those plans.

## 24 Treasury Management Strategy 2014/15

Councillor Dick Tonge, presented a report which set out the proposed Treasury Management Strategy for 2014-15 for approval by Cabinet and onward recommendation to Council.

The report set out:

- a) the Prudential and Treasury Indicators (Prls and Trls) for the next three years;
- b) other debt management decisions required for 2014-15 that do not feature within the Prls or Trls, as shown in paragraphs 3.11 to 3.20;
- c) the Annual Investment Strategy for 2014-15 (only one change from 2013-14 as detailed in paragraph 3.23 of the report); and
- d) the updated Treasury Management Practices.

Cllr Tonge explained that whereas he was aware that some authorities had chosen to sell on their Icelandic bank debts, this Council had not given we were classified as preferred creditors.

**Resolved:**

**That Cabinet recommend to Council to:**

- a) adopt the Prudential and Treasury Indicators (Appendix A of the report presented);**
- b) adopt the Annual Investment Strategy, including the proposed increase in the lending limit associated with Government backed UK banks (Appendix B of the report presented);**
- c) adopt the updated Treasury Management Practices (TMPs) (Appendix C of the report presented);**
- d) delegate to the Associate Director, Finance, Revenues & Benefits and Pensions the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;**

- e) **authorise the Associate Director, Finance, Revenues & Benefits and Pensions 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 and deposits; and**
- g) **agree that any surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Associate Director, Finance, Revenues & Benefits and Pensions the authority to select such funds.**

Reason for decision:

To enable the Council to agree a Treasury Management Strategy for 2014/15 and set Prudential Indicators that comply with statutory guidance and reflect best practice.

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**Wiltshire Council**

**Council**

**25 February 2014**

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## **Wiltshire Council's Financial Plan Update 2014/15**

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### **EXECUTIVE SUMMARY**

This is a covering report, providing an assessment of the Cabinet's draft proposals to Council to set a budget for 2014/15 and the impact on Council Tax, rents, fees and charges, the capital programme, school budgets as well as reserves.

The Management Overview and Scrutiny Committee has been asked to appraise and scrutinise the proposals and plan, as well as officers' conclusions, and feedback comments to Cabinet for consideration as appropriate. Copy of the feedback is included in appendix 4.

Cabinet considered the findings from the Management Overview and Scrutiny Committee, as well as findings from public consultation and recommend approval of the plan and consequences flowing from it to the Council.

Council is now asked to debate and approve the budget, Council Tax, rents fees and charges, capital programme and reserves.

The budget for 2014/15 will redirect and invest £18.085 million of resources in line with the Business Plan, with £3.633 million net more for Vulnerable Adults and Older People and £1.994 million net to safeguard vulnerable Children. We have also provided for £2.548 million before savings to increase pay by 1%, the first pay rise for staff in five years. The proposals also protect ongoing investment in building more homes and campuses (£45 million and £59 million respectively), both of which help stimulate the local economy. £10.481 million of new capital money will be invested in Highways in 2014/15 and £45 million over the next four years. Aligned to the Business Plan the budget safeguards the commitment to Military Civil Integration and creating / protecting jobs.

Against a background of ongoing central Government cuts and a commitment to freeze Council Tax in 2014/15 this requires tough decisions on how to save money. The proposals set out in the report are for £25.540 million of savings from services. The majority of these come from our continued efforts to work differently and more efficiently

whilst minimising the direct impact on front line service levels and performance or targeting the impact to areas of lower community and political priority. The savings are set out fully in the Budget Book at Appendix 1D for each service, and there are £2.912 million of decisions at Appendix 1C of strategic and policy changes that are included within these savings.

Over the last four years the Council has already delivered over £90 million of savings without significant impact on front line outcomes and has seen performance improve overall. Continuing to do this is very difficult and delivery of the 2014/15 savings will need continued monitoring and analysis to ensure the Business Plan focus is driven forward. This will be achieved through ongoing budget and performance reporting throughout 2014/15.

### **Reasons for Proposals**

To enable Council to:

- Set its revenue, capital, housing revenue accounts, fees and charges, levels of reserves and resultant Council Tax for 2014/15 to then issue Council Tax and rent bills.
- Provide the Council with a strong business and financial plan for sustainable delivery for the remaining years of those plans.

## **PROPOSALS**

It is proposed that Council:

- a. Endorses the update of the Financial Plan for 2014/15.
- b. Approve the savings and investment proposals summarised at Sections 9 and 7 respectively of this report and at Appendix 1, to provide a net revenue budget for 2014/15 of £333.063 million.
- c. To:
  - i. Freeze Wiltshire Council's element of the Band D council tax for 2014/15 £1,222.43, as calculated in accordance with statute, as set out in Section 10 of this report.
  - ii. Set the Council's total net expenditure budget for 2014/15 at £333.063 million.
  - iii. Set a 3.7% increase for dwelling rents in accordance with rent restructuring;
  - iv. Set the HRA Budget for 2014/15 (original) as set out at Appendix 1G of this report;
  - v. That all other service charges related to the HRA be increased by 3.7%, and Garages rents to be increased by 2%
  - vi. Approve the Capital programme proposed at Appendix 1F of this report.
  - vii. Set the changes in fees and charges set out in detail at Section 8 of and at Appendix 1H of this report.

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**Wiltshire Council's Financial Plan Update 2014/15**

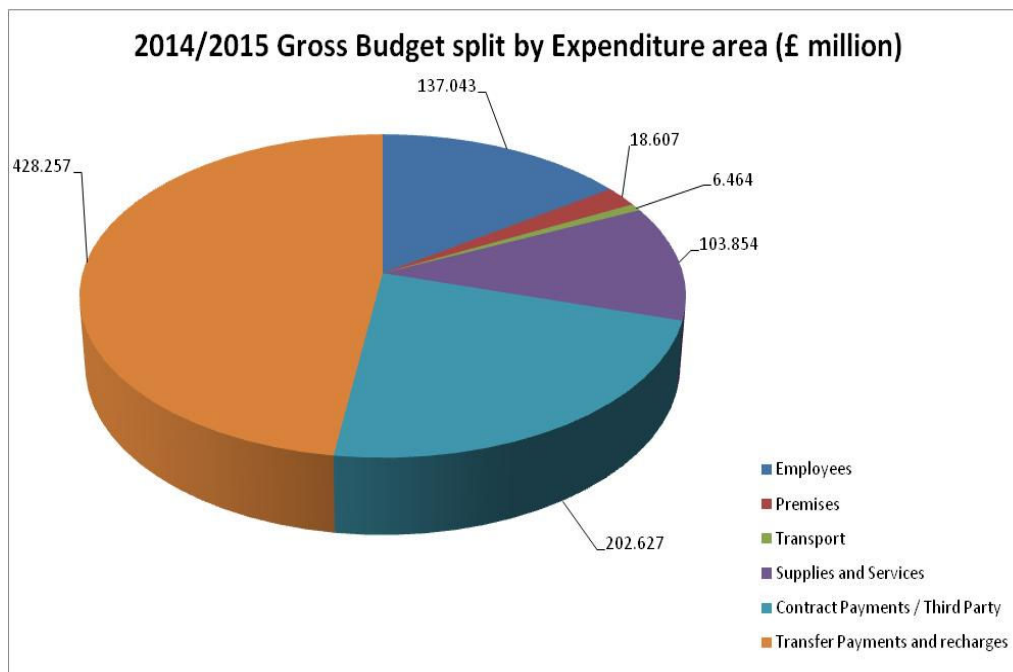
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**1. Purpose of Report**

- 1.1. This is a covering report, providing an assessment of draft proposals to Council to set a budget for 2014/15 and the impact on Council Tax, rents, fees and charges, the capital programme, school budgets as well as reserves.
- 1.2 The Council's Management Overview and Scrutiny Committee has appraised and scrutinised the proposals and plan, as well as officers' conclusions, and fed back to Cabinet. The minutes from that meeting are attached at Appendix 4 of this report.
- 1.3 Cabinet was asked to consider the findings from the Management Overview and Scrutiny Committee, as well as findings from public and Trade Union consultations and recommend approval of the plan and consequences flowing from it to the Council. Minutes of these meetings will be attached at Appendix 4.
- 1.4 Council is asked to debate and approve the budget, Council Tax, rents fees and charges, capital programme and reserves.

## 2. Background

- 2.1 In February 2011 Wiltshire Council approved a four year Business and Financial Plans, (the Plans). The Council is obliged by legislation to set a balanced budget and resultant Council Tax, plus related fees and charges. As a result, Members and officers have been updating the Plans to present to Council an updated Financial Plan in order to set its element of the 2014/15 Council Tax. This includes updating for the new Business Plan approved by Council in September 2013.
- 2.2 The total gross budget for the Council is close to £1 billion as shown below:



- 2.3 Last year the Council faced a continued increase in demand for services to the most vulnerable, as well as inflationary pressures and changes in Government policy and funding. The Council has worked hard to deliver the second year performance, savings and investment proposals of its plans. Latest projections reported to Cabinet 11<sup>th</sup> February 2014 (see [Link](#)) identify a net overspend of £0.449 million at Period 9, and thus overall with action a balanced budget for 2013/14 is forecast.
- 2.4 The national and local changes have been appraised against the new Business and Financial Plans, and given the Business Plan was only updated in September 2013 there are no changes proposed to that plan. There are some revisions arising from funding changes to the four year financial plan first reported alongside the Business Plan, and these are shown in Section 4 and at Appendix 1 of this report.

2.5 Cabinet has assessed all changes and feedback from ongoing public engagement and, attached to this report at Appendix 1, has issued an update to the Financial Plan. This report is an assessment to inform members in their decision making process of the adequacy and ability to deliver the proposals made by Cabinet, and the resultant impact on the Council's financial standing.

2.6 This report therefore considers:

- a) The current financial position of the Council for 2013/14 – **Section 3**
- b) Changes to the financial plan assumption reported to Council last year – **Section 4**
- c) The feedback from public and other consultation – **Section 5**
- d) The level of Government funding available for 2014/15 – **Section 6**
- e) The level of investment required for delivering the Business Plan in 2014/15 – **Section 7**
- f) The consequences of charges, capital, housing and schools proposals – **Section 8**
- g) The level of savings required – **Section 9**
- h) The resultant Council Tax calculation – **Section 10**
- i) An assessment of reserves – **Section 11 and Appendix 2**
- j) The impact on 2015/16 and future years – **Section 12**
- k) Consideration of other factors and professional advice – **Sections 13 to 18**

### **3. 2013/14 Forecast Outturns**

3.1 The Council has 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. The latest forecast at Period 9 (December 2013) as set out in Cabinet 11<sup>th</sup> February agenda ([Link](#)), reports an overspend of £0.449 million, before action and thus a projected year-end balanced budget. Management action and Member decisions throughout the year have been taken to deliver this position. This included a drawdown of £1.4 million from General Fund reserves as planned in support of additional funding for safeguarding vulnerable children.

3.2 As a result of action it is forecast that the 2013/14 revised revenue budget of £340.518 million will be balanced and that there will be no need to draw further on reserves.

3.3 Budget monitoring of the capital, housing and schools budgets also show they are on target and forecast to be have small surpluses to transfer to reserves above what was planned in those areas.

#### 4. Changes to the 2012-15 Financial Plan

- 4.1 When Council approved the 2012-15 Business and Financial Plan in February 2011 it then, in February 2013, updated this to set out a detailed budget for 2013/14, which as noted in Section 3 is on schedule to be delivered. The following year was projected based upon certain assumptions and plans. This report focuses on 2014/15 and the detailed proposals.
- 4.2 In line with the priorities flowing from the new Business Plan approved by Council in September 2013 ([Link](#)) (note Section 12 of this report assesses 2015/16 and future years) the Financial Plan was reassessed in May and September 2013. This identifies that Cabinet did not propose to change the goals and objectives of the Business Plan, however this identified a number of minor changes to the Financial Plan agreed in February 2013. Since the Business Plan was approved by Council the Financial Plan has again been updated to reflect further changes in assumptions and funding announcements and is attached at Appendix 1 to this report.
- 4.3 The key changes have been to align the investment to the 12 Key actions within the Business Plan, reflect further increased demographic pressures, inflation, and new Government funding schemes for local authorities, for example the Better Care Fund.
- 4.4 The specific changes to the Financial Plan also reflect decisions that the Council is already progressing and the plan thus confirms the commitments to resource the 12 key actions in order to ensure delivery. They are:
- **Action 1 – Highways:** £0.200 million revenue initially invested in Highways in 2014/15, rising to £1.687 million by 2018/19 to fund the capital financing in order to improve Wiltshire's roads. This will be a six year programme of additional works increasing annual expenditure on structural road maintenance from £10.500 million to £21.000 million per year for six years from 2014/15. This was approved by Cabinet in October 2013 ([Link](#)).
  - **Action 2 - Stimulate economic growth:** The Budget continues the commitment to invest £1 million in growing and protecting our economy. We also have a continued commitment to the Local Enterprise Partnership, City Deal, Strategic Economic Plan (SEP) and working with partners to deliver growth and more jobs. We also have a significant capital programme with a focus on ensuring local trade benefits from our campus and housing programmes. This also includes £16 million investing in improving broadband speed and access in Wiltshire. We think this will bring in over £0.3 million more of council tax and NNDR income next year.

- **Action 3 – Area Boards & working with communities:** The budget retains the £1 million grant commitment, and proposals such as Youth and speeding look to engage with local communities further to direct more spending. £0.921 million will be passported as a grant to Wiltshire’s Town and Parish Councils and will be reviewed in following years. Some councils across the country have not done this, but in November ([Link](#)) the Cabinet approved this investment due to the importance of local councils to the effective delivery of public services throughout the County.
- **Action 4 - Opportunities for every child:** The Council is working closely with academies, maintained schools and colleges to promote school improvement within the self governing system set out by Government.
- **Action 5 – Protecting the vulnerable:** £3.633 million invested net of savings (£4.300 million gross) in Adult front line care (plus £0.397 million in a 1% increase in staff pay) – this will support the ongoing increase in demand and changes in patterns and needs of care. We are working with the Clinical Commissioning Group (CCG) and other partners to develop and implement an Integrated Health Plan set and monitored by the Health and Well Being Board. This growth includes £1.800 million of additional Health Monies to protect the ability to maintain social care at a level that meets the requirements of Wiltshire resident’s needs. Going forward we are working with the CCG to introduce preventative approaches to manage these costs across the County. £1.994 million invested net in Children’s frontline Safeguarding (£5.188 million gross before savings and including £0.405 million 1% increase in staff pay). This is largely to fund ongoing cost and demand pressures, as well as investing in an innovative cross sector preventative Multi Agency Safeguarding Hub (MASH) agreed by Cabinet in December 2013 ([Link](#)).
- **Action 6 – Investing in Housing:** £44.9 million investment in modernisation of housing over 4 years through the Housing Revenue Account. In addition contribution towards the Housing PFI providing around 260 additional properties. There is also £2m per annum allocation from the Housing Revenue Account towards providing new build affordable housing.
- **Action 7 – Military Civilian Integration:** The Council is working in partnership with the MOD to ensure the successful army rebasing programme. This includes integration around housing, school and infrastructure developments, alongside other community initiatives. Progress on this was reported to Cabinet in September 2013 ([Link](#)).
- **Action 8 – Delegate Land and services:** The council has a strategy agreed with our local partners and continues to commit to and deliver on this policy.



- **Action 9 – Campuses:** £54.474 million is being invested between 2014/15 and 2017/18 into the Campus programme to improve the community of Wiltshire, in 2014/15 the current schemes approved and commencing are forecast to require £37.939 million of borrowing. This equates to an increase on the capital financing budget of around £2.4 million by the end of 2017/18. These increases have been factored into the Medium Term Financial Strategy. Corsham Campus is under construction and expected to open in late 2014, followed by Salisbury phase 1 in 2015, the remaining agreed Campuses (Melksham, Calne, Cricklade, Pewsey and Tisbury) are then phased to be completed during 2015 or 2016.
- **Action 10 – Public Health:** An additional £1.326 million of Public Health monies is being used to improve health outcomes for the Wiltshire population. The additional money will be used to target the prevention of ill health through early intervention and reducing health inequalities across Wiltshire. There will be increased demand on Public Health services due to population changes which will be resourced from the Public Health growth. The way these monies are to be allocated is shown in Appendix 11.
- **Action 11 – Realigning Resources:** This report identifies that a gross £18.085 million is being realigned to key Business Plan actions and priorities with savings being found to deliver this realignment and continued reduction in Government funding.
- **Action 12 – Developing our workforce:** £2.548 million to fund a 1% increase in pay, assuming this is the agreement at a national level, and incremental increases. Discussion between employers and trade unions are ongoing. The investment also covers the cost of pensions arising out of the 2013 actuarial revaluation of Wiltshire’s Pension Fund to ensure the scheme remains viable. We are also investing £0.1 million in an on line learning and development system that will improve staff’s access to training at a reduced cost.

4.5 These investments and realignment of funds have been assessed by Finance and Services and are endorsed as an appropriate level based on current information and necessary to reflect the ability to deliver the Business Plan in 2014/15.

## 5. Public Consultation

5.1 Public consultation has been carried out in a number of ways:

- Specific consultation as part of Cabinet decision making process throughout the year, such as Waste and Recycling Collection rounds or the Multi Agency Safeguarding Hub (M.A.S.H.), and where appropriate this will be carried on in 2015/16 and beyond arising from Cabinet’s proposals;
- A consultation will be held at County Hall on 10th February 2014 with feedback provided at Cabinet and Council; and
- Household surveys.

Alongside this other consultation has taken place with Trade Unions.

5.2 The Household Survey report findings are based on an overall survey return of 5,959. The findings from the Survey were:

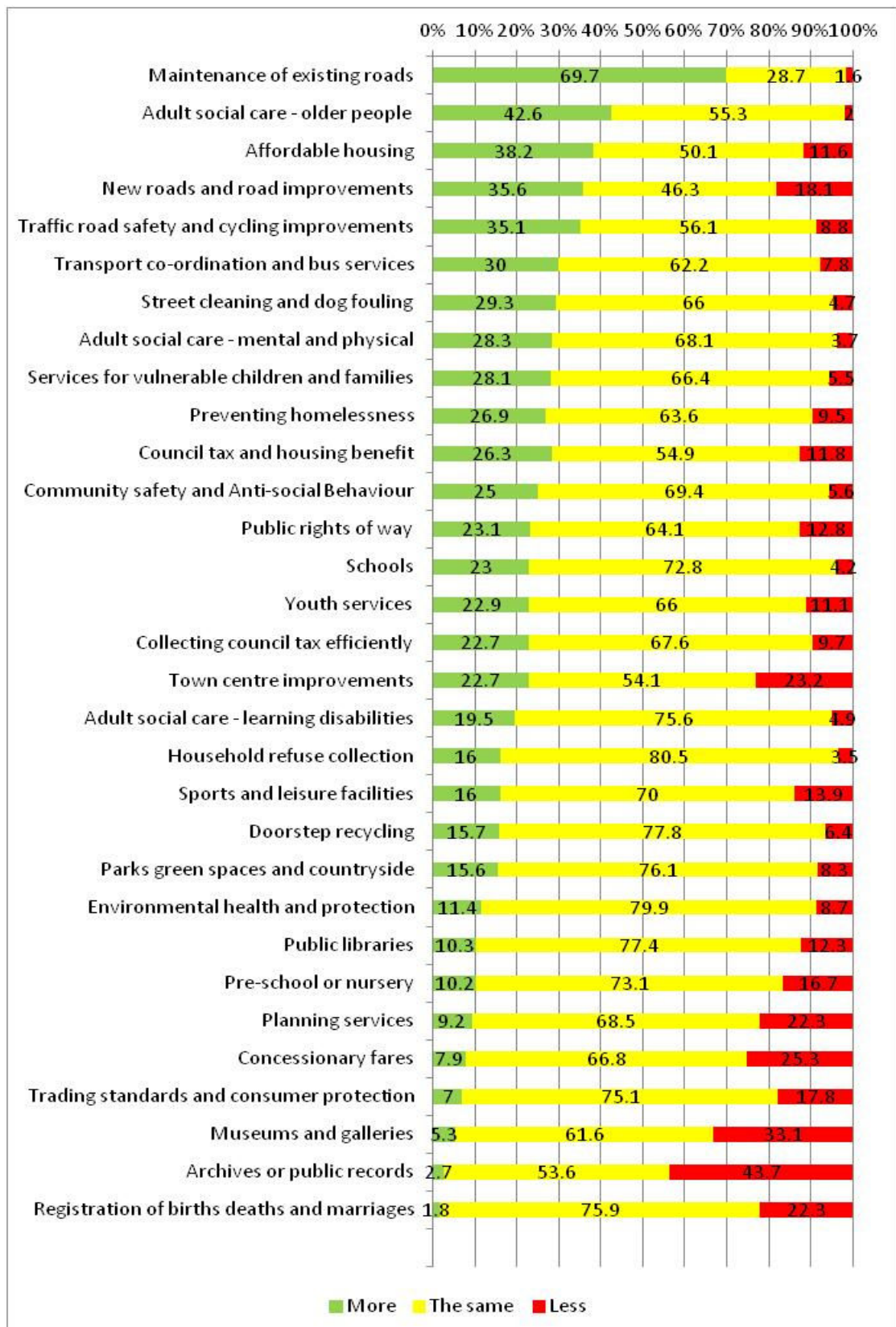
	Household Survey
Top 3 areas to invest monies	<ol style="list-style-type: none"><li>1. Maintenance of existing roads (69.7% )</li><li>2. Adult social care services for older people (42.6% )</li><li>3. Provision of affordable housing (38.2% )</li></ol>
Top 3 areas to take money from	<ol style="list-style-type: none"><li>1. Archives or public records (43.7%)</li><li>2. Museums and galleries (33.1%)</li><li>3. Concessionary fares (25.3%)</li></ol>

5.3 To date in response to the consultation responses received, investment as set out at Section 7, supports money being directed into these priority areas:

- **Maintenance of roads** - £10.5 million more has been committed in the capital programme in 2014/15 than was spent in 2012/13, with £13.5 million in revenue also going into this service. Over the next 6 years £21 million of capital will be invested in Wiltshire’s structural maintenance of highways, this was approved by Cabinet in October 2013 ([Link](#)).
- **Older people and adult social care** - £3.633 million net is proposed to be invested in 2014/15 broadly in line with the original plan last February; and
- **Affordable Housing** – £44.9 million is being invested in modernising social housing and towards providing new build affordable housing over 4 years through the Housing Revenue Account.

5.4 In relation to the areas where responders favoured taking money out of, proposals at section 9 include removing the concessionary fare before 9.30am.

5.5 The overall findings were as follows:



- 5.6 Consultations with Trade Unions, local businesses and with staff as appropriate to restructure proposals are ongoing. Trade Union feedback is to be sought at the overall budget at Group Leaders meeting with all Unions on 6<sup>th</sup> February and feedback given at Cabinet.
- 5.7 The debate and actions from the Management Overview and Scrutiny Committee will also be appended and any issues raised considered at that meeting before proposals are recommended to Full Council.

## **6. Level of Funding**

6.1 The Council's Government funding for 2014/15 comprises of three elements, the first two making up what is referred to as Wiltshire's Revenue Support Grant (RSG), that is the Department's calculation of what the Council's spending should be compared with other councils across the country:

- Settlement Funding Allocation (SFA);
- Business Rates Retention Scheme (BRRS); and
- Ring fenced grants, such as Public Health and Better Care Fund.

6.2 This and the impact for Wiltshire are set out in more detail in the following paragraphs. Section 10 of this report notes the level of Council Tax, and Section 8 assesses the assumptions on fees and charges plus the funding for capital, housing and schools.

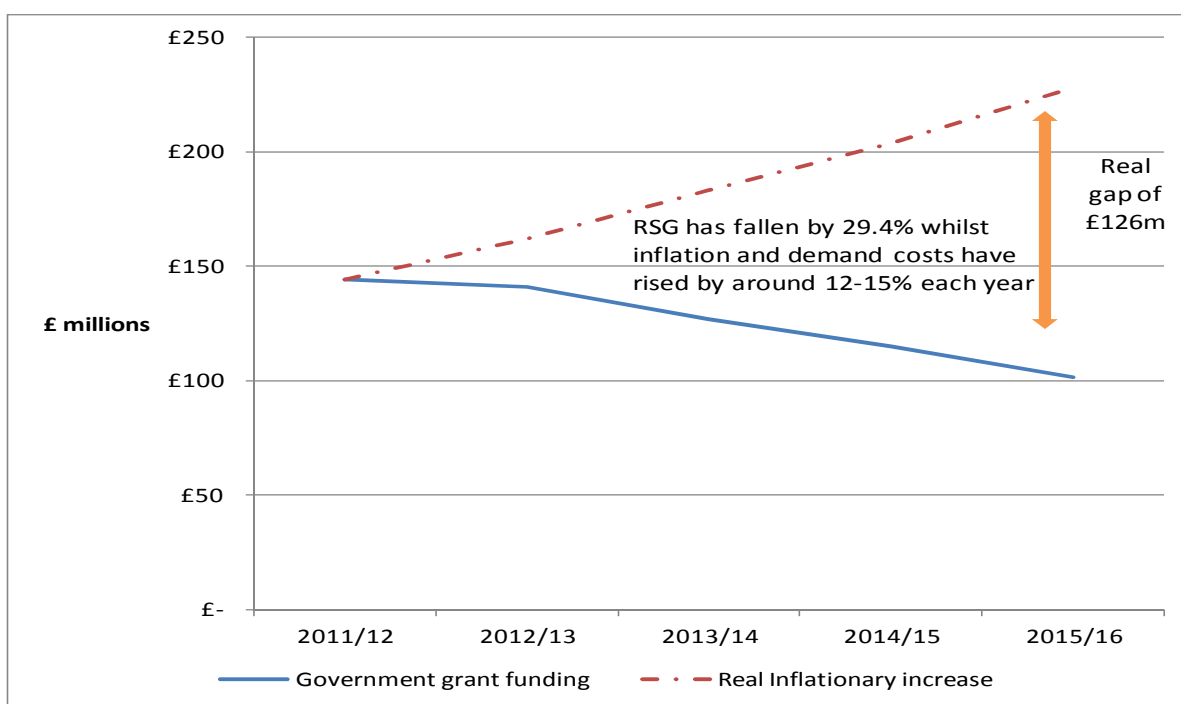
- ***Government Grant***

6.3 In 2010, the Government simplified the funding for local authorities to one main grant – the formula grant, and 9 separate core grants. At the same time it announced a review of the funding formula and system with the aim of introducing a more transparent and simplified scheme that also support the localism agenda. These changes took affect from 2013/14, and as such this is the second year of the current funding scheme. Wiltshire's allocation is derived thus from the funding baseline set last year for each authority. Government have adjusted the SFA based on a percentage reduction rather than a need assessment, and increased the BBRS to reflect growth in the money retained through the Business Rates Retention Scheme.

6.4 For 2014/15 the Government announced on 18<sup>th</sup> December a draft settlement as follows:

	2014/15 £m	2015/16 £m	Change £m
SFA (including 2013/14 Council Tax Freeze Grant but excluding 2014/15)	65.456	48.622	-16.834
BRRS	51.557	52.980	+ 1.423
<b>Total</b>	<b>117.013</b>	<b>101.602</b>	<b>-15.411</b>

6.5 This continued reduction in the RSG reflects a ‘real’ pressure to fund the Council since 2011 of £126 million if we had not made any savings and could fund all of the demographic and inflationary costs as shown by the following graph:



6.6 In addition to this if the Council passes the proposals for no increase in Council Tax in 2014/15 then there will be a further grant of circa £2.218 million added to the SFA, this is assumed in the financial model at Appendix 1B. Government have also confirmed that this and previous Council Tax Freeze Grants have now been included in the base funding for future years. This avoids the potential need to find c£18 million in 2016/17. If the Council did not accept the proposal to freeze Wiltshire’s Council Tax for 2014/15 then this grant would not be capable of being counted to the Financial Plan under pinning this report.

- 6.7 Also the Government has created a similar Freeze Grant for Business Rates. This has arisen as the original funding announcement in September 2013 assumed an increase in NNDR of 3.4% in line with the Retail Index Price (RPI) at that time. Following lobbying the Chancellor announced the increase would be capped at 2%, but that local authorities would not have to fund this. As such Government have announced a section 31 Grant to provide for this shortfall. In addition, the Government confirmed a continuation of the Small Business Rate Relief Scheme which will see additional funds. At this stage we are still awaiting an announcement on the exact fund and thus an estimate for 2014/15 has been included of £0.5m. At this stage the Government have said the grant will only be available in 2014/15 and 2015/16 and the decision on future years will be left to the Government post the next election.
- 6.8 The final settlement has yet to be confirmed and is not expected until mid to late February 2014. It must also be noted that notification on the final Education Services Grant (ESG) (formerly LACSEG) will not be known until 31<sup>st</sup> March 2014.
- 6.9 In addition to this the Government is issuing a smaller number of specific grants for Public Health, Dedicated Schools Grant and Public Health Monies. These are as follows:
- **Public Health - £14.587 million:** This is £1.326 million more than 2013/14, and funding is ringfenced to public health and will be subject to external audit and quarterly reporting to the NHS. As such the grant is shown as gross in the Council's financial plan and funding from previous years is assumed within spending in areas such as Children, Leisure and Adults which thus again report a net position. All additional funding will need to be determined going forward. A statement of intended spend is attached at Appendix 11.
  - **Better Care Fund (Previously known as Health Gain Monies / the Integrated Transformation Fund) - £11.58 million:** This funding is a continuation of the specific grant allocated first in 2011/12 to support adult and older people care joint working with the NHS and is allocated by the Health and Well Being Board. The funds include provision for growth in demand and preparing for the Care Bill implications. The fund is £1.800 million more than 2013/14, and of the monies allocated in that year some are committed to fund ongoing schemes and demand such as Step To Active Recovery and Return (STARR). We have assumed £5.651 million allocated in 2013/14 will continue as will other projects and as such only the additional £1.800 million has been assumed in the Council's funding.
  - **Dedicated Schools Grant (DSG) - £303.919 million:** This is set out in more detail in following sections of this report.

6.10 The Government confirmed in the Provisional Funding Announcement that the unringfenced Rural Grant introduced in 2013/14 has been included going forward from 2014/15 in the SFA baseline.

6.11 The assumption is that there will be no changes to the Council's formula grant; consequently we have assumed a SFA for 2014/15, including the 2014/15 Council tax Freeze Grant, of £67.674 million (including an additional 2014/15 Council Tax Freeze grant) and a Business Rates Retention of £51.557 million. This gives an overall RSG of £119.231 million.

## 7 Level of investment and changes to the original plan

7.1 Cabinet has identified through the Business Plan investment in 12 key priorities as discussed at Section 4.4 of this report. This has resulted in changes in the level of investment across the three areas reported to Council in February 2013. Our forecasts around investing in communities and vulnerable people continue to be excellent. We have managed to reduce the level of investment needed for inflation due to continuing to challenge the level of our spend and contract provisions. As a result, we have seen a favourable reduction in what we had original assumed was needed for general inflation, as shown by the following levels of investments:

2014/15	Original Plan February 2013 £m	Proposals £m	Difference £m
Investing in our communities and priority services	2.000	<b>2.501</b>	0.501
Protecting vulnerable people	9.454	<b>9.488</b>	0.034
Funding inflation and cost pressures	22.396	<b>6.096</b>	-16.300
<b>Total</b>	<b>33.850</b>	<b>18.085</b>	<b>-15.765</b>

The investments are also discussed at paragraphs 4.4 and 4.5 of this report.

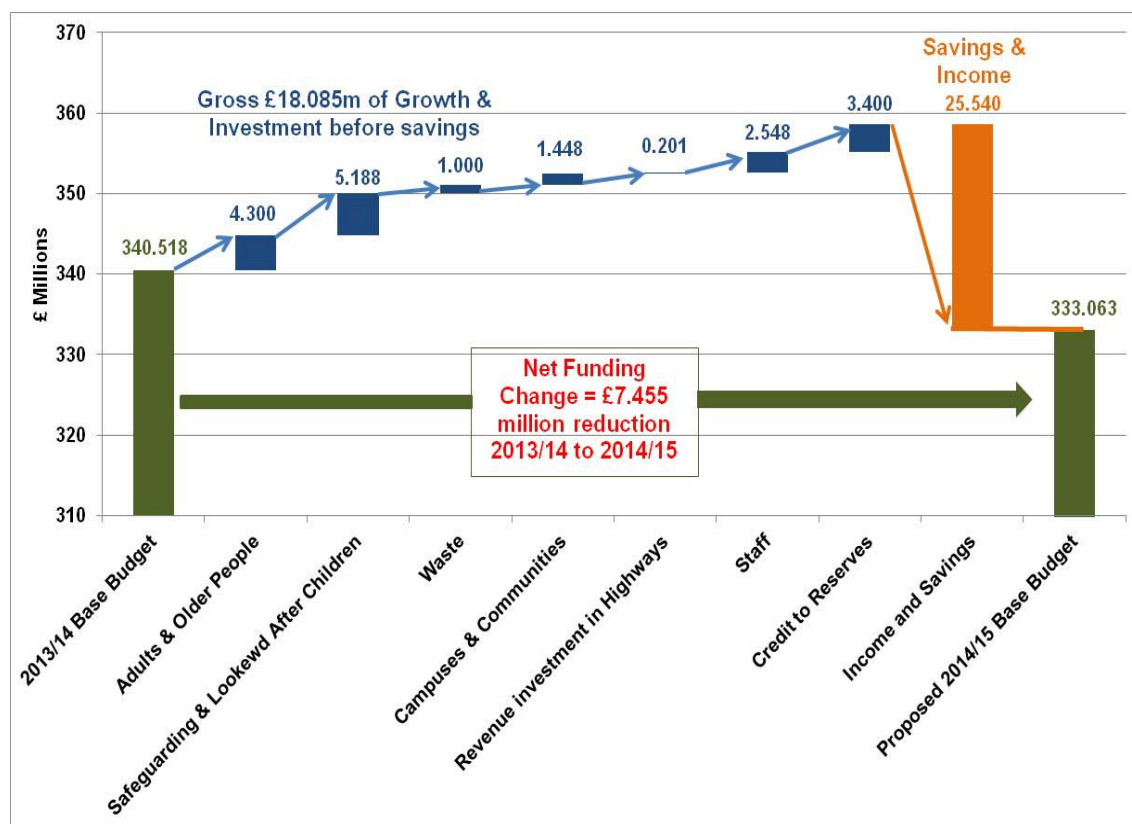
7.2 The key differences between the original and revised Financial Plans are:

- Funding inflation – we had assumed that inflation would be higher in 2014/15 at around £10 million based on the level of inflation at the start of 2012, however signs suggest this has fallen and experience in negotiating contracts has reduced the level of inflation needing to be applied. As such the funding of inflation has been consumed within service budgets.

- Funding for corporate items - £6.947 million was included in the Financial Plan at September 2013 as corporate savings from 2013/14 were still to be identified and as such we took the prudent approach of carrying forward these as though they were not met on a recurring basis. These have been identified in year or in 2014/15 proposals therefore in the updated Financial Plan this line has been removed.
- Funding pay and pensions – a sum of £2.548 million has been allocated to services to fund an assumed 1% increase in pay and the additional 1% contribution to the Wiltshire Pension Fund. The pay award for the majority of our staff is carried out at a national level between employer representatives and trade unions, and whilst no national agreement has been reached we have assumed that pay will rise in line with the Chancellor’s expectations. The original forecast of inflation included another £2.500 million for potential Pension increases which are not now needed following revaluation.
- Capital funding and reserves – continued improvements in profiling of capital and management of our cash reserves over borrowing assumptions has maintained the expected cost of borrowing to a relatively small increase of £1.001 million from 2013/14. That is actually £1.800 million less than we forecast last September 2013 for the Business Plan due largely to the efficient structure of funding agreed by Cabinet for the additional Highways work.
- Protecting Vulnerable – This is broadly in line with Business Plan forecasts with £5.188 million more before savings is needed to invest in the additional cost of supporting the cost of the increased demand and Government expectations over the care for vulnerable children. In Adult care £2.5 million gross has been identified for investment by the Council to fund demography, this is in addition £1.800 million of joint NHS funding to support transformation and preventative care.



7.2 Overall the remaining £18.085 million level of investment and change in the Council's cost base required for 2014/15 is reflected below:



7.3 Looking forward the current economic climate makes the prediction of inflation and demand harder given the wider variation of professional views. Projections around adult and child care demand have been strengthened to reflect better analysis of care data and trends, and higher levels of inflation have been assumed to be prudent. Thus the investments are felt justified and reasonable. More detail is at Appendix 2.

## 8 The consequences of Charges, Capital, Housing and School budget decisions

- **Fees and Charges**

8.1 Cabinet proposes several changes to fees and charges, however in the main most discretionary fees have been frozen or increased on average by 2% - the Retail Price Index (RPI) at December 2013 that is lower than the 3.4% RPI used by Central Government to inflate certain state benefits and pensions. Other fees set by statute have been based on statutory national levels, and a few fees will remain at 2011/12 levels. A full list of fees and charges is attached at Appendix 1H.

- 8.2 We have sought to harmonise fees and charges across the Wiltshire Council managed leisure centres so the only discrepancies reflect the different services on offer at each leisure centre. This has resulted in many fees and charges being held at 2010 levels with some increases in excess of 2% to bring those fees up to the harmonised level. In addition there are fees and charges that have been reduced as a consequence of the harmonisation process.
- 8.3 In addition, as set out in the following section and Appendix 1C, the Council is looking at carrying out a more detailed review to ensure that we recover a reasonable charge for commercial waste services.
- 8.4 Demand assumptions in the main have remained unchanged. This is felt prudent but will continue to be reviewed in year and an element of reserves has been set aside to cover for this. Other fees and charges proposed are assessed as deliverable at this stage but will also be monitored.
- **Capital**
- 8.5 Cabinet proposed Capital Programme for 2014-18 is attached at Appendix F, along with the indicative sources of funding available. The programme for 2014/2015 proposes a total value of £344 million over the 4 years with £142 million in 2014/2015. The programme is largely built up from Government and other Grants received or due to be received. This amount to around £53 million in 2014/2015. In some cases Grant allocations for 2014/2015 are still to be announced or finalised particularly in the Education and Highways areas, so estimates have been used which will need to be adjusted once grant levels are announced. Additionally other sums often become available during the year from a variety of sources which can be added to the programme during the quarterly reporting of the Capital programme in 2014/2015.
- 8.6 In addition to Government grants, additional Council sums in the form of Capital Receipts from sales of assets and borrowing are able to be added to the programme. Capital receipts assume a total of £35 million received over the next 4 years to fund the planned expenditure. This has assumed that all known receipts are achieved and applied to the current Capital Programme.
- 8.7 The total 4 year programme requires £142 million of borrowing to fund the whole £344 million programme. To fund the £142 million programme in 2014/2015 there is an assumed £71 million increase in borrowing which is largely (£32m) arising from the ongoing Campus programme as added to the programme in previous years. The other major driver of borrowing increases is the Highways budgets which have been increased on previous years budgets by around £6m per annum (raising the budget for Bridges and Structural Maintenance up to £24m per annum and the amount funded from borrowing to around £12m per annum).

- 8.8 These increases have a knock on effect onto general fund expenditure on repaying borrowing. The increase on Capital financing budgets due to the planned 2014/2015 expenditure will hit the Capital financing budget largely in 2015/2016 as the impacts of capital expenditure are lagged. This will require an increase in the revenue capital financing budgets in that year of around £3m and once the programme is complete in 2017/2018, an additional £6m will be required in order to service the new debt. The total capital financing budget in 2017/2018 is anticipated to be around £30m or circa 10% of the Councils Net budget, up from £24m in 2014/2015.
- 8.9 To mitigate the increase in revenue budget, treasury management reviews will continue to be undertaken to take opportunities to reprioritise, re-profile and better manage cash over borrowing to fund schemes. This will allow capital financing costs to be squeezed downwards wherever possible. The effect of reprogramming of the capital programme has the impact of pushing the costs into later years, and an estimate of this has been made within the budgeting. This will prevent the council from borrowing money too early and thus having to pay unnecessary interest repayments.
- ***Housing Revenue Account (HRA)***
- 8.10 In line with Government policy, all councils and registered social landlords are expected to set their rents using the long-standing rent restructuring formula to meet a target rent by 2015/16. The effect in 2014/15 is to increase the average formula or target rent by £3.12 per week (3.7%).
- 8.11 At individual property level, rent increases range from 2.20% to 6.04% more than last year's rent, with no rent increasing by more than the national maximum of RPI (3.2% as at September 2013) plus 0.5% plus £2 per week. Applying the transitional arrangements means that the average rent increase across all dwellings from April 2014 will be £3.54 per week calculated on a 50 week basis or 3.97%.
- 8.12 Whilst we have limited control over the national rent formula we recognise the considerable pressures faced by many of our tenants due to the ongoing economic climate, therefore it is proposed to only increase Service Charges which cover the cost of utilities and other service costs by RPI plus 0.5% which equates to 3.7%, the same increase as charged on dwelling rents. These charges have been frozen for 2 years and the increase in utility costs in the intervening period has risen considerably over recent years. To further alleviate the pressures on tenants, it is also proposed to only increase the charges on Garage rents by 2%. This is following on from a freeze in Garage rents for the past three years.

8.13 The effect on these changes is to increase the amount the HRA returns to reserves by £0.691m to £1.322 million this is an increase from £0.631m in 2013/2014. See detailed budget at Appendix G.

8.14 The Council has already begun investing more heavily in its Council stock through use of HRA reserves and resources available under the new freedoms of the Self Financing regime. This has seen an increase in resources available to spend which has raised the planned expenditure on items such as replacement Kitchens, Bathrooms, Windows, Roofing and Boilers on the Council housing stock in the South of the County. In 2013/2014 the programme is aiming at delivering 192 new Kitchens and 186 new Bathrooms, a substantial increase on previous years. This programme will continue, increasing the average spend per year from under £4 million in 2011/2012 to around £10 million per year available over the next five years. In addition a further £2 million is earmarked for delivery of new council housing.

- **Schools**

8.15 A one year Dedicated Schools Grant (DSG) settlement has been allocated for 2014-15 and so no indication of future years funding has been received. DSG has been allocated in three separate blocks for 2014-15, the blocks are not ringfenced. The total provisional DSG allocation for Wiltshire is £303.919 million broken down as follows:

	<b>£m</b>
Schools Block – final allocation based on October 2013 school census	248.735
Early Years Block – provisional allocation based on January 2012 census	18.652
High Needs Block – provisional allocation based on baseline data agreed with EFA (final data still to be updated)	36.531
<b>Total</b>	<b>303.919</b>

8.16 The settlement represents a cash increase of £0.805m compared with 2013-14 however there are a number of upward and downward adjustments which have been reported to Schools Forum. The main reason for the increase is additional funding to enable the statutory requirement to provide up to 15 hours free childcare to 40% of two year olds to be delivered.

- 8.17 The Early Years block will be updated after the start of the financial year for the January 2014 census and again after the end of the financial year for the January 2015 census. The final value of the High Needs Block will be confirmed in March 2014. Values will be adjusted for placements in non-maintained special schools (NMSS) and for final numbers of post-16 placements.
- 8.18 A minimum funding guarantee (MFG) of 1.5% is to be applied to the delegated schools budget meaning that no school has a reduction in funding of more than 1.5% per pupil before any pupil premium is added. Schools Forum has previously agreed that the cost of the MFG will be met through limiting the gains for those schools who would receive increases in funding through the new funding model. Limits to gains are also applied on a per pupil basis.
- 8.19 Schools Forum met on 16<sup>th</sup> January and agreed to use £0.150 million from DSG Reserves to support secondary provision for hard to place pupils, and as such recommend a budget for schools of £304.049 million. Overall therefore there will be a continuation of the Council's policy to not top up the DSG.

## **9 Level of savings**

- 9.1 The Council's Financial Plan identifies that to fund the £18.085 million of investment and increased costs shown in previous sections of this report will require £25.540 million of savings / additional income.
- 9.2 As part of the process of setting the budget managers have been assessing their budgets. After allocation of £5.683 million of specific grants, and accounting for decisions that have already been taken or that are already out for consultation (£0.941 million), that leaves a target of £18.916. Within this the budget books at Appendix 1D to this report identify savings of £9.238 million of officer actions being taken within the existing Council Policy Framework and processes, including £3.4 million repayment of reserves, to both manage costs and deliver savings, as well as accounting for previous years decisions and those currently out for consultation and already reported to Cabinet. There has then been an allocated target of £3.229 million allocated to services and a further £3.537 million to be allocated. Both these items are discussed below (paragraphs 9.6 and 9.7) in more detail.

9.3 In summary the savings are broken down as follows:

Description	£ million
Grants income	5.683
Service decisions (per full list at Appendix 1D)	9.238
Decisions already made / out to consultation	0.941
Strategic decisions (see below & Appendix 1C)	2.912
Corporate targets allocated	3.229
Corporate targets being allocated	3.537
<b>Total</b>	<b>25.540</b>

9.4 After allowing for these management and previous Cabinet decisions the following £2.912 million of savings are left for decision by Cabinet / Council as part of the process of setting the 2014/15 Council Tax. The proposals are set out in detail at Appendix 1C of this report, and service budget books have been included at Appendix 1D. In summary the strategic savings are:

Strategic Savings		£m
1	Review and increase of Commercial / Trade Waste in charges	0.250
2	Reduction in non efficient bus routes	0.176
3	Review application of spare seat policy and comply with existing policy	0.150
4	Review of discretionary and non statutory educational transport to and from schools and colleges	0.200
5	Further reviews alternative bus concessions	0.039
6	Efficiencies from better use and procurement of taxis	0.100
7	Free travel for OAP and disabled bus pass holders after 0930	0.180
8	Bring Family Information Services in-house	0.120
9	Use of earmarked reserves	0.200
10	Transfer Salisbury CCTV to partners	0.025
11	Income (paragraphs 8.1 to 8.4 of this report)	0.636
12	Highways 4.5% contract management and efficiencies	0.761
13	Area Boards fund local Speed Indicator Devices	0.075
<b>Total</b>		<b>2.912</b>

9.5 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 will need to be found from other areas or reserves.

9.6 There are four corporate target savings allocated out to services within the Plan. This totals £3.229 million:

- Reduce the use of consultancy and agency staff - £0.750 million. Managers will review current use of agency and consultants with a view to replacing work and / or time with existing staff or reducing numbers.
- Reduce the amount spent of travel and subsistence by smarter working practices such as use of lync - £0.750 million. The Council operates now out of 3 main hubs and has invested heavily in Lync and other initiatives such as pool cars that mean expenditure on travel can be reduced. The Council is also revising the need for and procurement of train fares within this proposal.
- Other corporate savings (overtime, equipment, advertising, catering, utilities, venue hire) - £0.653 million. The Council is undertaking a review of it's spend on overheads with a view to restricting this to essential only.
- Target to continue to reduce non-essential spending - £1.076 million. The Council's spend on goods and supplies will be reduced to only essential requirements.

There are five items to be allocated at the start of the year. These total £3.537 million.

- Management Review - £1.477 million. Following the restructure of Senior Management in 2013 the Council will now enter the next phase of its review of the next tiers down to seek efficiencies. It is estimated this will mean a reduction of around 30 to 35 management posts out of c.4,000.
- Extra income target to be allocate £0.100 million. The Council will continue to review the way it sets its fees and charges in line with a new policy presented to the same Council and remove subsidisation over the coming months and years, unless it is agreed for policy reasons.
- Improve controls and reporting around spending - £1.210 million. The Council will reduce the number of officers able to requisition, buy and approve procurement of items. This will enable more front line staff to spend greater time with clients, improve management information, challenge how we buy things and improve discipline.
- Back office review savings £0.450 million. The Council will review the way it supports the delivery of services in light of the changes in the Business and Financial Plan to remove any unnecessary costs.
- Systems Thinking savings to be allocation £0.300 million. These are savings identified by systems reviews which will be allocated to services after work with the transformation team

9.7 In all cases work has begun to deliver these savings, so for example procurement savings have been allocated to service base budgets and work has begun with budget holders to look at the detailed spending and improved controls, purchasing and monitoring to ensure the targets are delivered.

9.8 An element of provision for non-delivery has therefore been provided for in the General Fund Reserves discussed in more detail at Section 11 of this report.

## 10 Council Tax calculation

10.1 The overall position for 2014/15 reflected in this report is therefore:

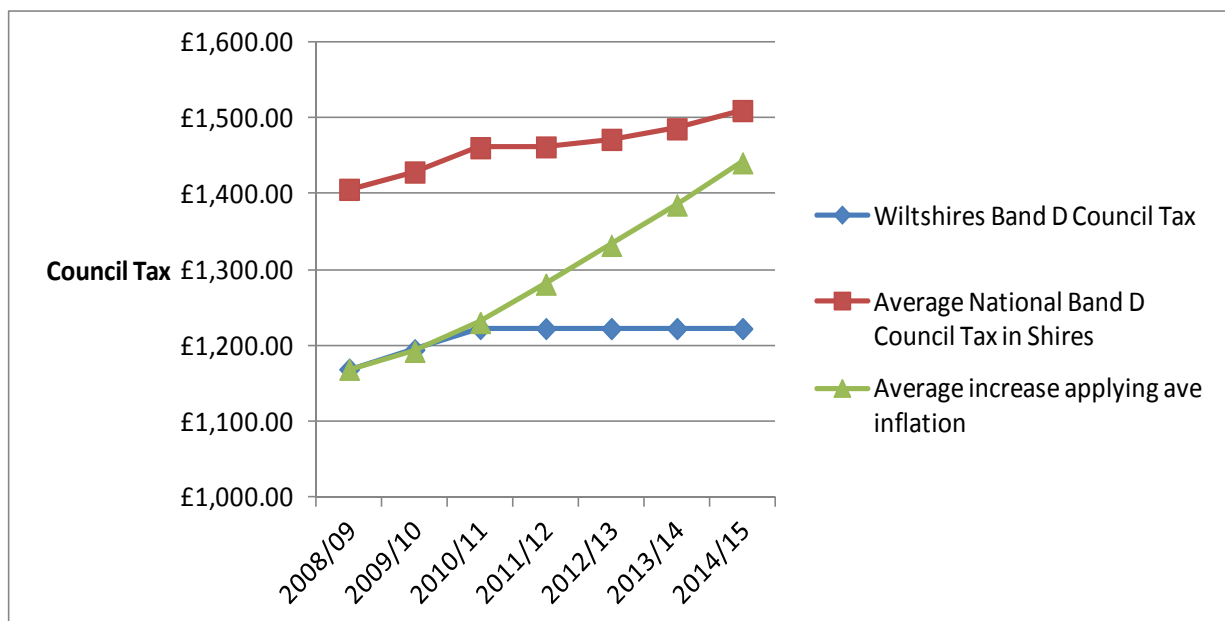
	<u>£m</u>	<u>£m</u>
<b>2012/13 Revised Base Budget</b>		<b>340.518</b>
<b>Plus</b>		
<i>Investment built into initial medium term financial plan</i>		
- Net demand and inflation (paras 7.1)	18.085	
		<u>358.603</u>
<b>Less</b>		
<i>Savings &amp; Income (as set out at Section 9):</i>		(25.540)
<b>Net budget requirement</b>		<b>333.063</b>
Financed by		
• SFA (paragraphs 6.3 to 6.6) and 2014/15 Council Tax Freeze Grant		(67.674)
• Business Rates Retention (paragraphs 6.3 to 6.6)		(51.557)
• Other Central Grants (e.g. ESG)		(6.311)
• Collection Fund		(2.966)
<b>Amount to be found from the Collection fund through Council Tax</b>		<b>(204.555)</b>

10.2 The Local Government Finance Act 1992 (as amended by the 2003 Act) sets out the powers and duties of the Council in setting the annual council Tax. The key requirements under Part IV of the 1972 Act are that:

- Council Tax is set at Full Council – Section 33.
- Council Tax is set at a sufficient level to meet its proposed budget requirements for the ensuing year – Sections 32 and 33.
- The level of Council Tax is set before 11th March to enable circulation of Council Tax bills to enable people to pay on and after 1<sup>st</sup> April- Section 30(6).
- The Chief Finance Officer must report on the robustness of estimates and the proposed adequacy of reserves – Section 25.



- 10.3 The Government, through the Chancellor of the Exchequer, the Rt Hon George Osborne MP, reiterated in December 2012 that keeping Council Tax low remains a priority for the Government. As such Government has introduced new powers to enable referendums where a council sets its council tax at or greater than 2%. To encourage this, the Secretary of State has announced a further one year Council Tax freeze grant equivalent to a 1% increase. The impact for Wiltshire is set out at Section 7 of this report, and equates based on current estimates to be confirmed to a grant of £2.218 million.
- 10.4 The original assumptions employed in setting the 2011-12 to 2012-15 Financial Plan have been that Council Tax for Wiltshire Council is set as follows:
- 2010-11 0%
  - 2011-12 0%
  - 2012-13 0%
  - 2013-14 0%
  - 2014-15 2.5%
- 10.5 The proposals within Cabinet’s report are that for 2014/15 there will be no increase. This is a reflection of the ongoing economic position. Cabinet has also identified that it wishes to challenge future years. At this stage the Financial Plan has been amended to again reflect no increase in 2015/16.
- 10.6 Overall this means that in the last five years, Wiltshire residents have had one of the lowest national increases in Council Tax. There will have been, if this budget is approved, no increase over the last four years in Council Tax compared to an average national inflation for the same period of nearly 17.1%. That is a saving totalling £382 to the average household in 2014/15 when compared with what the average rate of inflation has been over the last five years.



10.7 Compared with similar and surrounding councils Wiltshire remains one of the lowest council taxes:

	2013/14 Band D Council Tax Levels
Shropshire	£1,488
Northumberland	£1,373
Bristol	£1,365
Dorset ( <i>includes District average</i> )	£1,342
Bedfordshire	£1,305
Durham	£1,283
Cheshire West	£1,275
South Gloucester	£1,245
Cornwall	£1,244
Wiltshire	£1,222
BANES	£1,202
Somerset ( <i>includes District average</i> )	£1,168
Swindon	£1,146

10.8 The Council is required to set a Council Tax sufficient to balance the Collection Fund account it maintains. Based on the projections at December Wiltshire Council's net surplus is forecast to be £2.966 million and will be used in funding the 2014/15 budget provision. That results in a funding requirement in 2014/15 from Council tax of (£204.555) million.

- 10.9 The Council has agreed that the average Band D tax base of 167,344.47 for 2014/15 ([Link](#)). Given the calculated draw on the Collection Fund, as identified in section 10.1 of this report, to deliver a balanced budget, after assuming a £2.966 million contribution from the Collection Fund surplus is a net £204.555 million, The Band D Council Tax proposed for 2014/15 is thus frozen and is again £1,222.43 (£204.555 million divided by 167,344.47 tax base). That is unchanged from 2010/11 and across the bandings that equates to the following:





Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86

- 10.10 The precept for Wiltshire Police Authority and Wiltshire Fire and Rescue Service has yet to be finalised and approved for 2014/15, and as such no change to the council tax element for these precepts has yet been made in this report. It is hoped these figures will be available for Cabinet.
- 10.11 In Wiltshire there are 256 parishes and town councils. Each of these bodies has precepting powers and we are currently waiting to hear back from all of these bodies. Given the scale of the number of such councils, the detailed affect for each will be set out in an appendix to Council to show the movement for each body on top of that for Wiltshire Council, the Fire and Police authorities.
- 10.12 However, with reference to the changes reported to Cabinet 18<sup>th</sup> December 2012, relating to the local Council Tax Support Scheme, it is necessary to reiterate that as part of setting the budget and council tax requirement for 2014/15 Wiltshire Council has passed through part of its RSG for parish and town councils.
- 10.13 The Government did not announce a specific grant level in 2014/15 for this element of funding, as such consultation with Town and Parish councils took place in the autumn of 2013 with a report to Cabinet in November 2013 ([Link](#)). As such £0.921 million has been allocated as grant to Wiltshire's local councils. We will continue to support the local councils in lobbying for this to be changed.

## 11 **Assessment of reserves**

- 11.1 The Authority has had for a number of years a Strategic Risk Register and developed a Risk Framework to identify and monitor risks going forward. This register has continued to be updated during 2013/14, and has formed the platform in preparing the Section 151 Officer's assessment of risk. Appendix 3 of this report summarises the significant financial risks arising from this assessment.

11.2 The total potential reserves required from this assessment is as follows:

	31 <sup>st</sup> March			
	2013 £ million	2014 £ million	2015 £ million	2016 £ million
General Fund Reserve risk assessment	<b>10.0</b>	<b>9.1</b>	<b>9.1</b>	<b>14.3</b>
Current Projections (see para 11.6)	<b>12.6</b>	<b>7.8</b>	<b>11.2</b>	<b>14.7</b>
Reserves sufficient		 See paragraph 11.2 for more detail		

11.2 The Authority's General Fund estimated reserve at 31 March 2014 based on the forecast outturn, at Section 3 of this report from the current forecast outturn is £7.8 million. This is below the recommended level on a technical accounting basis only. There was technical draw down in 2013/14 to fund the recent open voluntary redundancy programme. As the result this exercise delivers over £9 million of full year savings against a target of £4 million. To fund this opportunity for later year savings it was agreed as part of the budget monitoring to draw down from reserves in 2013/14 £3.4m and that would be repaid from the savings in 2014/15 and the full year additional affect of £3.4 million useable in 2015/16. As such the reserves on 1<sup>st</sup> April will be £11.2 million, in excess of the £9.1 million risk assessment levels.

11.3 A review of the assumptions applied last year and the current level of reserves has resulted in the following changes being recommended:

- Service savings – the risk assessment continues to provide for non-delivery of savings, and the level of risk has been maintained as based on previous years experiences we have again seen 98%+ delivery of savings identified at this stage of year and other savings being found to match those that were not. The risk thus remains around corporate target risks and this has in part been covered thus in this allocation against the General Fund.
- There is still some uncertainty over future years and 2014/15 funding with no announcements yet on small business rate relief, Section 31 Grant and Education Support Grant. As such an element has been included to provide for a shortfall in funding in the coming and future years.
- The new Better Care Fund for 2015/16 is an indicative £27.1 million allocation. This is set by the Health and Well Being Board but at present the expectation is that at least 25% of this will be performance related around a small number of national and one local indicator. The potential joint risk to the CCG and the Council is just over £6 million. As such in 2015/16 an additional risk has been introduced requiring the General Fund to provide for £2 million as a part Council share if these were not delivered.

11.4 As such, based on the assessment at Appendix 3 there is no further call on reserves in 2014/15, but a technical requirement to contribute £3.4 million to the reserves. This technical contribution has been accounted for in the proposals set out within this report. However, Members should note that, as the external environment of both the public sector and Wiltshire itself changes rapidly, so the number of risks being identified and the likelihood of risks occurring is also increasing. The key risk identified this time as noted above is related to changes to care funding and the performance requirements of the Better Care Fund in 2015/16 and beyond.

11.5 The other main risk relates to the Funding changes that introduced gain but also risk of loss of Business Rates. Whilst there is a national scheme that provides for funding if this income falls and there is a sudden loss of above 7.25%. However, any loss on business rates where by less than 100% of the baseline to 92.25% is collected will be borne by the local authority. Also any negative changes in Council Tax Support allowance will be a risk for the Council to bear. As such an element of the General Fund is still required to reflect the ongoing risk of funding volatility.

11.6 As such the reserves for the following years are proposed as:

	31 <sup>st</sup> March			
	2013 £ million	2014 £ million	2015 £ million	2016 £ million
Opening General Fund Reserve	<b>14.1</b>	<b>12.6</b>	<b>7.8</b>	<b>11.2</b>
Contribution to / (from) general fund reserves	<b>1.5</b>	<b>0.0</b>	<b>3.4</b>	<b>2.5</b>
Contribution (to) / from earmarked reserves from General Fund	<b>(0)</b>	<b>(4.8)</b>	<b>0.0</b>	<b>1.0</b>
Closing General Fund Reserve	<b>12.6</b>	<b>7.8</b>	<b>11.2</b>	<b>14.7</b>

11.7 The “growth” assumption in the General Fund Reserve position in 2015/16 and 2016/17 will be kept under continual review as part of the budget monitoring process.

11.8 An analysis of the other existing earmarked reserves has also been undertaken and the proposed movements and purpose of each is set out below. This identifies a small net change in the total for 2014/15 in line with the Financial Plan set out last year, and a small decrease in 2014 to 2015. This again is provided for in the four year Financial Plan.

Earmarked Revenue Reserves	31 <sup>st</sup> March						Purpose
	2011 £m	2012 £ m	2013 £ m	2014 £ m	2015 £ m	2016 £m	
PFI	3.2	3.2	3.2	3.1	3.0	3.0	To continue the forecast gap in future funding on the existing schools PFI schemes and to fund set up and bid costs for Housing and Adult Care Homes
Other	1.9	2.2	1.5	1.0	0.8	0.8	Includes operating reserve for Libraries and funding of future Workplace Transformation Project management costs
Insurance	4.5	4.5	4.5	4.5	4.0	4.0	To provide for continued increases in costs arising from claims brought against the Council.

11.9 Following this review and proposed transfer from earmarked reserves plus annual contribution from revenue, the level of reserves overall are considered to be sufficient to meet potential risks and demonstrate a prudent level.

## 12 The impact on 2015/16 and future years

12.1 In setting a four year financial plan covering 2011-15 the Council took account of the Government's Comprehensive Spending Review (CSR) announcement in October 2010 that planned a 28% 'real' reduction in our central grant funds over that period. Looking forward in the Chancellor's 2013 Spring and Autumn Statements he announced further reductions of 27.1% nationally over 2014-16.

- 12.2 Government's Provisional Settlement Announcement on 18<sup>th</sup> December sets out an indicative 2015/16 draft funding settlement. This will mean the Council's funding will fall by greater margins in 2015/16 than had been previously assumed. As yet there is still no announcement about funding post the 2015 general election. As such the Financial Plan assumes a continued reduction in line with previous years in RSG.
- 12.3 As such at this stage we have made only minor changes to our assumed longer term financial plan (2015/16) other than to amend it for changes noted in this update. In respect of then extending the Plan to cover 2016/17 and beyond we have taken the decision not to do until the next CSR is announced and consider further any impact a national election may have on subsequent years.

### **13 Legal advice**

13.1 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:-

- S30 (6) Local Government finance Act 1992 (the 1992 Act)  
This section requires that Council Tax must be set before 11 March, in the financial year preceding that for which it is set.
- S32 the 1992 Act  
This section sets out the calculations to be made in determining the budget requirements, including contingencies and financial reserves.
- S33 the 1992 Act  
This section requires the Council to set a balanced budget.
- S25 (1) Local Governance Act 2003 (the 2003 Act)  
The Chief Finance Officer of the Authority must report to it on the following matters:-
  - (a) the robustness of the estimates made for the purposes of the calculations; and
  - (b) the adequacy of the proposed financial reserves.
- S25 (2) the 2003 Act  
When the Council is considering calculations under S32, it must have regard to a report of the Chief finance Officer concerning the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.



- The Local Authorities (Functions & Responsibilities) (England) Regulations 2000 (as amended)

These Regulations set out what are to be the respective functions of Council and of the Cabinet. With regard to the setting of the budget and Council Tax for the forthcoming year, Regulations provide that the Leader formulates the plan or strategy (in relation to the control of the Council's borrowing or capital expenditure) and the preparation of estimates of the amounts to be aggregated in making the calculations under S32 of the 1992 Act. However, the adoption of any such plan or strategy/calculations is the responsibility of (full) Council.

13.2 This report meets those requirements.

13.3 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.

#### 14 **HR advice**

14.1 The Associate Director, People & Business Services has been involved in the process surrounding savings in the service areas and with human resource implications arising from the proposals. This has included consultations with the trade unions in relation to the restructuring of services to deliver savings. Where restructuring of services proposes more than 20 redundancies an HR1 form for each service review has been completed and sent to both the recognised trade unions and the Insolvency Service. Savings from service reviews are realised once consultation on each review is completed. There are processes in place to carry out further consistent consultations arising from other service saving proposals over the next 12 months where there are human resource implications.

14.2 The Council has had good negotiation and consultation relationships with the Trade Unions and looked at terms and conditions in the first two years of the business plan. The pay increment freeze that has been in place for the last few years will be lifted and this and pay inflation of 1% has been included within the base budget assumptions, although it is noted national pay negotiations have yet to conclude.

## 15 **Equalities assessment**

- 15.1 The business plan sets out Wiltshire's approach to stronger and more resilient communities, to our customers and access to services and information. It contains specific investment to support vulnerable adults and children in Wiltshire. The equalities implications of the long term strategies already approved were considered as part of the development of those strategies.
- 15.2 In order for the Council to fulfil its legal requirements under the Public Sector Equality Duty, individual Equality Impact Assessments will be done on the delivery plans for the respective budget decisions at the stage when plans for implementation are drawn up. These will be made available to all Councillors during the decision making process so that the full equality implications of proposals are understood, inform final decisions and due regard is paid to the Equality Duty.

## 16 **Environmental and climate change considerations**

- 16.1 The plan and budget have been developed to support stronger and more resilient communities in Wiltshire.

## 17 **Risk Assessment**

- 17.1 The financial risk assessment that supports the 2014/15 budget is discussed at Appendix 3. Services have considered risk in developing the proposals for investment and savings shown in the financial plan and these will be reflected in their usual risk management arrangements.
- 17.2 The changes that have been made by the Government since May 2010 are significant, and further changes to the public sector are expected over the next few years. During 2014/15, we will need to consider whether further changes are needed to our structures and arrangements once the full details of legislative changes have been disclosed by the government.
- 17.3 Also, we have only received a two year financial settlement and the business plan may need to change once the settlement for 2016/17 is known.
- 17.4 There is a risk that budget proposals will impact on delivery of the Council's Business Plan. Thematic Plans are being developed as the delivery vehicle for each outcome in the Business Plan and these will be revised to take account of budget decisions and ensure that the Council is able to deliver to deliver the outcomes and key actions of the Business Plan 2013-17.

## 18 Financial Implications

- 18.1 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 2014/15 base budgets / Medium Term Financial Plan, and recommended budget options. It is presented in order to provide Members with assurances about the robustness of assumptions made, and to assist them in discharging their governance and monitoring roles during the forthcoming year.
- 18.2 Members are required under the 2003 Act to have regard to the Chief Financial Officer's report when making decisions about the budget calculations.
- 18.3 Section 25 of the Act also covers budget monitoring and this is a procedure which also helps to confirm the robustness of budgets. Current financial performance is taken into account in assessing the possible impact of existing pressures on the new year budgets. It also provides early indications of potential problems in managing the current year budget so that appropriate action may be taken. Members are asked to note therefore that the balanced budget forecast, has been included in our risk based assessment for balances. Budget monitoring is reinforced through close financial support to managers and services. These processes and controls will continue to be built upon for 2014/15, to maintain tight financial control.
- 18.4 In assessing the assumptions in the setting of the 2014/15 Council Tax I note that the Chief Officers have provided details of their service responsibilities and aims, together with explanations of current pressures and other issues. These narratives were set alongside each Associate Director & Head of Service's base budget calculations, so as to put the figures in context and to help inform the formulation of this budget and the Council's proposed Business Plan. My assessment of all this information, following the risk assessment set out, is that the budget calculations are fair and robust, and reserves are adequate to reflect known circumstances.
- Assumptions around the base budget
- 18.5 2014/15 will be the fifth budget set for the new unitary Wiltshire Council. The economic downturn shows some signs of shallowing and rising, as such the original assumptions around income growth in areas such as car parking have been amended to reflect the latest known position.
- 18.6 The financial assumptions are set out in detail in Appendix 1E to the financial plan 2014-18 update presented by Cabinet. These take account of key factors such as demographic and inflation rates of change.

## **19 Conclusions**

- 19.1 The Council's business plan, supported by its financial plan 2014-18 and the budget for 2014/15 sets a clear direction for the coming years, and the budget proposals within that are robust. The Council is thus assessed as financially viable with sound and strong financial standing to set a frozen Council Tax.

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Date of report: 3<sup>rd</sup> February 2014

### **Background Papers:**

The following unpublished documents have been relied on in the preparation of this report:

Various budget working papers in services  
Business & Financial plans 2014-18

### **Appendices**

- 1 – Cabinet's Updated Business & Financial plans 2013-15, which includes budget proposals for 2014/15 and budget book**
  - Appendix A – Financial Plan Update**
  - Appendix B – Service Budget summary**
  - Appendix C – Strategic savings**
  - Appendix D – 2014/15 Individual Service Budget Book**
  - Appendix E – Assumptions used to set the budget**
  - Appendix F – Capital Programme**
  - Appendix G – Housing Revenue Account**
  - Appendix H – Fees and Charges**
  - Appendix I – Public Health Grant planned expenditure**
- 2 – Assessment of investment and increased cost pressures**
- 3- General Fund Reserves assessment**
- 4 - Consultations Feedback**
  - I. Tenants Panel – 2<sup>nd</sup> February 2014**
  - II. Management Overview and Scrutiny – 5<sup>th</sup> February 2014**
  - III. Group Leaders JCC – 6<sup>th</sup> February 2014**
  - IV. Public consultation – 10<sup>th</sup> February 2014**

## Cabinet proposed update to the 2014-18 Financial Plan

<i>High Level MTFs 4 Year Financial Model</i>	2013-2014 Approved Financial Plan	Changes 2014-2015	Changes 2015-2016	Changes 2016- 2017	Changes 2017-2018
	£m	£m	£m	£m	£m
<b>Funding Changes</b>					
Council Tax Requirement	(201.182)	(3.373)	(2.034)	(6.204)	(6.391)
Council Tax Freeze Grant 2013/14	(2.229)	0.011	2.229	0.000	0.000
Council Tax Freeze Grant 2014/15		(2.218)	2.229		
RSG/ Formula Grant	(76.018)	12.780	16.698	3.186	2.963
Rates Retention	(50.573)	(0.984)	(1.563)	(1.610)	(1.658)
Collection Fund	(1.700)	(1.266)	1.000	0.000	0.000
Other Central Grants including Educational Service Grant	(8.816)	2.505	2.036	1.996	1.957
<b>Total Funding Changes</b>	<b>(340.518)</b>	<b>7.455</b>	<b>20.595</b>	<b>(2.632)</b>	<b>(3.129)</b>
<b>Other income changes in Plan</b>					
New Homes Bonus Income changes		(3.306)	1.379	(8.474)	1.841
Fees and charges Income		0.000	(0.173)	(0.176)	(0.177)
Parish Council Local Council Tax Support		(0.577)	(0.400)	(0.300)	(0.198)
Proposed ring fenced grant for funding New responsibilities - Adults		(1.800)	(0.450)	(2.250)	(2.250)
<b>Total Savings Changes</b>		<b>(5.683)</b>	<b>0.356</b>	<b>(11.200)</b>	<b>(0.784)</b>
<b>Investment per Business Plan and demand/demography</b>					
Priority 1: Highways		0.200	1.500	2.000	2.700
Priority 5: Support the most vulnerable in our society					
Adult Care		4.300	2.500	2.500	2.500
Children & Families		5.188	1.000	1.000	1.000
<b>Investment carried forward from 2012-2015 Business Plan</b>					
Waste		1.000	0.000	0.000	0.000
<b>Corporate growth</b>					
Staffing - pay		2.548	2.598	3.979	2.731
Inflation - general		0.648	2.000	2.000	2.000
Pension Backfunding		0.000	0.000	0.608	0.669
Additional effect of 2012/13 VR		3.400	(3.400)	0.000	0.000
Capital Financing to fund current capital program, including campuses		0.801	2.725	1.453	1.812
<b>Total Growth Changes</b>		<b>18.085</b>	<b>8.923</b>	<b>13.540</b>	<b>13.412</b>
<b>TOTAL COST REDUCTION PLAN REQUIRED</b>		<b>19.857</b>	<b>29.874</b>	<b>(0.292)</b>	<b>9.499</b>
<b>Priority 12</b>					
<b>Realign our resources and secure VFM</b>		(19.857)	(29.874)	0.000	(9.499)
<b>TOTAL COST REDUCTION PLAN</b>		<b>(19.857)</b>	<b>(29.874)</b>	<b>0.000</b>	<b>(9.499)</b>
<b>DIFFERENCE</b>		<b>0.000</b>	<b>0.000</b>	<b>(0.292)</b>	<b>0.000</b>

# Service Budget summary

# Appendix 1B

Service Line	Revised 2013-14 Net Base Budget	Growth & Investment	Pay increase	Total Growth	Service Savings	Corporate allocated targets	To be allocated targets	Total Savings	Net Budget after saving 2014-15
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Adult Social Care Operations</b>									
Older People	49.087	1.979	0.179	2.158		(0.220)		(0.220)	51.025
Other Vulnerable Adults	8.626	0.490	0.000	0.490		(0.100)		(0.100)	9.016
Learning Disability	38.871	1.120	0.138	1.258		(0.165)		(0.165)	39.964
Mental Health	20.974	0.711	0.050	0.761		(0.133)		(0.133)	21.602
<b>Adult Care Commissioning, Housing, Adult Safeguarding</b>									
Resources, Strategy & Commissioning	1.637		0.030	0.030		(0.049)		(0.049)	1.618
Housing Services	5.040		0.038	0.038	(0.100)	(0.091)		(0.191)	4.887
<b>Public Health &amp; Public Protection</b>									
Public Health Grant	0.000		0.000	0.000		0.000		0.000	0.000
Other Public Health & Public Protection	3.157		0.120	0.120	(0.124)	(0.078)		(0.202)	3.075
<b>Children's Social Care, Integrated Youth &amp; Preventative Services</b>									
Children's Social Care	27.980	3.768	0.195	3.963	(1.150)	(0.461)		(1.611)	30.332
0-25 Service: Disabled Children & Adults	12.564	0.820	0.130	0.950	(0.300)	(0.176)		(0.476)	13.038
Integrated Youth	3.438		0.124	0.124	(0.515)	(0.065)		(0.580)	2.982
<b>Quality Assurance, Commissioning &amp; Performance</b>									
School Effectiveness	3.723		0.102	0.102	(0.500)	(0.098)		(0.598)	3.227
Business & Commercial Services	(0.864)		0.004	0.004		(0.001)		(0.001)	(0.861)
Safeguarding	0.917	0.300	0.019	0.319		0.000		0.000	1.236
Funding Schools	0.000		0.000	0.000		0.000		0.000	0.000
Commissioning and Performance	8.311	0.300	0.061	0.361	(0.905)	(0.202)		(1.107)	7.565
<b>Economy Development and Planning</b>									
Economy & Regeneration	3.600		0.050	0.050	(0.342)	(0.063)		(0.405)	3.245
Development Services	1.023		0.097	0.097	(0.350)	(0.047)		(0.397)	0.723
<b>Highways and Transport</b>									
Highways Strategic Services	6.136		0.060	0.060	(0.336)	(0.188)		(0.524)	5.672
Public Transport	11.013		0.020	0.020	(0.531)	(0.180)		(0.711)	10.322
Education Transport	8.354		0.002	0.002	(0.365)	(0.129)		(0.494)	7.862
Local Highways and Street Scene	10.650		0.044	0.044	(0.761)	(0.192)		(0.953)	9.741
Car Parking	(5.484)		0.024	0.024	(0.470)	(0.011)		(0.481)	(5.941)
<b>Environment and Leisure</b>									
Waste	31.840	1.000	0.118	1.118	(0.750)	(0.230)		(0.980)	31.978
Environment Services	6.513		0.062	0.062	(0.492)	(0.122)		(0.614)	5.961
Leisure	2.673		0.112	0.112	(0.500)	(0.091)		(0.591)	2.194
<b>Communications, Community Area Boards, Libraries, Arts, Culture, Heritage</b>									
Comms & Branding	1.857		0.021	0.021	(0.225)	(0.009)		(0.234)	1.644
Libraries Heritage & Arts	5.356		0.094	0.094	(0.375)	(0.121)		(0.496)	4.954
<b>Corporate Function &amp; Procurement</b>									
Corporate Function & Procurement	5.269		0.043	0.043	(0.250)	(0.106)		(0.356)	4.956
Community Leadership & Governance									
Corporate Directors	0.712		0.011	0.011	(0.115)	(0.016)		(0.131)	0.592
<b>Finance</b>									
Finance, Revenues & Benefits & Pensions	3.980	0.148	0.144	0.292	(1.050)	(0.044)		(1.094)	3.178
<b>Legal &amp; Governance</b>									
Legal & Democratic	3.132		0.072	0.072	(0.450)	(0.044)		(0.494)	2.710
<b>People &amp; Business Services</b>									
HR & Organisational Development	4.222		0.086	0.086	(0.100)	(0.129)		(0.229)	4.079
Customer Care & Business Services Finance	2.172		0.039	0.039	(0.150)	(0.045)		(0.195)	2.016
Strategic Property Services	15.294		0.037	0.037	(0.297)	(0.519)		(0.816)	14.515
<b>Transformation Programme</b>									
Transformation Programme	3.633	0.500	0.107	0.607	(0.245)	(0.168)		(0.413)	3.827
Information Services	12.825		0.083	0.083	(0.743)	(0.219)		(0.962)	11.946
<b>Councils Net Spend on Services</b>	<b>318.231</b>	<b>11.136</b>	<b>2.516</b>	<b>13.652</b>	<b>(12.491)</b>	<b>(4.512)</b>	<b>0.000</b>	<b>(17.003)</b>	<b>314.880</b>
<b>Corporate Investment &amp; Costs</b>									
Movement To/ From Reserves	0.000	3.400	0.000	3.400	(0.200)			(0.200)	3.200
Capital Financing	23.398	1.001	0.000	1.001	(0.300)			(0.300)	24.099
Corporate Levys	8.211		0.032	0.032				0.000	8.243
Redundancy Costs	3.000			0.000				0.000	3.000
Investment: Economy	0.707			0.000				0.000	0.707
Corporate targets - unallocated	(1.283)			0.000	(3.229)	4.512	(3.637)	(2.354)	(3.637)
<b>Corporate Investment &amp; Costs</b>	<b>34.033</b>	<b>4.401</b>	<b>0.032</b>	<b>4.433</b>	<b>(3.729)</b>	<b>4.512</b>	<b>(3.637)</b>	<b>(2.854)</b>	<b>35.612</b>
<b>Un-ringfenced Specific Grants</b>									
Parish Council Local Council Tax Support	1.498			0.000		(0.577)		(0.577)	0.921
New Homes Bonus	(7.593)			0.000		(3.306)		(3.306)	(10.899)
NHS Funding for social care	(5.651)			0.000		(1.800)		(1.800)	(7.451)
<b>Un-ringfenced Specific Grants</b>	<b>(11.746)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(5.683)</b>	<b>0.000</b>	<b>(5.683)</b>	<b>(17.429)</b>
<b>Councils Budget Requirement</b>	<b>340.518</b>	<b>15.537</b>	<b>2.548</b>	<b>18.085</b>	<b>(16.220)</b>	<b>(5.683)</b>	<b>(3.637)</b>	<b>(25.540)</b>	<b>333.063</b>
<b>Funding</b>									
<b>Funding 2013/2014</b>									
Council Tax Requirement	(201.182)							(3.373)	(204.555)
Council Tax Freeze Grant 2013-14	(2.229)							0.011	(2.218)
Council Tax Freeze Grant 2014-15	0.000							(2.218)	(2.218)
RSG/ Formula Grant	(76.018)							12.780	(63.238)
Rates Retention	(50.573)							(0.984)	(51.557)
Collection Fund	(1.700)							(1.266)	(2.966)
Business Rates Grant	0.000							(0.500)	(0.500)
Unused New Homes Bonus/ NHB top slice	(0.430)							(0.327)	(0.757)
Educational Support Grant	(6.991)							1.937	(5.054)
Returned Damping	(1.395)							1.395	0.000
<b>Total Funding</b>	<b>(340.518)</b>							<b>7.455</b>	<b>(333.063)</b>
<b>GAP (Funding v Budget Requirement)</b>	<b>0.000</b>								<b>0.000</b>

★ **Note – Economy & Regeneration, Parking, Development Services and Leisure net budgets from 2013/14 to 2014/15 show a change due to an increase in demand / income not a reduction in expenditure**

## Strategic savings

Saving	Comments	£m
1. Review and increase of Commercial / Trade Waste in charges	Due to the rural nature and level of competition in parts of the County the Council provides a larger proportion of trade waste collection. At present this service is subsidised by around £0.5 million. This option proposes increasing fees and seeking options for alternative provision.	0.250
2. Reduction in non efficient bus routes	The Council's Transport team regularly review the usage of bus routes and it is proposed that certain routes are withdrawn based on the levels of usage.	0.176
3. Review application of spare seat policy and comply with existing policy	The Council's policy is that it will not fund transport for children who attend a school other than their local designated establishment through parental choice. However, where spare capacity is available on council-funded transport, non-eligible children are allowed to travel on payment of a fare or a spare seat charge. It is proposed that where a saving could be made by re-planning the transport without the non-eligible children, the policy be enforced and capacity managed to deliver this saving.	0.150
4. Review of discretionary and non statutory educational transport to and from schools and colleges	The Council currently funds discretionary transport for certain educational establishments such as grammar and colleges. This is at a cost of around £0.6 million. It is proposed to review this contribution, including seeking joint funding contributions.	0.200

Saving	Comments	£m
5. Withdraw alternative bus concessions and continuity travel	<p>Withdraw alternative concessions - The Council currently provides funding of 5p / mile to Link schemes to expand their capacity to provide essential transport for older and disabled people who are eligible for a national bus pass but who are not able to use bus services for various reasons. This is discretionary spending, not funded by central government, and is proposed to be withdrawn. The council will continue to provide grants to Link schemes for their general transport activities from the community transport budget.</p> <p>Continuity transport - Where a pupil's family moves out of the designated area of their local school, the council may continue providing transport to that school if it is considered that a change of school would be undesirable for educational reasons (usually where the child is part way through a particular exam course). It is proposed to withdraw this assistance. Individual cases where there are special circumstances may still be considered as potential exceptions to the council's general home to school transport policy.</p>	0.039
6. Efficiencies from better use and procurement of taxis	It is proposed to make savings from ongoing reviews of school and college transport arrangements, including where taxis are used for carrying small numbers of children	0.100
7. Free travel for OAP and disabled bus pass holders after 0930	Current provisions fund free transport for bus pass holders before 9.30am. This is a discretionary provision and is not funded by central government. The Council is now proposing that it will withdraw the money it provides for this extension of the national bus pass scheme. Free travel after 9.30am will still continue.	0.180



Saving	Comments	£m
8. Area Boards fund local Speed Indicator Devices	The funding for the local speed initiatives will be for Area Boards to fund based on local needs	0.075
9. Bring Family Information Services In-house	The Family Information Service has been reviewed as one of the actions within the Children's Trust's Family and Parenting Support Commissioning Strategy. The review concluded that the statutory duty to provide a Family Information Service can be met through the Council's existing staff and systems.	0.120
10. Use of earmarked reserves	£0.2 million is proposed to be taken from small earmarked reserves that have had no call on them for the last 18 months, and have been assessed as having no further call on them - such as hub provisions.	0.200
11. Transfer Salisbury CCTV to partners	The Council is considering a number of options regarding this service with partners. These options all involve an investment in the capital infrastructure which will be funded from a mixture of either capital receipts or transferred services. This is a part year saving to reflect the stage of discussions and in 2015/16 this saving could thus increase to £0.188 million.	0.025
12. Income (paragraph 8.1 of this report)	Various fees and charges are proposed in setting the 2014/15 budget and these are set out in detail at Appendix H of this report and at section 8.1 in summary	0.636

Saving	Comments	£m
13. Highways provision	The council recently awarded its contract for Highways and Streetscene to Balfour Beatty. As part of that the contractor committed to a 4.5% (£0.750 million) efficiency saving in 2014/15. On top of that the Council is looking at how it can make further day to day operational realignment of spend to ensure that it is focused in key priority areas. As such the spend for this contract will be reduced by this amount and the Council's client team will monitor and manage spend. Any changes to policy will be reported to councillors to approve if such affect were ever to arise.	0.761
<b>Total</b>		<b>2.912</b>

2014/15 Individual Service Budget Book

<http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=130&MId=7375&Ver=4>

**See full book in excel spreadsheet available online with the Summons or available on request**

**Assumptions used to set the budget**

The updated four year Financial Plan has been compiled as set out in Section 2 of the report. It includes the following assumptions

- **Pay** – 1 per cent pay award for all groups of employees, unless specifically noted as an exception. 2014/15 also sees the end of the previously agreed assumption of no incremental increases in pay until and as such an estimation of this has been made as it is linked to performance. An adjustment for harmonisation has also been made and accounted for in the relevant base budgets.
- **Demand** – Projections have been based on prior year trends and known or anticipated movement in 2014/15, specifically:
  - Demographic increases for older people of 3.5 per cent and for mental health older adults of 4 per cent in 2013/14 (based on the latest demographic data available)
  - Child care placements 2.5% fall in placements additional spread throughout the year
- **Inflation** – In general an inflation pressure of 0 per cent has been applied to costs unless there is specific evidence of higher/lower increases due to contractual commitments.
- **Interest rates** – the cost of borrowing has been assumed at an average rate of 4 per cent; and investment income at an average of 0.5 per cent.

The assumptions around future years' figures are set out in the schedule below:

- Service Budgets have been rolled forward and reflect the future year impact of 2014/15 spending requirements and savings proposals as set out in this report. They also include pay award assumed at 1 per cent and 1 per cent per annum for 2014-16 respectively.
- Assumed 1 per cent increase in employer's superannuation rates for 2014/15 following the triennial valuation of the fund in 2013. Recent proposals to change the Local Government Pension Scheme have been built into this assessment. This will continue to be reassessed following national announcements.
- Costs of servicing existing debt and additional borrowing requirement reflect proposed future capital expenditure.
- The running costs arising from the capital schemes, including additional provision for campuses, highways, waste and broadband, have been accounted for based on current profiles within the capital programme
- Increase employer's national insurance rates from April 2014 as announced in 2011 budget report.

Capital Programme budget workings 2014/2015 to 2017/2018 including financing									
Scheme name	Capital Programme budgets					Funding available			
	Current Budget 2014/2015	Current Budget 2015/2016	Current Budget 2016/2017	Current Budget 2017/2018	Total	Grants and Contributions	Capital Receipts	Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Education schemes</b>									
Additional Accommodation	8.991	5.430	5.701	5.701	25.823	20.937	0.000	4.886	25.823
NDS Maintenance & Modernisation	10.158	3.500	3.100	2.800	19.558	19.558	0.000	0.000	19.558
Devolved Formula Capital	0.921	0.800	0.750	0.700	3.171	3.171	0.000	0.000	3.171
NEW Universal infant free school meals capital 2014-15	0.786	0.000	0.000	0.000	0.786	0.786	0.000	0.000	0.786
Access and Inclusion	0.100	0.100	0.100	0.100	0.400	0.000	0.300	0.100	0.400
DCSF Targeted Capital 14-19 SEN	0.647	0.000	0.000	0.000	0.647	0.000	0.000	0.647	0.647
Other Projects New Schools	2.384	0.000	0.000	0.000	2.384	0.000	1.000	1.384	2.384
<b>Total Education schemes</b>	<b>23.987</b>	<b>9.830</b>	<b>9.651</b>	<b>9.301</b>	<b>52.769</b>	<b>44.452</b>	<b>1.300</b>	<b>7.017</b>	<b>52.769</b>
<b>Highways schemes</b>									
Integrated Transport	4.002	3.752	3.752	3.752	15.258	15.029	0.000	0.229	15.258
Bridges	3.000	3.000	3.000	3.000	12.000	12.000	0.000	0.000	12.000
Structural Maintenance Grant Funded	10.519	9.262	9.262	9.262	38.305	38.305	0.000	0.000	38.305
Additional Borrowing required to take total Structural Maintenance to £21m	10.481	11.738	11.738	11.738	45.695	0.000	0.000	45.695	45.695
Highway flooding prevention and Land Drainage schemes	0.500	0.500	0.500	0.500	2.000	0.000	0.000	2.000	2.000
Street lighting	0.500	0.000	0.000	0.000	0.500	0.000	0.000	0.500	0.500
<b>Total Highways schemes</b>	<b>29.002</b>	<b>28.252</b>	<b>28.252</b>	<b>28.252</b>	<b>113.758</b>	<b>65.334</b>	<b>0.000</b>	<b>48.424</b>	<b>113.758</b>
<b>Campus and Operational Delivery (CAOD) schemes</b>									
Depot Strategy	5.000	0.000	0.000	0.000	5.000	0.000	0.000	5.000	5.000
Campus Initial 3 sites	21.994	8.135	0.000	0.000	30.129	0.000	16.135	13.994	30.129
Campus New 4 sites	13.820	7.925	2.600	0.000	24.345	0.400	0.000	23.945	24.345
<b>Total CAOD schemes</b>	<b>40.814</b>	<b>16.060</b>	<b>2.600</b>	<b>0.000</b>	<b>59.474</b>	<b>0.400</b>	<b>16.135</b>	<b>42.939</b>	<b>59.474</b>
<b>Other Property schemes</b>									
Buildings Planned Maintenance (non CAOD)	2.500	2.500	2.500	2.500	10.000	0.000	0.000	10.000	10.000
<b>Total Other Property schemes</b>	<b>2.500</b>	<b>2.500</b>	<b>2.500</b>	<b>2.500</b>	<b>10.000</b>	<b>0.000</b>	<b>0.000</b>	<b>10.000</b>	<b>10.000</b>

Scheme name	Capital Programme budgets					Funding available			
	Current Budget 2014/2015	Current Budget 2015/2016	Current Budget 2016/2017	Current Budget 2017/2018	Total	Grants and Contributions	Capital Receipts	Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Housing schemes</b>									
Disabled Facilities Grants	2.431	1.000	1.000	1.000	5.431	4.135	0.000	1.296	5.431
Housing Grants (Private Sector e.g. Energy Efficiency)	1.803	0.000	0.000	0.000	1.803	0.000	1.803	0.000	1.803
Gypsy and Traveller sites	0.917	0.000	0.000	0.000	0.917	0.917	0.000	0.000	0.917
HRA - refurbishment of council stock	13.662	10.178	10.556	10.556	44.952	44.952	0.000	0.000	44.952
<b>Total Housing schemes</b>	<b>18.813</b>	<b>11.178</b>	<b>11.556</b>	<b>11.556</b>	<b>53.103</b>	<b>50.004</b>	<b>1.803</b>	<b>1.296</b>	<b>53.103</b>
<b>Other schemes</b>									
Waste Transformation	0.183	0.250	0.000	0.000	0.433	0.000	0.250	0.183	0.433
Waste Vehicles	0.060	0.000	0.000	0.000	0.060	0.000	0.000	0.060	0.060
Carbon Reduction	1.500	0.000	0.000	0.000	1.500	0.000	0.000	1.500	1.500
Adult Social Care	2.672	1.015	1.000	1.000	5.687	4.805	0.882	0.000	5.687
Area Boards grants	1.027	1.027	1.000	1.000	4.054	0.000	1.027	3.027	4.054
Rural Estates	0.400	0.000	0.000	0.000	0.400	0.000	0.000	0.400	0.400
Cross Departmental Initiatives System Developments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Wiltshire Online	11.643	7.594	0.000	0.000	19.237	1.808	0.000	17.429	19.237
ICT Schemes	5.292	2.610	1.000	1.000	9.902	0.000	9.902	0.000	9.902
Fleet Vehicles	2.500	2.440	2.647	1.500	9.087	0.000	2.440	6.647	9.087
Learning Management System	0.200	0.000	0.000	0.000	0.200	0.000	0.000	0.200	0.200
Fitness Equipment for Leisure Centres	0.707	0.729	0.000	0.000	1.436	0.000	0.000	1.436	1.436
Salisbury CCTV	0.500	0.500	0.000	0.000	1.000	0.000	1.000	0.000	1.000
Whole Life Building and Equipment Refresh	0.000	0.500	0.500	0.500	1.500	0.000	0.000	1.500	1.500
<b>Total Other schemes</b>	<b>26.684</b>	<b>16.665</b>	<b>6.147</b>	<b>5.000</b>	<b>54.496</b>	<b>6.613</b>	<b>15.501</b>	<b>32.382</b>	<b>54.496</b>
<b>Total Capital Programme</b>	<b>141.800</b>	<b>84.485</b>	<b>60.706</b>	<b>56.609</b>	<b>343.600</b>	<b>166.803</b>	<b>34.739</b>	<b>142.058</b>	<b>343.600</b>

## Housing Revenue Account

2012/2013		2013/2014	2014/2015
Actual Outturn	Service	Revised Budget	Proposed Budget
£		£	£
	<b>HRA Expenditure</b>		
281,070	Provision for Bad Debts	250,000	250,000
14,382,179	Capital Financing Costs	13,986,000	13,986,000
4,155,832	Repairs and Maintenance	5,842,970	5,559,470
392,090	Supervision & Management Special	422,830	422,830
3,607,703	Supervision & Management General	3,066,928	3,281,928
<b>22,818,874</b>		<b>23,568,728</b>	<b>23,500,228</b>
	<b>Housing Income</b>		
(140,880)	Interest	(140,000)	(140,000)
(23,074,940)	Rents	(24,060,000)	(24,682,600)
<b>(23,215,820)</b>		<b>(24,200,000)</b>	<b>(24,822,600)</b>
<b>(396,946)</b>	<b>Total Housing Revenue Account</b>	<b>(631,272)</b>	<b>(1,322,372)</b>



**Appendix 1H – Fees and Charges**

<http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=130&MId=7375&Ver=4>

**See spreadsheet online with the Summons or available on request**



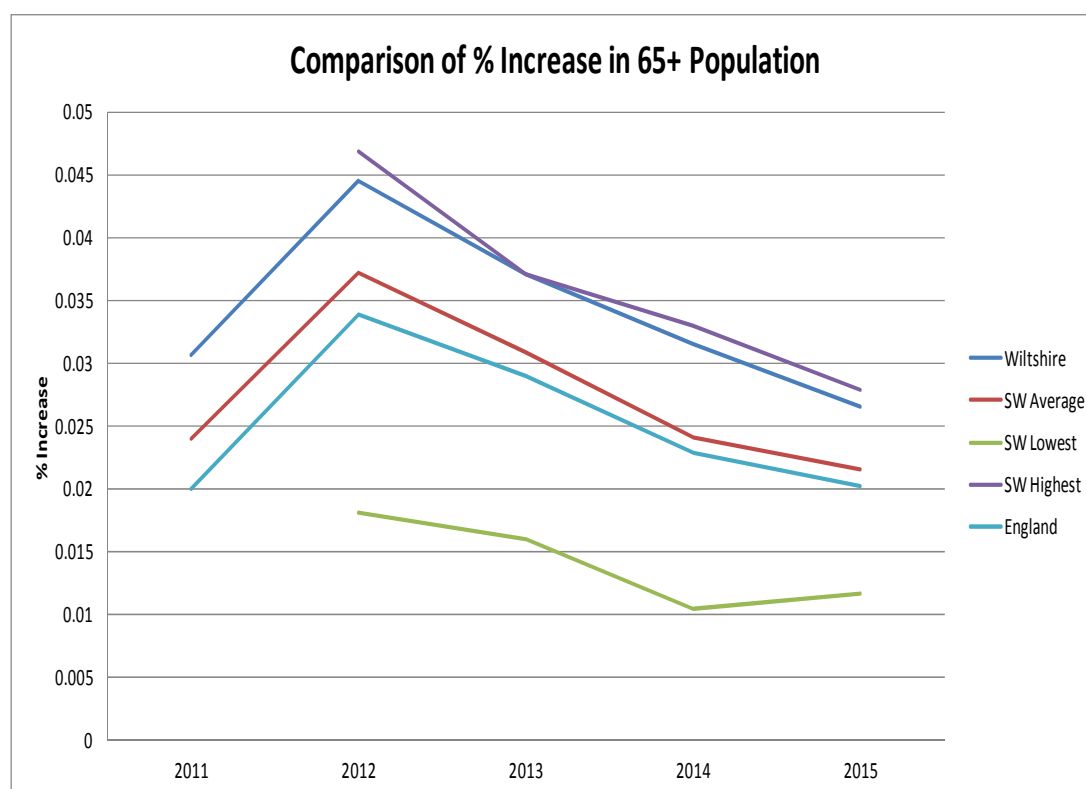
## Assessment of investment and increased cost pressures

### - Adult and Older People Demand and Demography assumptions

An additional £4.3 million is proposed to be invested before savings (£3.633m net excluding increase in staff costs) in 2014/15. The growth forecasts if current trends continue indicate growth slightly higher at £4.7 million. We will be working with the CCG and health partners in setting a way forward to transform care to make it more joined up and efficient.

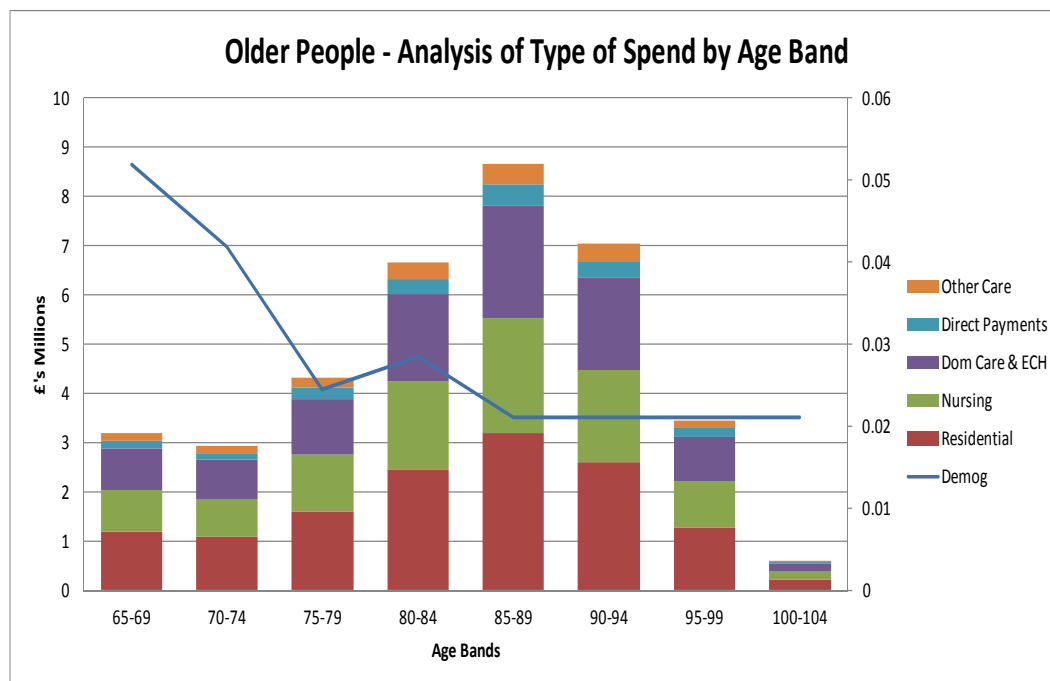
This level of investment is needed as in Wiltshire we continue to have a higher percentage increase forecast in our over 65 and 85 year old population than most of our comparative authorities. It is also significantly higher than the national average.

Demographic growth for Older People and Mental Health Older Adults is based on demographic trend and dementia prevalence rates respectively. Demographic trends are analysed by age quintiles from age 65 years upwards.



Growth for adults with learning disabilities and other vulnerable adults is based on historical spend and an analysis of the full year effect of current packages, taking in to account the impact of the establishment of the new SEND 0-25 service which will support young people to stability prior to transition to Adult Care. We also know that in Wiltshire the majority of our spend goes on over 85 year olds.

It is a fact that people live longer in Wiltshire and our profile of costs shows that significant costs are incurred in ensuring the quality of life for our residents. We also know that the current 65 to 75 year olds will continue to need our services. We need to invest significant sums for that future care.



Growth is allowed within the budget for Mental Health for Adults of Working Age as a result of Ministry of Justice cases (estimated numbers).

Further investment is thus inevitable to maintain a service that protects the most vulnerable older people

- **Looked After Children and Safeguarding Demand and Demography assumptions**

Demand assumptions based on demographics have been included for Children's Social Care placement budgets for looked after children (LAC). Population projections provided by the Corporate Research Team have been used, picking up indicators which are recognised as having a direct impact on the numbers of LAC:

- Numbers of lone parent households
- Low maternal Education -
- Job Seekers Allowance claimant count

It has also been assumed that initiatives including early help strategies and Gateway Panels will reduce the numbers of LAC by 2.5% per annum compared with the average for 2013-14. Numbers are assumed as follows and reflect the anticipated balance between in house and external placements:

### Budgeted Nights Care - Looked After Children

		Budget 2013-14	Budget 2014-15
In house (Foster Care)		95,952	90,837
External Placements (IFA)		33,910	37,233
External Placements (Other)		14,386	16,951
External Placements (Block Contract)		2,555	2,976
		<b>146,803</b>	<b>147,997</b>
0-25 Disability Placements		14,682	14,372
<b>Total Nights Care</b>		<b>161,485</b>	<b>162,369</b>

#### - Waste

This relates to ongoing investment in the Waste service to improve recycling and divert waste from landfill. This equates to an investment of £1.000 million as follows:

- £0.800 million, commencement of operations at the MBT plant in Westbury:  
and
- £0.200 million for contract inflation.

Both contractual commitment and the likely landfill tax have been calculated by Finance in conjunction with the service. Whilst Landfill Tax has again increased by £8 per tonne to £80, due to the fact that the tonnage sent to landfill has reduced the budget for this has been reduced.

#### - Highways

£0.200 million revenue initially invested in Highways in 2014/15, rising to £1.687 million by 2018/19 to fund the capital financing in order to improve Wiltshire's roads. This will be a six year programme of additional works increasing annual expenditure on road maintenance to £21.000 million for six years from 2014/15. This was approved by Cabinet in October 2013 ([Link](#)).

## General Fund Reserve Risk Assessment

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013- 14 £000	2014- 15 £000	2015- 16 £000
1	2013-14	Potential use of reserves in previous year based on this risk assessment	Low	0%	-	-			
	2014-15		Low	0%	-	-			
	2015-16		Low	20%	2,000			400	
	2016-17		Low	20%	2,000				400
2	2013-14	The future years funding settlement is even worse than anticipated	Low	0%	-	-			
	2014-15		Low	0%	-	-			
	2015-16		Low	20%	2,000			400	
	2016-17		Medium	50%	5,000				2,500

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement				
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000	2016-17 £000
3	2013-14	System thinking transformational savings not delivered	Low	10%	500	50				
	2014-15		Low	10%	4,000					400
	2015-16		Medium	30%	300					90
	2016-17		Medium	30%	2,000					600
3	2013-14	Procurement savings not delivered	Low	15%	6,400	960				
	2014-15		Low	25%	3,785					950
	2015-16		Low	25%	2,000					500
	2016-17		Medium	30%	3,000					900

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
4	2013-14	Above assumed inflationary increases in non-pay and utilities greater than already provided for in the medium term plan	Low	10%	1,000	100			
	2014-15		Low/Medium	25%	2,000		500		
	2015-16		Medium	30%	1,000			300	
	2016-17		Medium	30%	1,000				300
5	2013-14	Increase in pay costs above pay settlement / assumptions	Low	10%	1,600	160			
	2014-15		Low	5%	1,600		80		
	2015-16		Low	10%	1,600			160	
	2016-17		Low	20%	1,600				320



No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
6	2013-14	Adult Social care costs increase due to greater than forecast demand or complexity	Low	25%	2,000	500			
	2014-15		Medium	40%	3,000		1,200		
	2015-16		Medium	40%	2,000			800	
	2016-17		Low	20%	2,000				400
7	2013-14	Harmonisation costs insufficient / fund harmonisation team	Medium	30%	2,000	600			
	2014-15		Low	0%	-		-		
	2015-16		Low	0%	-			-	
	2016-17		Low	0%	-				-

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
8	2013-14	Service savings not delivered / identified	Medium	26%	14,757	3,837			
	2014-15		Medium	35%	6,000		2,100		
	2015-16		Medium	26%	6,000			1,560	
	2016-17		Medium	26%	6,000				1,560
9	2013-14	Partnership liability gives rise to grant clawback guarantees	Low	5%	1,000	50			
	2014-15		Low	10%	1,000		100		
	2015-16		Low	10%	1,000			100	
	2016-17		Low	5%	1,000				50

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
10	2013-14	Insurance liability/claims premiums /level of deductibles rise above provision	Medium	26%	500	130			
	2014-15		Low	10%	2,000		200		
	2015-16		Low	10%	1,000			100	
	2016-17		Low	10%	1,000				100
11	2013-14	The level of funds within the self insurance fund is unable to cover a catastrophic incident affecting our buildings, including schools.	Medium	30%	2,500	750			
	2014-15		Medium	30%	2,500		750		
	2015-16		Medium	30%	2,500			750	
	2016-17		Low	15%	2,500				375

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
12	2013-14	H & S breaches resulting in legal action. New legislation means increased monitoring and requirements. A new reporting system will help identify trends.	Low	10%	200	20			
	2014-15		Low	10%	200		20		
	2015-16		Low	10%	200			20	
	2016-17		Low	10%	200				20
13	2013-14	Employment tribunal action	Medium	30%	1,000	300			
	2014-15		Medium	30%	1,000		300		
	2015-16		low – 20%	15%	1,000			150	
	2016-17		low – 20%	15%	1,000				150

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			2013-14 £000	2014-15 £000	2015-16 £000	2016-17 £000
			High = 51% - 100%						
14	2013-14	Levies from partner organisations could exceed increases in matched funding	Low	10%	400	40			
	2014-15		Low	10%	450		45		
	2015-16		Low	10%	500			50	
	2016-17		Low	10%	550				55
15	2013-14	MTFP provides for additional revenue funding to meet additional costs arising from capital investment but costs may be understated	Low	2%	1,500	23			
	2014-15		Low	15%	1,500		225		
	2015-16		Low	20%	3,000			600	
	2016-17		Medium	30%	5,000				1,500

No.	Year	Risk Event	Low = 0% - 25% Medium = 26% - 50% High = 51% - 100%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
						2013-14 £000	2014-15 £000	2015-16 £000	2016-17 £000
16	2013-14	Major fraud	Low	5%	100	5			
	2014-15		Low	5%	100		5		
	2015-16		Low	5%	100			5	
	2016-17		Low	5%	100				5
17	2013-14	LG Pension Scheme – employer contribution increase above budget	Low	0%	2,000	-			
	2014-15		Low	0%	2,000		-		
	2015-16		Low	0%	2,000			-	
	2016-17		Low	0%	2,000				-

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			2013-14 £000	2014-15 £000	2015-16 £000	2016-17 £000
			High = 51% - 100%						
18	2013-14	Failure to collect debt beyond provision	Low	10%	1,000	100			
	2014-15		Low	10%	1,000		100		
	2015-16		Low	10%	1,000			100	
	2016-17		Low	10%	1,000				100
19	2013-14	Adverse winter increases call on operational costs	Medium	30%	2,000	600			
	2014-15		Medium	30%	2,000		600		
	2015-16		Medium	30%	2,000			600	
	2016-17		Medium	30%	2,000				600

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
20	2013-14	Unforeseen events / contingency	Low	10%	2,000	200			
	2014-15		Low	25%	2,000		500		
	2015-16		Medium	50%	3,000			1,500	
	2016-17		Medium	75%	2,000				1,500
21	2013-14	Fluctuation in borrowing costs/interest receipts.	Low	10%	-1,000	-100			
	2014-15		Low	50%	-1,000		-500		
	2015-16		Medium	50%	-1,000			-500	
	2016-17		Medium	50%	-1,000				-500



No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
22	2013-14	Waste recycling performance does not improve resulting in Landfill Tax liabilities above budget	Low	15%	1,000	150			
	2014-15		Low	10%	1,000		100		
	2015-16		Low	5%	2,000			100	
	2016-17		Low	5%	2,000				100
23	2012-13	Equal Pay claims required to settle around 'unlawful' protection payments.	Low	10%	-	0			

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
24	2013-14	Sensitivity for safeguarding and looked after children additional costs incurred.	Medium	50%	3,000	1,500			
	2014-15		Medium	30%	2,000		600		
	2015-16		Low	10%	1,000			100	
	2016-17		Low	10%	1,000				100

No.	Year	Risk Event	Low = 0% - 25%	Risk %	Potential Net Financial Impact £000	Reserve Requirement			
			Medium = 26% - 50%			High = 51% - 100%	2013-14 £000	2014-15 £000	2015-16 £000
25	2013-14	Partnerships and contractors adversely affected by the economic client that affects the viability of an existing contract.	Low	0%	0	0			
	2014-15		Medium	40%	2,000		800		
	2015-16		Medium	10%	2,000			200	
	2016-17		Low	10%	2,000				200
26	2014-15	Performance risk associated with Better Care Fund	-	-	-	-			
			-	-	-				
	2015-16								
	2016-17		Medium	10%	10,000			1,000	
	2016-17		Medium	30%	10,000				3,000
<b>TOTALS</b>						<b>9,975</b>	<b>9,075</b>	<b>9,085</b>	<b>14,335</b>

## Consultation Minutes and notes

The following consultations occurred:

- I. Tenants Panel – 2<sup>nd</sup> February 2014
- II. Management Overview and Scrutiny – 5<sup>th</sup> February 2014
- III. Group Leaders JCC – 6<sup>th</sup> February 2014
- IV. Public consultation – 10<sup>th</sup> February 2014

Below are the minutes of the Tenant's Panel and Management Overview & Scrutiny Committee

### Tenants Panel – 2<sup>nd</sup> February 2014

#### Wiltshire Council's Housing Board

##### Minutes

Venue: Bowman Centre, Archers Gate, Shears Drive, Amesbury, Wiltshire, SP4 7XG

Start Time: 2.00pm

Finish Time: 4.30pm

Date: Monday 27 January 2014

##### Attendees

RCL Councillor Richard Clewer, Chairman, Wiltshire Council's Housing Board (WCHB)

AB Miss Angela Britten, WCHB Tenant Member

RCH Mr Robert Chapman, WCHB Independent Member

CC Ms Cindy Creasy, WCHB Independent Member

JE Mrs Jacqui Evans, WCHB Independent Member

LL Mrs Lorraine Le-Gate, WCHB Tenant Member

EP Miss Emma Powell, WCHB Tenant Member

IT Councillor Ian Tomes, WCHB Councillor Member

FW Councillor Fred Westmoreland, WCHB Councillor Member

JC Mr James Cawley, Associate Director

DH Mr Dave Hellier, Interim Head of Asset Management

SR Ms Sandra Royer, Interim Head of Business and Tenancy Services

SM Mr Stephen Macdonald, Shared Services Principal Accountant

IS Mr Ian Seeckts, Governance and Scrutiny Officer

## Guests

JP Mr Julian Paine, Regional Director (Wiltshire), Aster Communities

JS Ms Jo Savage, Group Services Director, Aster Group

JT Mr John Todman, Chairman, Wiltshire Council's Tenants Panel (WCTP)

## Apologies

None.

Prior to the meeting, WCHB members and staff engaged in a walk-about around Wiltshire Council housing stock in Amesbury.

The meeting commenced at 2.00pm.

## Welcome, housekeeping and apologies

Attendees were welcomed to the meeting. There were no apologies. Members were requested to provide their comments regarding the walk-about.

## Presentation – The Role of Aster's Board and the Role of Board Members

JP and JS gave a presentation on the above topic.

## Minutes

The minutes of the meeting held on Tuesday 17 December 2013 were presented to board members.

### **Resolved and Actions:**

- 1. Minutes were approved as correct.**

**No further action.**

## Matters Arising

Some elements of future meetings may be open to the public, although when confidential information is being discussed, these elements of the meetings will be held privately. It was proposed that an 'open session' be held at the start of future meetings.

### **Resolved and Actions:**

- 1. WCHB approved the introduction of 'open sessions' at the start of meetings.**

## Presentation – The Role of the Tenants Panel and Board Support

JT gave a presentation on the above topic. Document was not issued in advance, but at the meeting. JT issued a new version of his presentation to WCHB. Presentation was seen as an inefficient use of time and the content was not particularly relevant.

Presentation – Housing Revenue Account (HRA) Business Plan and our Response to the Decent Homes Standard

and

Maintenance Performance of Contractors

The Chairman brought these items together. SR, DH and SM gave a presentation on the above. There was particular emphasis on the stock condition survey, level of resource (monies) available, the impact of 'Right to Buy' and the ability of contractors to deliver.

**Resolved and Actions:**

- 1. Draft Business Plan is to be presented to WCHB.**

JC/DH/SR/SM: produce/present this to WCHB. Deadline: 14/03/14.

- 2. Graph to be sent to all members of WCHB (detail spending on repairs, modernisation and staffing).**

JC: produce/send graph. Deadline: 14/02/14.

- 3. Benchmarking information, specifically the cost spend per property, along with comparisons to other organisations, for example, Aster, is to be supplied to the board.**

DH/SR: produce report. Deadline: 14/03/14.

- 4. Impact of using monies specifically on property extensions is to be presented to WCHB.**

DH: produce report. Deadline: 14/03/14.

- 5. Asset Management Strategy is to be provided to WCHB.**

DH: produce/present this to WCHB. Deadline: 14/03/14.

### Rent and Service Charge Increase for 2014/15

SM discussed his report. There was a focus on projected income, the end of the Rent Restructuring programme, the model changing from using the Retail Price Index (RPI) to the Consumer Price Index (CPI) and charges having been frozen for a number of years.

#### **Resolved and Actions:**

- 1. Rents to be increased by 3.7%.**  
Increase already determined and passed to Cabinet; no further action.
- 2. Service charges to be increased by 3.7%.**  
Increase already determined and passed to Cabinet; no further action.
- 3. Garage rents to be increased by 2%.**  
Increase already determined and passed to Cabinet; no further action.

### Key KPIs for Housing

SR discussed her report. There was a focus on the lack of Key Performance Indicators (KPIs), the robustness of KPIs which were currently in place, the stock condition survey and the use of a workshop session to address these matters.

#### **Resolved and Actions:**

- 1. Rent Arrears Report to be submitted to WCHB.**  
SR: produce report. Deadline: 14/03/14.
- 2. Confirmation needed of whether the figures relate to residents or respondents.**  
SR: provide confirmation/clarification. Deadline: 14/02/14.
- 3. WCHB to set realistic targets alongside a 'stretching' or 'aspiration' target, which will be done through a workshop session.**  
JC/SR/DH: organise workshop session; SR to attend. Deadline: 28/2/14.

### Council House Building Programme

JC discussed his report. There was a focus on the waiting list, welfare reform, changing customer needs, section 106 requirements, planning, differences between 'social' and 'affordable' housing, the availability of land and Wiltshire Council's borrowing capacity.

#### **Resolved and Actions:**

- 1. Paper to be presented to WCHB regarding HRA land and Wiltshire Council land (including reference to the £2 million programme and also a supporting Options Paper).**  
JC/DH/SR: produce report. Deadline: 14/03/14.

2. **Report addressing the 'Right to Buy' rules when the property is a new build.**

JC/DH/SR: produce report. Deadline: 14/03/14.

3. **WCHB to be provided with meeting dates for the next 18 months.**

IS: email dates to WCHB members. Deadline: 07/02/14.

How to Report a Repair

and

Matters for Information: Housing Matters, Policy and Procedure Review, and Tenant Participation Review

These items were not covered, due to the meeting over running.

**Resolved and Actions:**

1. **Report on the outcome of the Tenant Participation Review is to be provided.**

SR: produce report. Deadline: 14/03/14.

The meeting closed shortly before 4.30pm.



**Wiltshire Council**

**Council**

**25 February 2014**

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## **Wiltshire Council's Policy on Fees, Charges and Concessions**

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### **EXECUTIVE SUMMARY**

On the formation of Wiltshire Council different fees, charges and concessionary policies were taken on from the former District Councils.. The attached policy now seeks to provide for an approach to the setting of fees, charges and concessions across the County.

The key changes are to ensure that the setting of fees and charges is linked to deliver the outcomes within the Council's Business Plan and to seek in the first instance to recover full cost. Where concessions are applied it should be only where it is proven that the Business Plan outcomes will be improved. Consideration must be given to factors such as market competition and demand, and all fees should be reviewed annually in line with the policy.

### **PROPOSAL**

**That Council adopt the Policy on Fees, Charges and Concessions**

### **Reasons for Proposal**

To enable Council to:

- Maintain a consistent approach to setting its fees and charges.
- Deliver the outcomes of its Business Plan through effective pricing, subsidising those areas of strategic need.
- Recover costs and contribute to the medium term financial plan.

#### **Author:**

Michael Hudson - Section 151 Officer  
[Michael.hudson@wiltshire.gov.uk](mailto:Michael.hudson@wiltshire.gov.uk)

**Wiltshire Council's Policy on Fees, Charges and Concessions**

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**1. Purpose of Report**

1. On the formation of Wiltshire Council different fees, charges and concessionary policies were taken on from the former District Councils. The attached policy now seeks to provide for an approach to the setting of fees, charges and concessions across the County.

**2. Relevance to the Council's Business Plan**

- 2.1 The Policy supports the Council's principle that we are efficient and provide good value for money for our residents. The policy also requires that in setting fees and charges, and in particular concessions there should be demonstrable evidence to show how levels of charges or concessions support the delivery of the Council's Business Plan outcomes.

**3. Background**

- 3.1 The Council collects a number of mandatory charges, but also has the discretion under statute to collect charges for discretionary services. Effective charging strategies can play a key role in the delivery of corporate priorities. For instance the creative use of concessions can encourage take-up by priority groups or demand may be managed by particular levels of charging.
- 3.2 The Council usually sets its fees and charges as part of the budget setting process each February, although there are some exceptions. There are few prescriptions over the timing of changes to fees. The common practice inherited from the former District Councils was for each service area to decide on its own fees and charges structure. Whilst there was reference to certain criteria in former policies these were not consistent across the Districts and resulted in wide variations and subsidies. Work has been carried out on these over the last four years. Now the majority of that work is complete it is proposed that the Council adopt the attached Policy.

#### **4. Main Considerations for the Council**

- 4.1 The Council is asked to appraise the policy to ensure that it supports the Business Plan and that the direction will support the Financial Plan. The draft Policy is attached at Appendix 1. It is not intended that the policy applies to the fees and charges initially set by the 2014/15 budget process, rather that it is applied going forward. That does not mean fees and charges could not be amended during 2014/15 as a result of a review of the current charges against the principles set out in the draft policy.
- 4.2 The key aspects of the Policy are set out at Sections 4 and 6, and in summary are:
- In setting levels of fees and charges members need to have had consideration of key factors such as the demand, competition, impact on outcomes and equalities.
  - The default position should be to recover all costs. Concessions should be clearly linked to the delivery of improved outcomes within the Council's Business Plan.
  - All fees and charges should be subject to a minimum of an annual review.
  - Concessions should be applied with consistent principles across Council.
- 4.3 It is not intended that the policy applies to certain commercial areas such as industrial rents. This is due to the complexity of individual rent agreements based on ongoing economic assessments and consideration of other factors such as NNDR relief. Traded services to schools are also excluded from this policy due to the need to engage Schools Forum. However, the principles of setting fees that contribute to the Council's Business Plan objectives, seek in the first instance full cost recovery and are reviewed every year should still apply in these areas.

#### **5. Options Considered**

- 5.1 The Council could not charge for any discretionary services. This would result in the loss of around £19 million of income and is not considered affordable. It could also maintain the existing approach of setting fees individually, but this raises concerns over equity of practice and the ability to link the setting of fees, charges and concessions to support the delivery of the Business Plan outcomes. As such the Policy attached is the supported option.

## **6. Safeguarding Implications**

- 6.1 The Policy acknowledges and draws out the statutory requirements around charging for children's services and requires any setting of fees, charges and concessions to do so with regard to the Business Plan objectives.

## **7. Public Health Implications**

- 7.1 There are clear statutory requirements around the charging for health care which must be followed in the setting or application of any fees.

## **8. Environmental and Climate Change Considerations**

- 8.1 The policy has been developed to support stronger and more resilient communities in Wiltshire.

## **9. Equalities Impact of the Proposal**

- 9.1 In order for the Council to fulfil its legal requirements under the Public Sector Equality Duty, the Policy clearly states that individual Equality Impact Assessments will be done for each review of a fee, charge or concession. These will be made available to all Councillors during the decision making process so that the full equality implications of proposals are understood, inform final decisions and due regard is paid to the Equality Duty.

## **10. Risk Assessment**

- 10.1 There is a risk of the fairness of fees, charges and concessions being challenged. The policy requires equality impact assessments and consistent application of concessions to be applied across the council to help mitigate this risk.
- 10.2 There is a risk that if levels of fees fail to recover costs and result in a lower collection rate than budgeted for this will result in a budget pressure. The policy provides for consideration of these factors to be explored and assessed prior to setting any fees, charges or concessions. It also requires reference to markets and competition.

## **11. Financial Implications**

- 10.1 The Medium Term Financial Plan contains an assumption that certain fees and charges will increase in line with predicted retail price index. If they do not rise this will have an impact on the Financial Plan.

## **Conclusions**

**11.1** The Policy will provide a consistent approach across the council to all aspects of the setting of fees, charges and concessions. It will promote greater transparency and support the Business and Financial planning process

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Report Author: Michael Hudson - Director of Finance  
[michael.hudson@wiltshire.gov.uk](mailto:michael.hudson@wiltshire.gov.uk); 01225 713601

Date of report: 28<sup>th</sup> January 2014

### **Background Papers:**

2014/15 Financial Plan  
Business Plan

### **Appendices**

Appendix 1 – Wiltshire Council Draft Fees, Charges and Concessions Policy

## **Wiltshire Council Draft Fees, Charges and Concessions Policy**

### **1. Introduction**

Under the provisions of the Local Government Act 2003, in particular Section 93, the Authority is able to levy fees and charges for the discretionary services it provides providing no profit is made taking one financial year with another.

Effective charging strategies can play a key role in the delivery of corporate priorities. For instance the creative use of concessions can encourage take-up by priority groups or demand may be managed by particular levels of charging.

In addition, the income obtained from such charges represents an important element of the Council's funding stream and therefore has important implications for the Medium-term Financial Plan and therefore the delivery of all local services.

### **2. Policy Aims and Objectives**

This Policy is designed to ensure:

- That a structured, corporate approach to the review and increase of fees and charges is carried out throughout the Authority in accordance with the principles of Best Value.
- That the charges made for discretionary fees are consistent with and contribute towards the achievement of the Council's agreed aims and objectives.
- That opportunities for charging are identified and considered at least annually by service areas.
- That, unless there has been a policy decision overriding this policy, that the Council recovers the full cost of providing the service including direct costs, indirect costs and overheads.

### 3. Scope

- 1) All Heads of Service and their staff are expected to adhere to the principles and procedures outlined within this Policy in formulating Service Delivery Plans and charging strategies.
- 2) This Policy does not cover the setting or concession of fees in relation to areas such as Commercial rents (prescribed rent reviews, market factors, turnover, etc.), neither does this policy offer specific guidance regarding traded services which are currently being reviewed. These services include charging schools for financial support and the provision of payroll services to external bodies and require School Forum sign off.
- 3) This Policy shall apply only to discretionary fees, not those of a mandatory nature where the level of fees is set by statute.
- 4) Commercial rents are negotiated between the Council and tenants based on the individual economic factors and circumstances relating to the particular property.
- 5) NNDR charges are set nationally although there is scope for local discretionary relief as set out in a paper of 7 July 2010: Non-Domestic Rates: Relief, Reduction and Avoidance.
- 6) Section 20(4) of the Children Act 1989 empowers local authorities to provide accommodation for any child within their area (even though a person who has parental responsibility for him/her is able to provide him/her with accommodation) if they consider that to do so would safeguard or promote the child's welfare. However, a key feature of this provision is that it cannot occur if any person with parental responsibility objects, therefore it is "voluntary". It is important to note that this does not include any aspect of respite provision. Where accommodation is provided under section 20 of the Children Act 1989 then Schedule 2 requires local authorities (subject to prescribed exceptions) to consider whether they should recover contributions towards the child's maintenance from any person liable to contribute. The costs of a child's maintenance include the costs of accommodation. If a child is under 16, it is the parents who are liable to contribute, unless they are in receipt of certain welfare benefits.
- 7) With regard to Adult Care the charges relate to residential and non-residential support:-
  - Residential Care - Is generally provided under Section 21 of the National Assistance Act 1948 and section 22 of that Act states that an individual is required to meet the full cost of their residential care. If the resident is unable to pay the full cost, they are required to satisfy the local authority that they do not have the means to do so. If this is the case the Council should undertake a financial assessment to determine what contribution they can make under 'The National Assistance (Assessment of Resources) Regulations 1992'. The Dept of Health issues annual guidelines known as the 'Charging for Residential Accommodation Guide (CRAG) in support of these regulations that set out the detail of how the financial assessment should be undertaken.

- Non Residential Care – is generally provided under section 29 of the National Assistance Act 1948 and section 17 of the Health and Social Services and Social Security Adjudications Act 1983. This gives Councils discretionary power to charge adult recipients of these services. This section indicates that councils may recover such charges as they consider reasonable. Should a council decide to exercise that discretion and charge adult care users it should follow guidance issued by the Dept of Health under section 7 of the Local Authority Social Services Act 1970 known as 'Fairer Charging Policies for Home Care and other non-residential Social Services' originally issued in Sept 2003 and updated from time to time

#### 4. **Principles of Charging**

- 1) Councils are not compelled to charge for discretionary services, so prior to the introduction of a charge, members should consider:
  - the social objective(s) to be achieved and how this links with the current Council aims and objectives.
  - how to ensure that fees and charges introduced are fair and equitable to all based on the appropriate Equality Impact Assessments.
  - the market for the service, including other existing local providers:
  - benchmarking of fees in other parts of the County, region and nationally;
  - a general principle of a consistent, charge including services provided by contractors on behalf of the Council.
  - the level of demand for that service and how pricing may affect that demand, with users being consulted where possible; and
  - Concessionary policy in other service areas that may impact on another charge.
- 2) Fees and Charges levied should aim at recovering the full cost of the service being provided except where:
  - This is specifically prevented or restricted by legislation, such as parking income which is ringfenced to fund transport related costs or:
  - An alternative charging policy, e.g. concessionary fees, aimed at meeting wider Council objectives has been expressly approved by members after subsidisation is both recognised and recorded.
- 3) The default position is that options for charging should be considered for all discretionary fees at a level which recovers the full cost of services.



- 4) Where a decision is taken to set charges at a level below full cost, the reasons for this and extent of any subsidy should be fully stated. Concessions are targeted discounts aimed at specific groups of users and must be approved by members, in line with the Council's specified aims and objectives and must take account of any other legal restrictions which may apply, as discussed further at Section 6 of this Policy. There may be instances where services are subsidised by the Council, concessions are allowed for specific groups and further discounts are offered to counter other market forces.
- 5) Decisions to change existing discretionary fees and charges should be made taking cognisance of competition in the same markets, for example in leisure services and building control, whilst having regard to the Council's Policies and objectives. The legislation offers scope for differential charging, enabling service areas to charge different groups different rates. This provision may be used to encourage optimal take-up of services and/or the achievement of corporate aims and objectives. In setting differential rates, other potential legal issues should be considered.
- 6) All fees and charges should be subject to a minimum of an annual review, unless there is evidence to suggest otherwise that is agreed with members. The timing of reviews should be linked to market forces, national changes, seasonal changes, etc. relating to the particular service.
- 7) The following Table outlines a range of charging options that could be adopted, depending upon the policy objective to be achieved.

Charging option	Policy Objective and illustrative example
Fees limited by competition with the private sector.	The Council seeks to maximise income within an overall objective of generating a surplus (or a minimum loss) from this part of the service. It would be necessary to ensure that this approach is compatible with legislative requirements.
Fees limited by competition with the private sector, with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service. Such concessions are set out at Section 6 of this Policy. Discounts may be offered to encourage early settlement of fees or charges levied.
Full Cost Recovery	The Council wishes to make the service generally available, but does not wish to allocate its own cash resources to the service. The default position that Wiltshire Council is aiming to achieve under this policy.
Full Cost Recovery with discounts	As above, but the Council is prepared to subsidise the service to some extent to ensure that disadvantaged groups have access to the service.. Such concessions are set out at Section 6 of this Policy. Discounts may be offered to encourage early settlement of fees or charges levied.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources, subject to concessions outlined in Section 6 of this Policy.
Nominal	The Council wishes the service to be fully available, but sets a charge to discourage frivolous usage.
Free	Council policy is to make the service fully available as users cannot be easily identified or charged.
Statutory	Charges are set in line with legal obligations. e.g. penalty charge notices for parking infringements.

## **5. Costing and pricing of services**

For each area of service activity, the Authority must be able to demonstrate that charges levied do not exceed actual costs taking one year with another. The legislation however, is not prescriptive in its definition of what constitutes a 'service area' so it may be reasonable/appropriate to group similar activities within a service area together for the purposes of applying this principle. When services are pricing new services or reviewing existing charges, they should seek finance assistance in preparing and validating any proposed charges.

## **6. Concessions**

- 1) The Audit Commission has defined a concession as any service for which a local authority has discretion to make a charge and in doing so sets that charge below the full cost of service provision. This is thus a Council subsidisation and should be referred to as such.
- 2) This policy covers those fees and charges fixed by the Council which are applied to specific groups of people / organisations and which are levied at a lower rate than the standard fee or charge for particular services.
- 3) It should also be recognised that not all services for which the Council can make a concession are included in this policy, e.g. Commercial rents, where there are separate economic policies in place for businesses.
- 4) Wiltshire Council is committed to ensuring consistency and equity in its approach to how it charges individual customers and community groups for discretionary services and goods that are provided in its name.
- 5) Wiltshire Council is also committed to ensuring that discretionary charging practice supports the Council's wider policy objectives and that it ensures that any concessions offered to individual customers and groups are firmly based on the ability to pay.
- 6) In considering concessionary schemes it is important to:
  - Quantify the cost of the concession, including administration and lost income, and assess whether it is possible to recover that cost from charges to other users, from within the service or from general Council resources.
  - Ensure that an Equality Impact Assessment has been carried out and therefore that concessions are consistently applied.
  - Review the extent to which concessions are meeting the intended aim.
- 7) Currently, individual services set their own discretionary discounts. In future, the Council may opt to set standard concessionary percentages across all services levying fees and charges.

## **7. Timing of setting Fees and Charges**

- 1) Normally, setting the rates of discretionary fees and charges are considered as part of the budget setting process resulting in formal approval by Council in February each year. The majority of revised fees and charges therefore come into effect as from 1 April of that year.
- 2) Some fees and charges take effect throughout the year. For example, some of the fees and charges relate to the provision of Children's Services or services provided for families where the charge is more appropriately related to the schools calendar. In these cases, the revised charges are brought in for the start of the new educational year.
- 3) There may be other cases for introducing or revising charges at a different time, for example where a fee or charge includes payments to a contractor and the contract renewal date does not coincide with a revising of fees and charges within the normal budget setting and approval cycle.

**Wiltshire Council**

**Council**

**25 February 2014**

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## **Council Tax Setting 2014/2015**

### **Executive Summary**

This report sets out, in the complex format prescribed by law, the resolutions required from the Council to set Council Tax for the year 2014/2015.

Using the tax base approved by Cabinet on 17 December 2013 of 167,334.47 band D equivalent households, and the draft net budget requirement of £333.063 million (of which £204.555 million is funded by council tax) gives a band D council tax for 2014/2015 of £1,222.43.

Fire, Police and Town/Parish precepts are in addition to the Wiltshire Council basic Council Tax.

The main body of the report sets out the statutory calculations, and shows the Fire, Police and Town/Parish precepts for every parish in Wiltshire along with the total Council Tax figures.

The Welfare Reform Act 2012 requires all Councils to review their Local Council Tax Support Schemes annually to reflect the DWP annual up-rating and the DCLG default scheme. Full details of these changes are included in Appendix D.

### **Proposal**

That the Council approves:

- a) The Council Tax Resolutions as set out in this report.
- b) That the Council approves and gives future delegated authority to amend the scheme in accordance with the DWP annual up-rating and the DCLG Default scheme.

### **Reason for Proposal**

To meet the statutory requirement to set the Council Tax. The calculations are as defined by law, and the figures will change only if the budget proposal is amended.

**Michael Hudson**  
**Associate Director, Finance**

**Council Tax Setting 2014/2015**

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**Purpose of Report**

1. The purpose of this report is to enable the Council to calculate and approve the Council Tax requirement for 2014/2015.

**Background**

2. The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a council tax requirement for the year, not its budget requirement as previously.
3. Cabinet approved the 2014/2015 Wiltshire Council tax base of 167,334.47 on 17 December 2013.

**Wiltshire Council**

4. At the Cabinet meeting on 11 February 2014 it was recommended that Wiltshire Council freeze its element of the band D Council Tax for 2014/2015 at £1,222.43.
5. Since the Cabinet meeting on 11 February 2014, the precept levels of other precepting authorities have been received. These are detailed below:

**Town & Parish Councils**

6. The Town & Parish Council Precepts for 2014/2015 are detailed in Appendix B and total £13,473,538.42. The increase in the average band D Council Tax for Town & Parish Councils is 8.75% and results in an average band D Council Tax figure of £80.52 for 2014/2015 (£74.04 for 2013/2014)

**Office of the Police & Crime Commissioner for Wiltshire & Swindon**

7. The Office of the Police & Crime Commissioner for Wiltshire & Swindon met on 6 February 2014 and set their precept in respect of the Wiltshire area at £26,927,463 adjusted by a Council Tax Collection Fund contribution of £382,783. This results in a band D Council Tax of £160.92 for 2014/2015. This represents an increase of 1.997% compared to £157.77 for 2013/2014.

**Wiltshire & Swindon Fire Authority**

8. Wiltshire & Swindon Fire Authority met on 13 February 2014 and set their precept in respect of the Wiltshire area at £10,645,778 adjusted by a Council Tax Collection Fund contribution of £151,347. This results in a band D Council Tax of £63.62 for

2014/2015. This represents an increase of 1.99% compared to £62.38 for 2013/2014.

## **Conclusions**

9. The recommendations are set out in the formal Council Tax Resolution in Appendix A.
10. If the formal Council Tax Resolution in Appendix A is approved, the total band D Council Tax will be as follows:

	<b>2013/2014 £</b>	<b>2014/2015 £</b>	<b>Increase £</b>	<b>Increase %</b>
Wiltshire Council	1,222.43	1,222.43	0.00	0.00
Office of the Police & Crime Commissioner for Wiltshire & Swindon	157.77	160.92	3.15	1.997
Wiltshire & Swindon Fire Authority	62.38	63.62	1.24	1.99
Sub – Total	1,442.58	1,446.97	4.39	0.30
Town & Parish Council (average)	74.04	80.52	6.48	8.75
<b>Total</b>	<b>1,516.62</b>	<b>1,527.49</b>	<b>10.87</b>	<b>0.72</b>

## **Risks Assessment**

11. A full risk assessment of the budget proposals has been provided to Cabinet on 11 February 2014 in Wiltshire Council's Financial Plan 2014/2015.

## **Equality and Diversity Impacts of the Proposal**

12. None have been identified as directly arising from this report, although equality and diversity impacts have been considered by officers and portfolio holders when preparing budget proposals.

## **Financial Implications**

13. The financial implications are outlined in the report.

## **Legal Implications**

14. The legal implications are outlined in the report.

## **Public Health Implications**

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

### **Environmental Implications**

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

### **Safeguarding Implications**

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

### **Options Considered**

18. The calculations are as defined by law, and the figures will change only if the budget proposal is amended.

### **Reasons for Proposals**

19. To meet the statutory requirement to set the Council Tax. The calculations are as defined by law, and the figures will change only if the budget proposal is amended

### **Proposal**

20. That the Council approves the resolutions as set out within the report.

21. That the Council approves and gives future delegated authority to amend the scheme in accordance with the DWP annual up-rating and the DCLG Default scheme.

**Michael Hudson**  
**Associate Director, Finance**

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Report Author: Stuart Donnelly Principal Accountant

*The following published documents set out the statutory requirements and powers relevant to the subject of this report:*

Local Government and Finance Act 1992  
Local Government Act 2003  
Localism Act 2011

*The following published documents have been referred to during the preparation of this report:*

Wiltshire Council's Financial Plan 2014/2015  
Council Tax Base 2014/2015 Cabinet Report 17 December 2013

### **Appendices:**

Appendix A Wiltshire Council - Council Tax Resolution 2014/2015  
Appendix B Wiltshire Council - Council Tax Banding Schedule by Authority 2014/2015  
Appendix C Wiltshire Council - Town & Parish Precepts 2014/2015  
Appendix D Wiltshire Council - Local Council Tax Support Scheme & Technical Changes  
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Appendix F Wiltshire Council - Local Council Tax Support Scheme Equality Analysis



**The Council is recommended to resolve as follows:**

1. It be noted that on 17 December 2013 the Council calculated:
  - (a) the Council Tax Base 2014/2015 for the whole Council area as 167,334.47 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,
  - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2014/2015 (excluding Parish precepts) is £204.555 million.
3. That the following amounts be calculated for the year 2014/2015 in accordance with Sections 31 to 36 of the Act:
  - (a) £910,530,538.42 (Gross Revenue Expenditure including parish precepts) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils).
  - (b) £563,994,000.00 (Revenue Income) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £346,536,538.42 (Net Revenue Expenditure including parish precepts) being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
  - (d) £1,302.95 (Wiltshire Council band D tax plus average Town & Parish Councils Band D Council Tax) being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts), as shown below:

Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
<b>868.63</b>	<b>1,013.41</b>	<b>1,158.17</b>	<b>1,302.95</b>	<b>1,592.49</b>	<b>1,882.04</b>	<b>2,171.58</b>	<b>2,605.90</b>

- (e) £13,473,538.42 (Aggregate of Town & Parish Council Precepts) being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
- (f) £1,222.43 (band D Council Tax for Wiltshire Council purposes only) being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (2 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates, as shown below:

Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
<b>814.95</b>	<b>950.78</b>	<b>1,086.60</b>	<b>1,222.43</b>	<b>1,494.08</b>	<b>1,765.73</b>	<b>2,037.38</b>	<b>2,444.86</b>

## Appendix B

Council Tax Schedule	2014/2015	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Wiltshire Council		814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86
Office of the Police & Crime Commissioner for Wiltshire & Swindon		107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
Wiltshire & Swindon Fire Authority		42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Town & Parish Council (Average)		53.68	62.63	71.57	80.52	98.41	116.31	134.20	161.04
<b>Total</b>		<b>1,018.32</b>	<b>1,188.05</b>	<b>1,357.76</b>	<b>1,527.49</b>	<b>1,866.93</b>	<b>2,206.38</b>	<b>2,545.81</b>	<b>3,054.98</b>

## Council Tax Charge by band per Parish/Town Council

Aldbourne Parish Council	21.46	25.04	28.61	32.19	39.34	46.50	53.65	64.38
Alderbury Parish Council	31.59	36.85	42.12	47.38	57.91	68.44	78.97	94.76
All Cannings Parish Council	28.15	32.84	37.53	42.22	51.60	60.98	70.37	84.44
Allington Parish Council	27.92	32.57	37.23	41.88	51.19	60.49	69.80	83.76
Alton Parish Council	14.49	16.91	19.32	21.74	26.57	31.40	36.23	43.48
Alvediston Parish Meeting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amesbury Town Council	38.63	45.07	51.51	57.95	70.83	83.71	96.58	115.90
Ansty Parish Council	13.81	16.11	18.41	20.71	25.31	29.91	34.52	41.42
Ashton Keynes Parish Council	34.15	39.84	45.53	51.22	62.60	73.98	85.37	102.44
Atworth Parish Council	31.89	37.21	42.52	47.84	58.47	69.10	79.73	95.68
Avebury Parish Council	31.49	36.74	41.99	47.24	57.74	68.24	78.73	94.48
Barford St Martin Parish Council	29.08	33.93	38.77	43.62	53.31	63.01	72.70	87.24
Baydon Parish Council	33.16	38.69	44.21	49.74	60.79	71.85	82.90	99.48
Beechingstoke Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Berwick Bassett & W/Bourne Monkton Parish Council	17.59	20.52	23.45	26.38	32.24	38.10	43.97	52.76
Berwick St James Parish Council	10.62	12.39	14.16	15.93	19.47	23.01	26.55	31.86
Berwick St John Parish Council	35.35	41.25	47.14	53.03	64.81	76.60	88.38	106.06
Berwick St Leonard Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Biddestone Parish Council	21.89	25.54	29.19	32.84	40.14	47.44	54.73	65.68
Bishops Cannings Parish Council	14.15	16.50	18.86	21.22	25.94	30.65	35.37	42.44
Bishopstone Parish Council	13.36	15.59	17.81	20.04	24.49	28.95	33.40	40.08
Bishopstrow Parish Council	12.72	14.84	16.96	19.08	23.32	27.56	31.80	38.16
Bowerchalke Parish Council	20.27	23.65	27.03	30.41	37.17	43.93	50.68	60.82
Box Parish Council	61.96	72.29	82.61	92.94	113.59	134.25	154.90	185.88
Boyton Parish Council	4.45	5.19	5.93	6.67	8.15	9.63	11.12	13.34
Bradford On Avon Town Council	68.07	79.41	90.76	102.10	124.79	147.48	170.17	204.20
Bratton Parish Council	33.93	39.59	45.24	50.90	62.21	73.52	84.83	101.80
Braydon Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bremhill Parish Council	7.23	8.44	9.64	10.85	13.26	15.67	18.08	21.70
Brinkworth Parish Council	18.59	21.68	24.78	27.88	34.08	40.27	46.47	55.76
Britford Parish Council	10.80	12.60	14.40	16.20	19.80	23.40	27.00	32.40
Broad Hinton & W/Bourne Bassett Parish Council	10.26	11.97	13.68	15.39	18.81	22.23	25.65	30.78
Broad Town Parish Council	9.24	10.78	12.32	13.86	16.94	20.02	23.10	27.72
Broadchalke Parish Council	14.08	16.43	18.77	21.12	25.81	30.51	35.20	42.24
Brokenborough Parish Council	8.89	10.37	11.85	13.33	16.29	19.25	22.22	26.66
Bromham Parish Council	30.55	35.64	40.73	45.82	56.00	66.18	76.37	91.64
Broughton Gifford Parish Council	17.38	20.28	23.17	26.07	31.86	37.66	43.45	52.14
Bulford Parish Council	24.00	28.00	32.00	36.00	44.00	52.00	60.00	72.00
Bulkington Parish Council	25.64	29.91	34.19	38.46	47.01	55.55	64.10	76.92
Burbage Parish Council	28.37	33.09	37.82	42.55	52.01	61.46	70.92	85.10
Burcombe Parish Council	28.64	33.41	38.19	42.96	52.51	62.05	71.60	85.92
Buttermere Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calne Town Council	133.29	155.51	177.72	199.94	244.37	288.80	333.23	399.88
Calne Without Parish Council	3.55	4.15	4.74	5.33	6.51	7.70	8.88	10.66
Castle Combe Parish Council	19.23	22.43	25.64	28.84	35.25	41.66	48.07	57.68
Chapmanslade Parish Council	8.60	10.03	11.47	12.90	15.77	18.63	21.50	25.80
Charlton Parish Council	14.65	17.09	19.53	21.97	26.85	31.73	36.62	43.94
Charlton St Peter & Wilsford Parish Council	6.60	7.70	8.80	9.90	12.10	14.30	16.50	19.80

## Appendix B

Council Tax Schedule	2014/2015	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Wiltshire Council		814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86
Office of the Police & Crime Commissioner for Wiltshire & Swindon		107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
Wiltshire & Swindon Fire Authority		42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Town & Parish Council (Average)		53.68	62.63	71.57	80.52	98.41	116.31	134.20	161.04
<b>Total</b>		<b>1,018.32</b>	<b>1,188.05</b>	<b>1,357.76</b>	<b>1,527.49</b>	<b>1,866.93</b>	<b>2,206.38</b>	<b>2,545.81</b>	<b>3,054.98</b>

## Council Tax Charge by band per Parish/Town Council

Cherhill Parish Council	12.99	15.15	17.32	19.48	23.81	28.14	32.47	38.96
Cheverell Magna (Great Cheverell) Parish Council	22.38	26.11	29.84	33.57	41.03	48.49	55.95	67.14
Chicklade Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chilmark Parish Council	19.79	23.08	26.38	29.68	36.28	42.87	49.47	59.36
Chilton Foliat Parish Council	23.37	27.27	31.16	35.06	42.85	50.64	58.43	70.12
Chippenham Town Council	100.61	117.38	134.15	150.92	184.46	218.00	251.53	301.84
Chippenham Without Parish Council	30.61	35.72	40.82	45.92	56.12	66.33	76.53	91.84
Chirton Parish Council	8.23	9.60	10.97	12.34	15.08	17.82	20.57	24.68
Chitterne Parish Council	30.79	35.92	41.05	46.18	56.44	66.70	76.97	92.36
Cholderton Parish Council	30.11	35.13	40.15	45.17	55.21	65.25	75.28	90.34
Christian Malford Parish Council	17.67	20.61	23.56	26.50	32.39	38.28	44.17	53.00
Chute Forest Parish Council	30.16	35.19	40.21	45.24	55.29	65.35	75.40	90.48
Chute Parish Council	24.81	28.95	33.08	37.22	45.49	53.76	62.03	74.44
Clarendon Park Parish Council	3.49	4.08	4.66	5.24	6.40	7.57	8.73	10.48
Clyffe Pypard Parish Council	9.51	11.10	12.68	14.27	17.44	20.61	23.78	28.54
Codford Parish Council	14.25	16.62	19.00	21.37	26.12	30.87	35.62	42.74
Colerne Parish Council	36.61	42.72	48.82	54.92	67.12	79.33	91.53	109.84
Collingbourne Ducis Parish Council	32.75	38.20	43.66	49.12	60.04	70.95	81.87	98.24
Collingbourne Kingston Parish Council	29.21	34.08	38.95	43.82	53.56	63.30	73.03	87.64
Compton Bassett Parish Council	17.02	19.86	22.69	25.53	31.20	36.88	42.55	51.06
Compton Chamberlayne Parish Council	24.94	29.10	33.25	37.41	45.72	54.04	62.35	74.82
Coombe Bissett Parish Council	20.75	24.21	27.67	31.13	38.05	44.97	51.88	62.26
Corsham Town Council	91.17	106.37	121.56	136.76	167.15	197.54	227.93	273.52
Corsley Parish Council	16.30	19.02	21.73	24.45	29.88	35.32	40.75	48.90
Coulston Parish Council	16.09	18.78	21.46	24.14	29.50	34.87	40.23	48.28
Cricklade Town Council	107.74	125.70	143.65	161.61	197.52	233.44	269.35	323.22
Crudwell Parish Council	20.34	23.73	27.12	30.51	37.29	44.07	50.85	61.02
Dauntsey Parish Council	32.93	38.41	43.90	49.39	60.37	71.34	82.32	98.78
Devizes Town Council	81.90	95.55	109.20	122.85	150.15	177.45	204.75	245.70
Dilton Marsh Parish Council	17.83	20.80	23.77	26.74	32.68	38.62	44.57	53.48
Dinton Parish Council	25.09	29.28	33.46	37.64	46.00	54.37	62.73	75.28
Donhead St Andrew Parish Council	19.93	23.26	26.58	29.90	36.54	43.19	49.83	59.80
Donhead St Mary Parish Council	21.41	24.97	28.54	32.11	39.25	46.38	53.52	64.22
Downton Parish Council	31.05	36.23	41.40	46.58	56.93	67.28	77.63	93.16
Durnford Parish Council	7.57	8.84	10.10	11.36	13.88	16.41	18.93	22.72
Durrington Town Council	33.57	39.16	44.76	50.35	61.54	72.73	83.92	100.70
East Kennett Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
East Knoyle Parish Council	14.26	16.64	19.01	21.39	26.14	30.90	35.65	42.78
Easterton Parish Council	42.53	49.61	56.70	63.79	77.97	92.14	106.32	127.58
Easton Grey Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Easton Royal Parish Council	27.57	32.17	36.76	41.36	50.55	59.74	68.93	82.72
Ebbesbourne Wake Parish Council	6.59	7.68	8.78	9.88	12.08	14.27	16.47	19.76
Edington Parish Council	13.10	15.28	17.47	19.65	24.02	28.38	32.75	39.30
Enford Parish Council	12.82	14.96	17.09	19.23	23.50	27.78	32.05	38.46
Erlstoke Parish Council	41.19	48.06	54.92	61.79	75.52	89.25	102.98	123.58
Etchilhampton Parish Council	13.28	15.49	17.71	19.92	24.35	28.77	33.20	39.84
Everleigh Parish Council	25.63	29.90	34.17	38.44	46.98	55.52	64.07	76.88
Figheledean Parish Council	47.05	54.90	62.74	70.58	86.26	101.95	117.63	141.16

## Appendix B

Council Tax Schedule 2014/2015	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Wiltshire Council	814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86
Office of the Police & Crime Commissioner for Wiltshire & Swindon	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
Wiltshire & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Town & Parish Council (Average)	53.68	62.63	71.57	80.52	98.41	116.31	134.20	161.04
<b>Total</b>	<b>1,018.32</b>	<b>1,188.05</b>	<b>1,357.76</b>	<b>1,527.49</b>	<b>1,866.93</b>	<b>2,206.38</b>	<b>2,545.81</b>	<b>3,054.98</b>

## Council Tax Charge by band per Parish/Town Council

Firsdown Parish Council	21.56	25.15	28.75	32.34	39.53	46.71	53.90	64.68
Fittleton Parish Council	28.67	33.45	38.23	43.01	52.57	62.13	71.68	86.02
Fonthill Bishop Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fonthill Gifford Parish Council	17.26	20.14	23.01	25.89	31.64	37.40	43.15	51.78
Fovant Parish Council	18.47	21.54	24.62	27.70	33.86	40.01	46.17	55.40
Froxfield Parish Council	28.92	33.74	38.56	43.38	53.02	62.66	72.30	86.76
Fyfield & West Overton Parish Council	14.51	16.92	19.34	21.76	26.60	31.43	36.27	43.52
Grafton Parish Council	14.35	16.74	19.13	21.52	26.30	31.08	35.87	43.04
Great Bedwyn Parish Council	18.53	21.61	24.70	27.79	33.97	40.14	46.32	55.58
Great Hinton Parish Council	19.59	22.86	26.12	29.39	35.92	42.45	48.98	58.78
Great Somerford Parish Council	12.10	14.12	16.13	18.15	22.18	26.22	30.25	36.30
Great Wishford Parish Council	17.96	20.95	23.95	26.94	32.93	38.91	44.90	53.88
Grimstead Parish Council	22.62	26.39	30.16	33.93	41.47	49.01	56.55	67.86
Grittleton Parish Council	9.75	11.37	13.00	14.62	17.87	21.12	24.37	29.24
Ham Parish Council	18.92	22.07	25.23	28.38	34.69	40.99	47.30	56.76
Hankerton Parish Council	16.00	18.67	21.33	24.00	29.33	34.67	40.00	48.00
Heddington Parish Council	9.26	10.80	12.35	13.89	16.98	20.06	23.15	27.78
Heytesbury & Knook Parish Council	17.54	20.46	23.39	26.31	32.16	38.00	43.85	52.62
Heywood Parish Council	8.88	10.36	11.84	13.32	16.28	19.24	22.20	26.64
Hillmarton Parish Council	16.34	19.06	21.79	24.51	29.96	35.40	40.85	49.02
Hilperton Parish Council	9.33	10.89	12.44	14.00	17.11	20.22	23.33	28.00
Hindon Parish Council	21.61	25.21	28.81	32.41	39.61	46.81	54.02	64.82
Holt Parish Council	17.01	19.84	22.68	25.51	31.18	36.85	42.52	51.02
Horningsham Parish Council	43.33	50.55	57.77	64.99	79.43	93.87	108.32	129.98
Hullavington Parish Council	23.67	27.61	31.56	35.50	43.39	51.28	59.17	71.00
Idmiston Parish Council	18.62	21.72	24.83	27.93	34.14	40.34	46.55	55.86
Keevil Parish Council	18.28	21.33	24.37	27.42	33.51	39.61	45.70	54.84
Kilmington Parish Council	21.57	25.17	28.76	32.36	39.55	46.74	53.93	64.72
Kington Langley Parish Council	34.54	40.30	46.05	51.81	63.32	74.84	86.35	103.62
Kington St Michael Parish Council	36.51	42.60	48.68	54.77	66.94	79.11	91.28	109.54
Lacock Parish Council	14.79	17.25	19.72	22.18	27.11	32.04	36.97	44.36
Landford Parish Council	22.21	25.92	29.62	33.32	40.72	48.13	55.53	66.64
Langley Burrell Parish Council	24.97	29.13	33.29	37.45	45.77	54.09	62.42	74.90
Latton Parish Council	18.79	21.93	25.06	28.19	34.45	40.72	46.98	56.38
Laverstock & Ford Parish Council	8.30	9.68	11.07	12.45	15.22	17.98	20.75	24.90
Lea & Cleverton Parish Council	14.99	17.49	19.99	22.49	27.49	32.49	37.48	44.98
Leigh Parish Council	18.96	22.12	25.28	28.44	34.76	41.08	47.40	56.88
Limply Stoke Parish Council	29.81	34.77	39.74	44.71	54.65	64.58	74.52	89.42
Little Bedwyn Parish Council	16.37	19.09	21.82	24.55	30.01	35.46	40.92	49.10
Little Cheverell Parish Council	20.57	23.99	27.42	30.85	37.71	44.56	51.42	61.70
Little Somerford Parish Council	22.43	26.17	29.91	33.65	41.13	48.61	56.08	67.30
Longbridge Deverill Parish Council	10.83	12.64	14.44	16.25	19.86	23.47	27.08	32.50
Luckington Parish Council	16.95	19.77	22.60	25.42	31.07	36.72	42.37	50.84
Ludgershall Town Council	51.24	59.78	68.32	76.86	93.94	111.02	128.10	153.72
Lydiard Millicent Parish Council	18.13	21.16	24.18	27.20	33.24	39.29	45.33	54.40
Lydiard Tregoze Parish Council	22.50	26.25	30.00	33.75	41.25	48.75	56.25	67.50
Lyneham & Bradenstoke Parish Council	40.87	47.68	54.49	61.30	74.92	88.54	102.17	122.60
Maiden Bradley Parish Council	55.44	64.68	73.92	83.16	101.64	120.12	138.60	166.32

## Appendix B

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Wiltshire & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Town & Parish Council (Average)	53.68	62.63	71.57	80.52	98.41	116.31	134.20	161.04
<b>Total</b>	<b>1,018.32</b>	<b>1,188.05</b>	<b>1,357.76</b>	<b>1,527.49</b>	<b>1,866.93</b>	<b>2,206.38</b>	<b>2,545.81</b>	<b>3,054.98</b>

## Council Tax Charge by band per Parish/Town Council

Malmesbury Town Council	114.88	134.03	153.17	172.32	210.61	248.91	287.20	344.64
Manningford Parish Council	21.85	25.49	29.13	32.77	40.05	47.33	54.62	65.54
Marden Parish Council	4.28	4.99	5.71	6.42	7.85	9.27	10.70	12.84
Market Lavington Parish Council	39.03	45.54	52.04	58.55	71.56	84.57	97.58	117.10
Marlborough Town Council	97.21	113.42	129.62	145.82	178.22	210.63	243.03	291.64
Marston Meysey Parish Council	17.92	20.91	23.89	26.88	32.85	38.83	44.80	53.76
Marston Parish Council	16.67	19.45	22.23	25.01	30.57	36.13	41.68	50.02
Melksham Town Council	57.91	67.57	77.22	86.87	106.17	125.48	144.78	173.74
Melksham Without Parish Council	27.75	32.38	37.00	41.63	50.88	60.13	69.38	83.26
Mere Parish Council	60.79	70.93	81.06	91.19	111.45	131.72	151.98	182.38
Mildenhall Parish Council	41.23	48.11	54.98	61.85	75.59	89.34	103.08	123.70
Milton Parish Council	10.33	12.05	13.77	15.49	18.93	22.37	25.82	30.98
Milton Lilbourne Parish Council	20.84	24.31	27.79	31.26	38.21	45.15	52.10	62.52
Minety Parish Council	12.03	14.03	16.04	18.04	22.05	26.06	30.07	36.08
Monkton Farleigh Parish Council	18.24	21.28	24.32	27.36	33.44	39.52	45.60	54.72
Netheravon Parish Council	34.71	40.50	46.28	52.07	63.64	75.21	86.78	104.14
Netherhampton Parish Council	6.03	7.03	8.04	9.04	11.05	13.06	15.07	18.08
Nettleton Parish Council	9.92	11.57	13.23	14.88	18.19	21.49	24.80	29.76
Newton Toney Parish Council	28.37	33.09	37.82	42.55	52.01	61.46	70.92	85.10
North Bradley Parish Council	9.51	11.10	12.68	14.27	17.44	20.61	23.78	28.54
North Newton Parish Council	13.03	15.21	17.38	19.55	23.89	28.24	32.58	39.10
North Wraxall Parish Council	19.59	22.86	26.12	29.39	35.92	42.45	48.98	58.78
Norton & Foxley Parish Meeting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Norton Bavant Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oaksey Parish Council	39.85	46.49	53.13	59.77	73.05	86.33	99.62	119.54
Odstock Parish Council	26.63	31.07	35.51	39.95	48.83	57.71	66.58	79.90
Ogbourne St Andrew Parish Council	10.45	12.19	13.93	15.67	19.15	22.63	26.12	31.34
Ogbourne St George Parish Council	21.15	24.67	28.20	31.72	38.77	45.82	52.87	63.44
Orcheston Parish Council	9.43	11.00	12.57	14.14	17.28	20.42	23.57	28.28
Patney Parish Council	6.28	7.33	8.37	9.42	11.51	13.61	15.70	18.84
Pewsey Parish Council	38.85	45.32	51.80	58.27	71.22	84.17	97.12	116.54
Pitton & Farley Parish Council	13.60	15.87	18.13	20.40	24.93	29.47	34.00	40.80
Potterne Parish Council	18.91	22.07	25.22	28.37	34.67	40.98	47.28	56.74
Poulshot Parish Council	25.55	29.81	34.07	38.33	46.85	55.37	63.88	76.66
Preshute Parish Council	17.83	20.81	23.78	26.75	32.69	38.64	44.58	53.50
Purton Parish Council	70.48	82.23	93.97	105.72	129.21	152.71	176.20	211.44
Quidhampton Parish Council	24.87	29.02	33.16	37.31	45.60	53.89	62.18	74.62
Ramsbury Parish Council	33.21	38.75	44.28	49.82	60.89	71.96	83.03	99.64
Redlynch Parish Council	19.57	22.83	26.09	29.35	35.87	42.39	48.92	58.70
Roundway Parish Council	27.38	31.94	36.51	41.07	50.20	59.32	68.45	82.14
Rowde Parish Council	37.43	43.66	49.90	56.14	68.62	81.09	93.57	112.28
Royal Wootton Bassett Town Council	126.54	147.63	168.72	189.81	231.99	274.17	316.35	379.62

## Appendix B

Council Tax Schedule 2014/2015	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Wiltshire Council	814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86
Office of the Police & Crime Commissioner for Wiltshire & Swindon	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
Wiltshire & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Town & Parish Council (Average)	53.68	62.63	71.57	80.52	98.41	116.31	134.20	161.04
<b>Total</b>	<b>1,018.32</b>	<b>1,188.05</b>	<b>1,357.76</b>	<b>1,527.49</b>	<b>1,866.93</b>	<b>2,206.38</b>	<b>2,545.81</b>	<b>3,054.98</b>

## Council Tax Charge by band per Parish/Town Council

Rushall Parish Council	30.71	35.83	40.95	46.07	56.31	66.55	76.78	92.14
Salisbury City Council	70.00	81.67	93.33	105.00	128.33	151.67	175.00	210.00
Savernake Parish Council	4.99	5.83	6.66	7.49	9.15	10.82	12.48	14.98
Seagry Parish Council	36.87	43.02	49.16	55.31	67.60	79.89	92.18	110.62
Sedgehill & Semley Parish Council	15.76	18.39	21.01	23.64	28.89	34.15	39.40	47.28
Seend Parish Council	13.19	15.39	17.59	19.79	24.19	28.59	32.98	39.58
Semington Parish Council	14.85	17.32	19.80	22.27	27.22	32.17	37.12	44.54
Shalbourne Parish Council	6.34	7.40	8.45	9.51	11.62	13.74	15.85	19.02
Sherrington Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sherston Parish Council	24.31	28.36	32.41	36.46	44.56	52.66	60.77	72.92
Shrewton Parish Council	16.39	19.12	21.85	24.58	30.04	35.50	40.97	49.16
Sopworth Parish Council	5.57	6.49	7.42	8.35	10.21	12.06	13.92	16.70
South Newton Parish Council	12.67	14.79	16.90	19.01	23.23	27.46	31.68	38.02
South Wraxall Parish Council	11.07	12.91	14.76	16.60	20.29	23.98	27.67	33.20
Southwick Parish Council	13.51	15.77	18.02	20.27	24.77	29.28	33.78	40.54
St Paul Without	8.09	9.43	10.78	12.13	14.83	17.52	20.22	24.26
Stanton St Bernard Parish Council	20.35	23.75	27.14	30.53	37.31	44.10	50.88	61.06
Stanton St Quintin Parish Council	14.29	16.68	19.06	21.44	26.20	30.97	35.73	42.88
Stapleford Parish Council	15.24	17.78	20.32	22.86	27.94	33.02	38.10	45.72
Staverton Parish Council	20.91	24.40	27.88	31.37	38.34	45.31	52.28	62.74
Steeple Ashton Parish Council	30.11	35.12	40.14	45.16	55.20	65.23	75.27	90.32
Steeple Langford Parish Council	12.32	14.37	16.43	18.48	22.59	26.69	30.80	36.96
Stert Parish Council	6.67	7.78	8.89	10.00	12.22	14.44	16.67	20.00
Stockton Parish Council	4.07	4.75	5.43	6.11	7.47	8.83	10.18	12.22
Stourton Parish Council	13.36	15.59	17.81	20.04	24.49	28.95	33.40	40.08
Stratford Tony Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sutton Benger Parish Council	13.39	15.63	17.86	20.09	24.55	29.02	33.48	40.18
Sutton Mandeville Parish Council	5.95	6.95	7.94	8.93	10.91	12.90	14.88	17.86
Sutton Veny Parish Council	23.55	27.48	31.40	35.33	43.18	51.03	58.88	70.66
Swallowcliffe Parish Council	15.03	17.53	20.04	22.54	27.55	32.56	37.57	45.08
Teffont Parish Council	31.12	36.31	41.49	46.68	57.05	67.43	77.80	93.36
Tidcombe & Fosbury Parish Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tidworth Town Council	69.12	80.64	92.16	103.68	126.72	149.76	172.80	207.36
Tilshead Parish Council	31.73	37.01	42.30	47.59	58.17	68.74	79.32	95.18
Tisbury Parish Council	35.24	41.11	46.99	52.86	64.61	76.35	88.10	105.72
Tockenham Parish Council	21.29	24.83	28.38	31.93	39.03	46.12	53.22	63.86
Tollard Royal Parish Council	33.45	39.02	44.60	50.17	61.32	72.47	83.62	100.34
Trowbridge Town Council	91.95	107.27	122.60	137.92	168.57	199.22	229.87	275.84
Upavon Parish Council	24.24	28.28	32.32	36.36	44.44	52.52	60.60	72.72
Upper Deverills Parish Council	26.03	30.36	34.70	39.04	47.72	56.39	65.07	78.08
Upton Lovell Parish Council	21.98	25.64	29.31	32.97	40.30	47.62	54.95	65.94
Upton Scudamore Parish Council	15.01	17.51	20.01	22.51	27.51	32.51	37.52	45.02
Urchfont Parish Council	55.13	64.32	73.51	82.70	101.08	119.46	137.83	165.40
Warminster Town Council	54.05	63.05	72.06	81.07	99.09	117.10	135.12	162.14
West Ashton Parish Council	8.97	10.47	11.96	13.46	16.45	19.44	22.43	26.92
West Dean Parish Council	20.71	24.16	27.61	31.06	37.96	44.86	51.77	62.12
West Knoyle Parish Council	28.39	33.13	37.86	42.59	52.05	61.52	70.98	85.18
West Lavington Parish Council	38.19	44.55	50.92	57.28	70.01	82.74	95.47	114.56

## Appendix B

<b>Council Tax Schedule 2014/2015</b>	<b>Band A £</b>	<b>Band B £</b>	<b>Band C £</b>	<b>Band D £</b>	<b>Band E £</b>	<b>Band F £</b>	<b>Band G £</b>	<b>Band H £</b>
Wiltshire Council	814.95	950.78	1,086.60	1,222.43	1,494.08	1,765.73	2,037.38	2,444.86
Office of the Police & Crime Commissioner for Wiltshire & Swindon	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
Wiltshire & Swindon Fire Authority	42.41	49.48	56.55	63.62	77.76	91.90	106.03	127.24
Town & Parish Council (Average)	53.68	62.63	71.57	80.52	98.41	116.31	134.20	161.04
<b>Total</b>	<b>1,018.32</b>	<b>1,188.05</b>	<b>1,357.76</b>	<b>1,527.49</b>	<b>1,866.93</b>	<b>2,206.38</b>	<b>2,545.81</b>	<b>3,054.98</b>

**Council Tax Charge by band per Parish/Town Council**

West Tisbury Parish Council	14.85	17.33	19.80	22.28	27.23	32.18	37.13	44.56
Westbury Town Council	52.40	61.13	69.87	78.60	96.07	113.53	131.00	157.20
Westwood Parish Council	15.57	18.17	20.76	23.36	28.55	33.74	38.93	46.72
Whiteparish Parish Council	26.17	30.54	34.90	39.26	47.98	56.71	65.43	78.52
Wilcot & Huish Parish Council	13.95	16.28	18.60	20.93	25.58	30.23	34.88	41.86
Wilsford-cum-Lake Parish Council	5.81	6.78	7.75	8.72	10.66	12.60	14.53	17.44
Wilton Town Council	64.26	74.97	85.68	96.39	117.81	139.23	160.65	192.78
Wingfield Parish Council	23.19	27.06	30.92	34.79	42.52	50.25	57.98	69.58
Winsley Parish Council	13.90	16.22	18.53	20.85	25.48	30.12	34.75	41.70
Winterbourne Parish Council	20.77	24.23	27.69	31.15	38.07	44.99	51.92	62.30
Winterbourne Stoke Parish Council	42.22	49.26	56.29	63.33	77.40	91.48	105.55	126.66
Winterslow Parish Council	16.69	19.47	22.25	25.03	30.59	36.15	41.72	50.06
Woodborough Parish Council	14.21	16.58	18.95	21.32	26.06	30.80	35.53	42.64
Woodford Parish Council	12.53	14.61	16.70	18.79	22.97	27.14	31.32	37.58
Wootton Rivers Parish Council	12.05	14.05	16.06	18.07	22.09	26.10	30.12	36.14
Worton Parish Council	24.66	28.77	32.88	36.99	45.21	53.43	61.65	73.98
Wylve Parish Council	16.01	18.68	21.35	24.02	29.36	34.70	40.03	48.04
Yatton Keynell Parish Council	16.10	18.78	21.47	24.15	29.52	34.88	40.25	48.30
Zeals Parish Council	10.62	12.39	14.16	15.93	19.47	23.01	26.55	31.86



## TOWN &amp; PARISH COUNCIL PRECEPTS

Parish/Town Council	2013/2014			2014/2015			C Tax increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Aldbourne Parish Council	753.64	25,525.79	33.87	767.83	24,716.76	32.19	-4.96%
Alderbury Parish Council	910.35	36,000.00	39.55	930.53	44,086.34	47.38	19.80%
All Cannings Parish Council	249.04	9,534.35	38.28	250.98	10,597.00	42.22	10.29%
Allington Parish Council	175.54	7,269.11	41.41	184.29	7,717.42	41.88	1.13%
Alton Parish Council	103.44	2,021.22	19.54	103.53	2,251.29	21.74	11.26%
Alvediston Parish Meeting	45.59	0.00	0.00	46.00	0.00	0.00	0.00%
Amesbury Town Council	3,376.35	195,661.61	57.95	3,515.27	203,710.00	57.95	0.00%
Ansty Parish Council	72.43	1,500.00	20.71	73.57	1,523.63	20.71	0.00%
Ashton Keynes Parish Council	641.26	32,297.12	50.37	639.84	32,770.63	51.22	1.69%
Atworth Parish Council	476.76	15,499.03	32.51	473.36	22,646.00	47.84	47.15%
Avebury Parish Council	215.71	9,980.13	46.27	216.72	10,237.08	47.24	2.10%
Barford St Martin Parish Council	192.83	7,163.08	37.15	193.85	8,456.00	43.62	17.42%
Baydon Parish Council	282.77	14,101.00	49.87	283.50	14,101.00	49.74	-0.26%
Beechingstoke Parish Council	65.64	0.00	0.00	65.77	0.00	0.00	0.00%
Berwick Bassett & W/Bourne Monkton Pa	85.96	1,757.02	20.44	83.69	2,208.06	26.38	29.06%
Berwick St James Parish Council	73.34	1,123.57	15.32	73.33	1,167.82	15.93	3.98%
Berwick St John Parish Council	132.86	3,000.00	22.58	131.99	7,000.00	53.03	134.85%
Berwick St Leonard Parish Council	15.00	0.00	0.00	15.53	0.00	0.00	0.00%
Biddestone Parish Council	237.56	6,998.52	29.46	243.59	8,000.00	32.84	11.47%
Bishops Cannings Parish Council	722.19	13,400.19	18.55	761.06	16,150.00	21.22	14.39%
Bishopstone Parish Council	259.33	5,200.00	20.05	263.22	5,274.39	20.04	-0.05%
Bishopstrow Parish Council	62.43	900.00	14.42	62.88	1,200.00	19.08	32.32%
Bowerchalke Parish Council	166.67	5,176.75	31.06	173.93	5,289.89	30.41	-2.09%
Box Parish Council	1,443.63	128,455.15	88.98	1,449.75	134,746.24	92.94	4.45%
Boyton Parish Council	86.55	529.35	6.12	87.98	586.58	6.67	8.99%
Bradford On Avon Town Council	3,615.22	329,407.00	91.12	3,662.50	373,929.00	102.10	12.05%
Bratton Parish Council	481.94	22,448.77	46.58	485.45	24,711.70	50.90	9.27%
Braydon Parish Council	22.84	0.00	0.00	25.46	0.00	0.00	0.00%
Bremhill Parish Council	440.69	4,772.67	10.83	447.17	4,852.24	10.85	0.18%
Brinkworth Parish Council	573.87	16,000.00	27.88	573.78	15,995.39	27.88	0.00%
Britford Parish Council	169.21	2,946.55	17.41	183.05	2,965.26	16.20	-6.95%
Broad Hinton & W/Bourne Bassett Parish	376.44	5,202.40	13.82	377.21	5,806.56	15.39	11.36%
Broad Town Parish Council	253.67	3,284.29	12.95	254.32	3,525.00	13.86	7.03%
Broadchalke Parish Council	304.88	6,186.01	20.29	307.61	6,495.91	21.12	4.09%
Brokenborough Parish Council	98.90	1,265.00	12.79	94.87	1,265.00	13.33	4.20%
Bromham Parish Council	737.77	33,074.87	44.83	744.18	34,098.67	45.82	2.21%
Broughton Gifford Parish Council	325.75	8,465.00	25.99	331.92	8,652.00	26.07	0.31%
Bulford Parish Council	1,055.47	41,913.39	39.71	1,148.11	41,327.47	36.00	-9.34%
Bulkington Parish Council	118.20	4,500.00	38.07	117.01	4,500.00	38.46	1.02%
Burbage Parish Council	735.01	63,925.00	86.97	740.33	31,499.39	42.55	-51.08%
Burcombe Parish Council	57.77	2,000.00	34.62	58.23	2,501.43	42.96	24.09%
Buttermere Parish Council	29.98	0.00	0.00	30.12	0.00	0.00	0.00%
Calne Town Council	5,080.29	1,015,753.00	199.94	5,201.48	1,039,984.00	199.94	0.00%
Calne Without Parish Council	1,077.06	5,729.96	5.32	1,092.22	5,824.47	5.33	0.19%
Castle Combe Parish Council	162.75	4,252.02	26.13	159.12	4,588.81	28.84	10.37%
Chapmanslade Parish Council	300.52	3,769.25	12.54	299.52	3,863.81	12.90	2.87%
Charlton Parish Council	224.44	4,710.00	20.99	222.00	4,876.50	21.97	4.67%
Charlton St Peter & Wilsford Parish Cou	83.64	800.00	9.56	80.82	800.00	9.90	3.56%
Cherhill Parish Council	333.64	6,335.82	18.99	343.85	6,698.29	19.48	2.58%
Cheverell Magna (Great Cheverell) Par	238.32	7,689.17	32.26	239.60	8,044.24	33.57	4.06%
Chicklade Parish Council	38.01	0.00	0.00	38.18	0.00	0.00	0.00%

## TOWN &amp; PARISH COUNCIL PRECEPTS

Parish/Town Council	2013/2014			2014/2015			C Tax increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Chilmark Parish Council	227.81	6,767.05	29.70	230.72	6,848.58	29.68	-0.07%
Chilton Foliat Parish Council	189.71	5,634.39	29.70	188.24	6,600.00	35.06	18.05%
Chippenham Town Council	11,285.48	1,541,015.11	136.55	11,379.61	1,717,463.00	150.92	10.52%
Chippenham Without Parish Council	84.73	3,822.00	45.11	87.11	4,000.00	45.92	1.80%
Chirton Parish Council	171.01	1,858.88	10.87	171.37	2,114.71	12.34	13.52%
Chitterne Parish Council	127.18	5,454.75	42.89	130.76	6,039.00	46.18	7.67%
Cholderton Parish Council	84.51	3,800.00	44.97	84.13	3,800.00	45.17	0.44%
Christian Malford Parish Council	340.05	8,950.12	26.32	338.43	8,967.58	26.50	0.68%
Chute Forest Parish Council	86.44	2,618.00	30.29	85.50	3,868.00	45.24	49.36%
Chute Parish Council	163.32	5,696.60	34.88	161.20	6,000.00	37.22	6.71%
Clarendon Park Parish Council	113.09	1,500.00	13.26	114.59	600.00	5.24	-60.48%
Clyffe Pypard Parish Council	136.44	2,000.00	14.66	140.18	2,000.00	14.27	-2.66%
Codford Parish Council	323.11	6,653.93	20.59	331.30	7,080.06	21.37	3.79%
Colerne Parish Council	916.96	48,666.76	53.07	911.87	50,078.10	54.92	3.49%
Collingbourne Ducis Parish Council	357.32	16,558.28	46.34	354.50	17,412.93	49.12	6.00%
Collingbourne Kingston Parish Council	203.63	8,603.37	42.25	203.51	8,917.19	43.82	3.72%
Compton Bassett Parish Council	99.11	2,870.00	28.96	105.56	2,695.56	25.53	-11.84%
Compton Chamberlayne Parish Council	58.90	2,250.00	38.20	60.14	2,250.00	37.41	-2.07%
Coombe Bissett Parish Council	351.22	10,775.43	30.68	348.62	10,854.03	31.13	1.47%
Corsham Town Council	4,281.79	525,996.00	122.84	4,286.13	586,187.00	136.76	11.33%
Corsley Parish Council	327.53	4,788.49	14.62	327.26	8,000.00	24.45	67.24%
Coulston Parish Council	77.31	1,960.00	25.35	81.18	1,960.00	24.14	-4.77%
Cricklade Town Council	1,484.71	227,625.00	153.31	1,485.70	240,106.00	161.61	5.41%
Crudwell Parish Council	491.28	13,760.75	28.01	494.85	15,097.74	30.51	8.93%
Dauntsey Parish Council	241.90	9,571.47	39.57	242.97	12,000.00	49.39	24.82%
Devizes Town Council	3,738.57	403,094.00	107.82	3,763.77	462,363.64	122.85	13.94%
Dilton Marsh Parish Council	646.63	16,974.04	26.25	667.92	17,858.12	26.74	1.87%
Dinton Parish Council	278.80	10,200.00	36.59	282.78	10,645.00	37.64	2.87%
Donhead St Andrew Parish Council	247.32	7,000.00	28.30	242.57	7,252.00	29.90	5.65%
Donhead St Mary Parish Council	449.87	13,673.48	30.39	452.91	14,542.76	32.11	5.66%
Downton Parish Council	1,233.27	48,081.57	38.99	1,241.26	57,819.87	46.58	19.47%
Durnford Parish Council	175.68	1,957.08	11.14	175.22	1,989.60	11.36	1.97%
Durrington Town Council	2,036.25	121,696.00	59.76	2,066.94	104,074.75	50.35	-15.75%
East Kennett Parish Council	50.90	0.00	0.00	50.61	0.00	0.00	0.00%
East Knole Parish Council	324.00	6,987.80	21.57	330.21	7,062.07	21.39	-0.83%
Easterton Parish Council	227.64	12,084.44	53.09	227.30	14,500.00	63.79	20.15%
Easton Grey Parish Council	44.18	0.00	0.00	43.81	0.00	0.00	0.00%
Easton Royal Parish Council	136.80	5,495.00	40.17	135.41	5,600.00	41.36	2.96%
Ebbesbourne Wake Parish Council	97.55	963.79	9.88	101.17	999.56	9.88	0.00%
Edington Parish Council	318.78	5,597.78	17.56	317.54	6,238.55	19.65	11.90%
Enford Parish Council	238.10	6,162.45	25.88	245.98	4,730.40	19.23	-25.70%
Erlestoke Parish Council	87.42	5,145.01	58.85	90.38	5,584.26	61.79	5.00%
Etchilhampton Parish Council	67.88	1,352.17	19.92	70.46	1,403.91	19.92	0.00%
Everleigh Parish Council	87.55	3,256.24	37.19	87.60	3,367.18	38.44	3.36%
Figheldean Parish Council	214.61	15,147.17	70.58	214.95	15,170.61	70.58	0.00%
Firsdown Parish Council	273.53	8,467.60	30.96	277.53	8,974.00	32.34	4.46%
Fittleton Parish Council	101.82	3,897.67	38.28	100.76	4,333.49	43.01	12.36%
Fonthill Bishop Parish Council	41.96	0.00	0.00	37.60	0.00	0.00	0.00%
Fonthill Gifford Parish Council	54.81	1,500.00	27.37	54.08	1,400.00	25.89	-5.41%
Fovant Parish Council	310.54	6,000.00	19.32	317.24	8,787.82	27.70	43.37%
Froxfield Parish Council	133.36	3,860.77	28.95	138.30	6,000.00	43.38	49.84%

## TOWN &amp; PARISH COUNCIL PRECEPTS

Parish/Town Council	2013/2014			2014/2015			C Tax increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Fyfield & West Overton Parish Council	372.05	8,212.03	22.07	384.20	8,361.82	21.76	-1.40%
Grafton Parish Council	319.08	5,000.00	15.67	320.62	6,900.00	21.52	37.33%
Great Bedwyn Parish Council	545.44	14,788.72	27.11	547.51	15,212.67	27.79	2.51%
Great Hinton Parish Council	101.82	2,000.00	19.64	102.06	3,000.00	29.39	49.64%
Great Somerford Parish Council	364.89	6,634.00	18.18	370.51	6,726.00	18.15	-0.17%
Great Wishford Parish Council	130.95	2,821.74	21.55	129.91	3,500.00	26.94	25.01%
Grimstead Parish Council	263.41	6,000.00	22.78	265.25	9,000.00	33.93	48.95%
Grittleton Parish Council	267.27	3,928.87	14.70	268.84	3,930.66	14.62	-0.54%
Ham Parish Council	103.31	1,500.00	14.52	105.70	3,000.00	28.38	95.45%
Hankerton Parish Council	147.12	3,382.29	22.99	146.83	3,523.49	24.00	4.39%
Heddington Parish Council	180.68	2,750.00	15.22	186.58	2,591.42	13.89	-8.74%
Heytesbury & Knook Parish Council	319.79	8,311.34	25.99	330.33	8,692.37	26.31	1.23%
Heywood Parish Council	287.03	3,711.41	12.93	288.68	3,843.77	13.32	3.02%
Hilmarton Parish Council	290.43	7,214.28	24.84	288.99	7,084.28	24.51	-1.33%
Hilperton Parish Council	1,733.23	22,098.68	12.75	1,871.82	26,205.48	14.00	9.80%
Hindon Parish Council	221.56	7,165.25	32.34	224.66	7,282.41	32.41	0.22%
Holt Parish Council	642.03	15,904.39	24.77	653.23	16,666.00	25.51	2.99%
Horningsham Parish Council	151.82	8,973.17	59.10	143.24	9,309.25	64.99	9.97%
Hullavington Parish Council	464.47	14,826.12	31.92	466.58	16,561.98	35.50	11.22%
Idmiston Parish Council	871.80	23,000.00	26.38	875.36	24,449.75	27.93	5.88%
Keevil Parish Council	225.42	6,078.26	26.96	226.13	6,200.37	27.42	1.71%
Kilmington Parish Council	130.57	3,380.45	25.89	127.04	4,111.33	32.36	24.99%
Kington Langley Parish Council	347.74	17,686.06	50.86	350.51	18,160.00	51.81	1.87%
Kington St Michael Parish Council	282.87	12,922.85	45.68	281.60	15,423.85	54.77	19.90%
Lacock Parish Council	480.51	10,657.71	22.18	485.00	10,757.30	22.18	0.00%
Landford Parish Council	563.41	18,000.00	31.95	570.27	19,000.00	33.32	4.29%
Langley Burrell Parish Council	123.36	4,529.52	36.72	122.84	4,600.00	37.45	1.99%
Latton Parish Council	226.52	6,200.00	27.37	224.72	6,336.00	28.19	3.00%
Laverstock & Ford Parish Council	2,188.48	27,246.58	12.45	2,402.05	29,905.00	12.45	0.00%
Lea & Cleverton Parish Council	390.23	8,428.97	21.60	382.12	8,592.13	22.49	4.12%
Leigh Parish Council	137.05	3,750.00	27.36	134.67	3,830.50	28.44	3.95%
Limpley Stoke Parish Council	289.49	11,064.31	38.22	289.09	12,924.30	44.71	16.98%
Little Bedwyn Parish Council	127.91	2,240.98	17.52	126.08	3,095.18	24.55	40.13%
Little Cheverell Parish Council	76.88	2,384.82	31.02	78.61	2,425.13	30.85	-0.55%
Little Somerford Parish Council	180.77	6,083.60	33.65	180.59	6,076.34	33.65	0.00%
Longbridge Deverill Parish Council	370.92	5,740.00	15.48	377.28	6,130.32	16.25	4.97%
Luckington Parish Council	284.34	5,023.75	17.67	291.09	7,400.00	25.42	43.86%
Ludgershall Town Council	1,281.90	91,886.83	71.68	1,306.20	100,390.44	76.86	7.23%
Lydiard Millicent Parish Council	731.91	16,581.87	22.66	731.80	19,905.00	27.20	20.04%
Lydiard Tregoze Parish Council	201.52	6,730.77	33.40	207.43	7,000.00	33.75	1.05%
Lyneham & Bradenstoke Parish Council	1,438.51	73,532.00	51.12	1,428.50	87,573.00	61.30	19.91%
Maiden Bradley Parish Council	123.42	9,757.63	79.06	125.06	10,400.14	83.16	5.19%
Malmesbury Town Council	1,841.44	317,320.00	172.32	1,871.47	322,491.71	172.32	0.00%
Manningford Parish Council	182.95	6,024.54	32.93	186.79	6,120.95	32.77	-0.49%
Marden Parish Council	51.14	312.47	6.11	51.82	332.60	6.42	5.07%
Market Lavington Parish Council	726.32	41,687.92	57.40	730.10	42,746.15	58.55	2.00%
Marlborough Town Council	3,086.98	389,747.21	126.26	3,137.05	457,444.68	145.82	15.49%
Marston Meysey Parish Council	108.41	2,340.00	21.58	105.65	2,840.00	26.88	24.56%
Marston Parish Council	75.70	1,892.50	25.00	77.17	1,930.12	25.01	0.04%
Melksham Town Council	4,179.74	291,698.00	69.79	4,271.95	371,110.00	86.87	24.47%
Melksham Without Parish Council	2,760.00	104,686.80	37.93	2,966.74	123,496.42	41.63	9.75%

## TOWN &amp; PARISH COUNCIL PRECEPTS

Parish/Town Council	2013/2014			2014/2015			C Tax increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Mere Parish Council	1,060.62	81,369.83	76.72	1,088.10	99,220.86	91.19	18.86%
Mildenhall Parish Council	206.23	9,000.00	43.64	210.17	13,000.00	61.85	41.73%
Milston Parish Council	52.45	816.82	15.57	53.48	828.43	15.49	-0.51%
Milton Lilbourne Parish Council	248.57	6,803.36	27.37	251.82	7,872.18	31.26	14.21%
Minety Parish Council	665.02	11,917.16	17.92	662.04	11,946.15	18.04	0.67%
Monkton Farleigh Parish Council	165.58	3,922.24	23.69	169.00	4,624.45	27.36	15.49%
Netheravon Parish Council	367.42	18,797.52	51.16	375.81	19,568.39	52.07	1.78%
Netherhampton Parish Council	191.36	1,729.89	9.04	191.97	1,736.33	9.04	0.00%
Nettleton Parish Council	324.54	4,825.91	14.87	328.49	4,886.84	14.88	0.07%
Newton Toney Parish Council	164.58	6,680.30	40.59	164.86	7,014.00	42.55	4.83%
North Bradley Parish Council	656.27	7,831.67	11.93	665.90	9,504.14	14.27	19.61%
North Newnton Parish Council	182.07	2,809.34	15.43	189.22	3,700.00	19.55	26.70%
North Wraxall Parish Council	199.83	2,951.91	14.77	204.17	6,000.00	29.39	98.98%
Norton & Foxley Parish Meeting	62.61	0.00	0.00	63.01	0.00	0.00	0.00%

## TOWN &amp; PARISH COUNCIL PRECEPTS

Parish/Town Council	2013/2014			2014/2015			C Tax increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Norton Bavant Parish Council	54.23	0.00	0.00	54.03	0.00	0.00	0.00%
Oaksey Parish Council	219.33	12,852.00	58.60	223.61	13,365.17	59.77	2.00%
Odstock Parish Council	242.38	8,240.00	34.00	239.83	9,580.00	39.95	17.50%
Ogbourne St Andrew Parish Council	180.20	2,823.73	15.67	184.48	2,889.93	15.67	0.00%
Ogbourne St George Parish Council	208.56	6,500.00	31.17	204.93	6,500.00	31.72	1.76%
Orcheston Parish Council	100.80	1,400.00	13.89	101.43	1,434.42	14.14	1.80%
Patney Parish Council	60.45	443.70	7.34	59.78	563.41	9.42	28.34%
Pewsey Parish Council	1,364.22	77,828.75	57.05	1,407.82	82,038.69	58.27	2.14%
Pitton & Farley Parish Council	351.77	6,500.00	18.48	355.83	7,258.88	20.40	10.39%
Potterne Parish Council	547.64	14,107.21	25.76	563.96	16,000.00	28.37	10.13%
Poulshot Parish Council	142.54	5,000.00	35.08	142.28	5,454.40	38.33	9.26%
Preshute Parish Council	80.70	2,050.00	25.40	76.63	2,050.00	26.75	5.31%
Purton Parish Council	1,580.21	163,791.53	103.65	1,625.95	171,902.00	105.72	2.00%
Quidhampton Parish Council	142.34	5,420.00	38.08	143.17	5,342.00	37.31	-2.02%
Ramsbury Parish Council	902.81	38,587.74	42.74	896.18	44,646.03	49.82	16.57%
Redlynch Parish Council	1,494.51	36,406.26	24.36	1,519.91	44,615.69	29.35	20.48%
Roundway Parish Council	1,923.22	73,918.00	38.43	1,968.12	80,833.36	41.07	6.87%
Rowde Parish Council	470.95	24,724.87	52.50	469.50	26,357.73	56.14	6.93%
Royal Wootton Bassett Town Council	3,894.10	717,604.75	184.28	4,009.84	761,101.00	189.81	3.00%
Rushall Parish Council	74.24	2,784.07	37.50	70.00	3,224.65	46.07	22.85%
Salisbury City Council	13,518.68	1,216,681.20	90.00	13,646.26	1,432,857.30	105.00	16.67%
Savernake Parish Council	134.05	1,000.00	7.46	133.47	1,000.00	7.49	0.40%
Seagry Parish Council	158.77	8,435.45	53.13	152.91	8,458.04	55.31	4.10%
Sedgehill & Semley Parish Council	269.68	5,396.48	20.01	272.11	6,432.72	23.64	18.14%
Seend Parish Council	510.31	9,452.08	18.52	503.49	9,962.00	19.79	6.86%
Semington Parish Council	368.87	6,990.09	18.95	366.81	8,168.56	22.27	17.52%
Shalbourne Parish Council	298.92	3,000.00	10.04	315.33	3,000.00	9.51	-5.28%
Sherrington Parish Council	30.37	0.00	0.00	32.55	0.00	0.00	0.00%
Sherston Parish Council	665.81	20,919.75	31.42	679.69	24,784.84	36.46	16.04%
Shrewton Parish Council	710.21	16,626.02	23.41	716.23	17,606.91	24.58	5.00%
Sopworth Parish Council	59.94	487.91	8.14	58.95	492.14	8.35	2.58%
South Newton Parish Council	214.15	3,974.62	18.56	222.46	4,228.51	19.01	2.42%
South Wroxall Parish Council	214.72	3,492.60	16.27	210.53	3,495.19	16.60	2.03%
Southwick Parish Council	680.44	13,397.86	19.69	694.21	14,075.00	20.27	2.95%
St Paul Without	912.03	11,064.00	12.13	929.67	11,276.00	12.13	0.00%
Stanton St Bernard Parish Council	81.04	1,936.03	23.89	80.54	2,458.42	30.53	27.79%
Stanton St Quintin Parish Council	253.88	4,294.45	16.92	250.29	5,366.39	21.44	26.71%
Stapleford Parish Council	125.25	3,336.66	26.64	132.85	3,037.33	22.86	-14.19%
Staverton Parish Council	663.36	20,809.60	31.37	661.70	20,757.53	31.37	0.00%
Steeple Ashton Parish Council	417.59	18,858.36	45.16	421.45	19,032.68	45.16	0.00%
Steeple Langford Parish Council	232.79	4,727.96	20.31	233.92	4,323.18	18.48	-9.01%
Stert Parish Council	90.45	904.50	10.00	91.13	911.30	10.00	0.00%
Stockton Parish Council	84.15	0.00	0.00	81.80	500.00	6.11	N/A
Stourton Parish Council	92.85	1,844.00	19.86	91.70	1,838.10	20.04	0.91%
Stratford Tony Parish Council	30.04	0.00	0.00	28.20	0.00	0.00	0.00%
Sutton Benger Parish Council	402.60	8,086.92	20.09	433.03	8,699.57	20.09	0.00%
Sutton Mandeville Parish Council	133.23	1,000.00	7.51	134.32	1,200.00	8.93	18.91%
Sutton Veny Parish Council	300.52	11,266.49	37.49	297.88	10,523.22	35.33	-5.76%
Swallowcliffe Parish Council	103.63	2,171.55	20.95	99.71	2,247.55	22.54	7.59%
Teffont Parish Council	138.60	5,785.00	41.74	136.65	6,379.00	46.68	11.84%
Tidcombe & Fosbury Parish Council	51.58	0.00	0.00	53.50	0.00	0.00	0.00%

## TOWN &amp; PARISH COUNCIL PRECEPTS

Parish/Town Council	2013/2014			2014/2015			C Tax increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Tidworth Town Council	1,933.79	195,000.00	100.84	1,938.84	201,023.13	103.68	2.82%
Tilshead Parish Council	131.61	6,135.64	46.62	131.34	6,250.00	47.59	2.08%
Tisbury Parish Council	821.82	37,746.19	45.93	847.96	44,822.73	52.86	15.09%
Tockenham Parish Council	111.58	3,000.39	26.89	112.74	3,600.00	31.93	18.74%
Tollard Royal Parish Council	61.54	3,000.00	48.75	63.78	3,200.00	50.17	2.91%
Trowbridge Town Council	9,352.50	1,146,873.00	122.63	9,616.60	1,326,290.00	137.92	12.47%
Upavon Parish Council	447.02	13,213.91	29.56	444.57	16,164.04	36.36	23.00%
Upper Deverills Parish Council	164.35	6,000.00	36.51	166.73	6,510.00	39.04	6.93%
Upton Lovell Parish Council	84.63	2,800.00	33.09	91.22	3,007.36	32.97	-0.36%
Upton Scudamore Parish Council	135.27	2,950.00	21.81	137.75	3,100.80	22.51	3.21%
Urchfont Parish Council	468.98	30,882.56	65.85	475.60	39,329.67	82.70	25.59%
Warminster Town Council	5,527.97	407,394.00	73.70	5,609.73	454,801.96	81.07	10.00%
West Ashton Parish Council	300.43	4,024.73	13.40	302.43	4,070.58	13.46	0.45%
West Dean Parish Council	93.37	3,000.00	32.13	101.69	3,158.49	31.06	-3.33%
West Knoyle Parish Council	61.72	2,043.95	33.12	63.15	2,689.66	42.59	28.59%
West Lavington Parish Council	440.08	25,207.00	57.28	440.99	25,259.46	57.28	0.00%
West Tisbury Parish Council	264.84	5,749.68	21.71	268.43	5,981.79	22.28	2.63%
Westbury Town Council	4,280.52	307,092.00	71.74	4,372.89	343,697.00	78.60	9.56%
Westwood Parish Council	459.22	9,574.74	20.85	466.55	10,898.58	23.36	12.04%
Whiteparish Parish Council	667.35	26,200.16	39.26	681.44	26,753.33	39.26	0.00%
Wilcot & Huish Parish Council	261.69	4,421.12	16.89	260.29	5,448.73	20.93	23.92%
Wilsford-cum-Lake Parish Council	55.99	1,000.00	17.86	57.33	500.00	8.72	-51.18%
Wilton Town Council	1,206.41	110,563.00	91.65	1,201.51	115,810.79	96.39	5.17%
Wingfield Parish Council	182.02	5,304.06	29.14	183.17	6,372.64	34.79	19.39%
Winsley Parish Council	886.20	18,289.76	20.64	889.08	18,538.35	20.85	1.02%
Winterbourne Parish Council	544.15	16,332.23	30.01	545.21	16,985.00	31.15	3.80%
Winterbourne Stoke Parish Council	83.48	2,707.88	32.44	83.69	5,300.00	63.33	95.22%
Winterslow Parish Council	858.71	21,424.81	24.95	867.11	21,707.33	25.03	0.32%
Woodborough Parish Council	142.04	2,190.86	15.42	140.45	2,994.06	21.32	38.26%
Woodford Parish Council	221.23	3,789.67	17.13	221.52	4,163.29	18.79	9.69%
Wootton Rivers Parish Council	118.37	2,138.95	18.07	119.69	2,162.80	18.07	0.00%
Worton Parish Council	250.06	7,000.00	27.99	257.35	9,519.98	36.99	32.15%
Wylye Parish Council	199.78	4,796.72	24.01	202.64	4,867.87	24.02	0.04%
Yatton Keynell Parish Council	351.82	8,229.07	23.39	362.25	8,750.00	24.15	3.25%
Zeals Parish Council	254.09	3,360.91	13.23	261.78	4,169.74	15.93	20.41%
<b>TOTAL / AVERAGE</b>	<b>164,575.59</b>	<b>12,184,967.43</b>	<b>74.04</b>	<b>167,334.47</b>	<b>13,473,538.42</b>	<b>80.52</b>	<b>8.75%</b>

## Appendix D

**Wiltshire Council**

**February 2014**

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**Subject: WILTSHIRE COUNCIL LOCAL COUNCIL TAX SUPPORT SCHEME AND TECHNICAL CHANGES**

**Cabinet Member: Councillor Dick Tonge**

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**Executive Summary:**

The Welfare Reform Act 2012 brought about huge changes in the way welfare benefits are administered. The Welfare Reform Act 2012 abolished council tax benefit with effect from April 2013. The local government finance bill prescribed the way in which a local authority should introduce any replacement for the current scheme, known as the local council tax support scheme. In Wiltshire this scheme has been running since April 2013.

The council now operate two schemes, a local scheme for those of working age and a statutory scheme for pensioners. In the past the council tax benefit scheme was always amended each year however the determinants or parameters used to assess a claim were set by Government, through the Department of Work and Pensions (DWP) and these were adopted nationally, by every local authority. Because of the unique features of the local scheme, there is a new obligation to publish details of the scheme, each year which will be done via the council's website

This report presents the changes that have to be made to the local scheme in line with national changes or up-ratings that will ensure the local scheme is synchronised to national or statutory scheme.

In order to meet legal requirements the Council must agree the changes which provide the foundation for the scheme for the following 12 months

The purpose of this report is twofold. Firstly it is to bring to the attention of the council the changes that have to be made to the current scheme, in line with best practice and national guidelines.

Secondly the report seeks agreement that any future amendment to the local scheme is delegated to officers to action, each year.

The local scheme will continue to support those of working age in the following way :-

- a) Reduce maximum eligible council tax support to 80% of the Council Tax chargeable for all those of working age except those in receipt of disability premium and war widows/ disablement pension.
- b) No longer apply second adult rebates.
- c) Determine whether those with savings of more than £6,000 or £10,000 should be excluded from the scheme.
- d) Moderate non-dependant deductions to a single rate regardless of their income.
- e) Lower the income deduction taper from 20% to 15%.
- f) Cease backdating claims.
- g) Cease the calculation for underlying entitlement.
- h) Protect those with children and continue to disregard child benefit as income.

However proposed changes are considerably more subtle affecting the parameters and formulae which are applied as part of the assessment process.

The report therefore sets out:

- The table of changes which will become the Wiltshire Council's Council Tax Support scheme with effect from April 2014. (at Appendix E)
- Seeks delegated authority to amend the scheme in accordance with the DWP annual up-rating and the DCLG Default scheme.

## **Proposals**

Cabinet recommend to Council that:

- a) Wiltshire council's local council tax support scheme is amended as set out at Appendix E of the report.
- b) That officers have delegated responsibility to amend the local scheme in accordance and in conjunction with guidance from the DWP and DCLG.



**Reason for Proposals**

For the purpose of setting 2014/2015 council tax it is also important that a decision is made now to ensure that, the council is able to introduce the scheme within its budgetary timetable and the statutory timetable.

Michael Hudson  
Service Director, Finance

**The following supporting documents are attached:**

**Detailed report on Council Tax Support and Technical Changes  
Appendices**

Appendix E = Wiltshire Council Local Council Tax Support Scheme Revisions

Appendix F = Wiltshire Council Local Council Tax Support Scheme Equality Analysis

**The following supporting documents are available from the officer named above:**

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Cabinet member contact details: 01225 713000

Date: 29 January 2014

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## Purpose of Report

1. This report provides minor amendments to parameters and some eligibility criteria (persons from abroad) used to calculate the local council tax reduction scheme for those of working age. These tables determine the rules and to a certain extent the cost of the scheme.
2. Having established the local scheme and its robustness, changes to parameters should in future be actioned by officers and responsibility for setting the scheme parameters should be delegated to revenue and Benefits Officers.

## Background

3. Currently almost 29,358 households in Wiltshire receive full or partial help with their council tax. This is a reduction of almost 1000 households since this time last year. Around 46% of householders are pensioners and their benefit is calculated in accordance with the statutory default scheme. 54% are therefore of working age and have their entitlement calculated in accordance with the local scheme. Before the introduction of the local council tax reduction scheme the Government would provide guidance on annual up-ratings to accommodate changes to national welfare benefits and the benefit entitlement would then be amended in accordance with this guidance.
4. With a local scheme the changes which are now provided by both the Department for Communities and Local Government (DCLG) and DWP have to be considered before being adopted. The local scheme for 2013/2014 is then replaced by the scheme for 2014/2015 which would incorporate the change.
5. Currently 46% of households (c13,700 properties) who receive council tax benefit are of pensionable age and are protected from any reduction in their award. The government announced what is now known as the 'default scheme' on 17 July 2012, and in January 2014 guidance was made available on the parameter change to the statutory scheme determining the means and criteria by which these claims should continue to be paid. Parameter changes to the statutory scheme will also be effective from 1 April 2014.
6. Analysis of the remaining 54% of caseload (c15,700 properties) suggests that around 5,000 householders are deemed highly vulnerable and are in receipt of multiple benefits which means they continue to receive full council tax reduction.
7. In addition, provision will need to be made within the proposed, local council tax reduction scheme to accommodate and in some ways anticipate the impact the introduction of Universal Credit will have. Universal Credit will replace a number of means tested benefit, including housing benefit and in Wiltshire we may encounter new claims from March 2014 which will be treated as income.

## **Main Considerations**

### **Council Tax**

8. The council has to publish a draft local scheme every year. Cabinet must present the final version for agreement before full council.
9. The changes to the scheme are set out in detail at Appendix 1. The proposed changes will have only a marginal impact on costs overall, and these are covered in financial comments below. In order to encourage employment and reduce administration, within this scheme it is proposed that the earning taper for those returning to employment remains at £0.15 deduction for every £1.00 earned, above the needs assessment. This is higher than many of our neighbouring authorities. It is also proposed that Non-Dependent deductions remain at £3.70 per week. All other parameter changes will be in line with the statutory scheme.
10. The DWP have brought in new legislation regarding eligibility of persons from abroad to claim housing benefit and council tax reduction. Our local scheme will be amended to include these changes. These changes will be effective from 1 April 2014.
11. It is not possible to exactly assess the impact of setting these rates at these levels due to uncertainty of application as it is dependent on several external factors. However the total cost of the scheme for 2013/2014 is estimated to be £24,830,000, an overall increase of around 1.4% more the initial estimate, made this time last year. Estimates suggest the figure will be very similar for 2014/2015.
12. It is proposed that the scheme for 2014/2015 continues along the same principles as was originally presented to Cabinet when the scheme was introduced; to help protect the most vulnerable in Wiltshire's Communities and maintain a drive to build and strengthen resilient communities.
13. In terms of claimants in receipt of universal Credit, the consideration given to each claim will depend on the degree to which the DWP will share information with the council. Currently the degree of information sharing is unknown.

### **Financial Impact**

14. The total cost of the scheme for 2014/2015 is estimated to be £24,850,000. The changes made in terms of the local scheme have meant that the numbers entitled to council tax reduction have fallen. Consequently the overall expenditure has fallen from £27 million in 2012/2013, which corresponds with Government's savings.

15. Whilst the scheme's introduction has been a success it is important to note that whilst it remains a means tested benefit, it has not reduced the administrative burden on the service. The level of engagement with those who have previously have not had to pay council tax has been greater than envisaged. The current, healthy collection rate masks a series of new yet small debts with around 20% of those affected by the changes to the scheme in arrears, owing some or all of their net council tax.

### **Environmental and climate change considerations**

16. None

### **Equalities Impact of the Proposal**

17. An Equalities Impact Assessment was completed in the light of the outcome of the consultation, and this is attached at Appendix F. In summary the key points are:
- In designing the scheme every attempt has been made to minimize the effect of the reduced funding in delivering the scheme, and to prevent discrimination against people who are disadvantaged, vulnerable or with protected characteristics
  - Disabled people can find it much harder to secure employment than non – disabled people. The new scheme provides additional protection for disabled people from the 20% reduction in support.
  - The scheme is likely to have a negative impact on all working age people and do not fall within the protected groups. In mitigation the new scheme does provide incentive for people to gain work by introducing an enhanced earnings taper
  - All current recipients of council tax reduction will automatically be reassessed for eligibility to the new scheme using the proposed parameters.
  - War pensioners and their widows will also receive protection from the 20% reduction in support

### **Risk Assessment**

18. Through consultation, creating media attention, awareness of the annual changes and mostly importantly, engagement with those affected , the introduction of the scheme has generally been successful and well received in terms of the impact on customers and stakeholders
19. The change in funding arrangements will mean that the council will inherit a growing financial risk due to the uncertainty over estimations of the customer base and the collectability of income arising from the volatility arising from these changes and other welfare reforms. This risk is all the greater going forward, through the introduction of Universal Credit.

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

20. Failure to maintain the local scheme will mean the financial burden will have to be met in full by the council. Further reductions in spending to cover the cut in benefit grant could affect services that support the most vulnerable in society and adversely affect the cost of other services.

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

21. The revenues and benefits team have a reputation for delivering change projects. They are suitably equipped and have the skills, knowledge and equipment to introduce a local scheme.
22. The team as a whole manage customers and their debts in a sensitive and understanding way and are building on relations across the council with both the voluntary sector (Wiltshire money and the CAB for example) and social housing providers to mitigate the impact of these changes. They also have robust procedures in place for managing debt from those who are facing challenging, financial issues.

### **Risk**

1. Communication

### **Action to mitigate the risk**

Corporate communications plan, stakeholder liaison and consultation

2. Cost

Analyse and review impact of schemes and impact of other welfare reforms

3. Complexity

Ensure understanding of staff & customers who will have to operate and claim for a growing number of benefit schemes

## **Financial Implications**

23. Whilst the impact of the new scheme, in terms of a fall in collection rates has not occurred to the extent that was predicted a year ago, there still needs to be a clear assessment in the risk assessment of reserves in setting the 2014/2015 budget requirement for these factors, and beyond as it is likely that debt owed will increase. At this stage it is thought this could be less than the 20% of the extra income due or around £680,000, or 0.02% of the total net debit. The full impact will not be known until the end of the financial year. It is still not clear if this will require any increase in reserves at this stage without further budget setting due diligence. This will be reported to members as part of the budget and council tax setting process

24. The introduction of localised Council Tax Support Scheme will continue to create considerable challenges in terms of collecting the additional sums, which are estimated to be between £200 and £300 per annum, per affected household. Whilst these arrears are not impacting the overall levels of collection, there is concern about the longer-term collectability and the speed at which the debts grow if not promptly and carefully managed. In the longer term this will have an impact on administration and collection rates. This has been factored into the financial considerations of the option that will continue to be reviewed alongside the assessment of reserves and income monitoring.

### **Legal Implications**

25. The Local Government Finance Bill currently passing through Parliament makes provision for the localisation of council tax support in England by imposing a duty on billing authorities to make and publish a localised council tax reduction scheme. Once the scheme has been established then any annual up-ratings could in future be actioned through delegation to officers

### **Options Considered**

26. The proposed changes to the current local Council Tax reduction scheme are set out in Appendix E.
27. Appendix F contains the Equality Impact Assessment.

## **Conclusions**

28. The changes proposed are part of the annual up-ratings that occur every year. These changes are being brought about as part of the wider Welfare Reforms that will affect a variety of services we provide and impact upon some of the most disadvantaged members of our community between now and next March.
29. Through the ratification of this proposal the council has simply determined minor amendments to its existing scheme that ensure that is current, appropriate and legal. It is a scheme that offers some degree of protection to all working age claimants, and encourages work. The scheme is also based on ability to pay, rather than ensuring the council covers all additional burdens.
30. The proposals for the council tax support scheme have therefore been designed to limit the impact on those least able to afford council tax. The proposals are made based on the principle that any scheme should be simple and equitable across all groups and offers incentives for those who can work, wherever possible. It will not apply to those of pensionable age.

**Michael Hudson**  
**Service Director, Finance**

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Date of report: 29 January 2014

**Background Papers**  
**Financial impact of Options.**

### **Appendices**

Appendix E = Wiltshire Council Local Council Tax Support Scheme Revisions

Appendix F = Wiltshire Council Local Council Tax Support Scheme Equality Analysis

**Wiltshire Council Local Council Tax Support Scheme Revisions      Appendix E**

<b>Personal Allowances</b>	2013	2014
Single		
16 to 24	56.80	57.35
25 or over	71.70	72.40
Any age – entitled to main phase rate ESA	71.70	72.40
Lone parent		
Under 18	56.80	57.35
18 or over	71.70	72.40
Any age – entitled to main phase rate ESA	71.70	72.40
Couple		
Both under 18	85.80	86.65
One or both over 18	112.55	113.70
Any age – entitled to main phase rate ESA	112.55	113.70
Polygamous Marriages		
If the claimant is a member of a polygamous marriage and no members of the marriage have attained the age of 60		
For the claimant and the other party to the marriage	112.55	113.70
For each additional spouse who is a member of the same household as the claimant	40.85	41.30
Dependent children		
From birth to September following 16 <sup>th</sup> birthday	65.62	66.33
From September following 16 <sup>th</sup> birthday to day before 20 <sup>th</sup> birthday	65.62	66.33
<b>Premiums</b>		
Family Premium	17.40	17.45
Family Premium (lone parent rate)	22.20	22.20
Disability Premium		
Single	31.00	31.85
Couple	44.20	45.40
Enhanced Disability Premium		
Single rate	15.15	15.55
Disabled child rate	23.45	24.08
Couple rate	21.75	22.35
Severe Disability Premium		
Single	59.50	61.10
Couple – one qualifies	59.50	61.10
Couple – both qualify	119.00	122.20
Disabled Child Premium	57.89	59.50
Carer Premium	33.30	34.20



<b>Components ESA(IR) and ESA (Contribution based)</b>		
Work-related activity component	28.45	28.75
Support component	34.80	35.75
<b>Deductions</b>		
Non-dependant deductions		
Aged under 25 and on IS or JSA(IB) or ESA(IR) which does not include an amount for the support component or work-related activity component	Nil	Nil
Aged 25 or over and on IS or JSA(IB), or aged 18 or over and not in remunerative work	3.30	3.70
In receipt of main phase ESA(IR)	3.30	3.70
In receipt of Pension Credit	Nil	Nil
Aged 18 or over and in remunerative work		
- gross income less than £128:	3.30	3.70
- gross income not less than £128.00 but less than £188.00	3.30	3.70
- gross income not less than £188.00 but less than £245.00	3.30	3.70
- gross income not less than £245.00 but less than £326.00	3.30	3.70
- gross income not less than £326.00 but less than £406.00	3.70	3.70
- gross income not less than £406.00	3.30	3.70
Permitted Earnings disregard – higher	99.50	101.00
Permitted Earnings disregard – lower	20.00	20.00

## **The Immigration (European Economic Area) (Amendment) (No 2) Regulations 2013**

These Regulations amend the Immigration (European Economic Area) Regulations 2006 (S.I. 2006/1003) as amended (“the 2006 Regulations”) in order to amend the transposition in the United Kingdom of Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the rights of citizens of the Union and their family members to move and reside freely within the territory of the Member States (OJ No. L 158, 30.4.04, p77) (“Directive 2004/38/EC”). The Regulations also amend the way the United Kingdom gives effect to certain judgments of the Court of Justice of the European Union (“CJEU”), and address issues concerning the practical application of the 2006 Regulations.

These Regulations come into force on 1st January 2014, except for the provisions concerning “qualifying EEA State residence cards” (see paragraph 6 of Schedule 1), which come into force on 7th April 2014.

Paragraph 3 of Schedule 1 to the Regulations (“the Schedule”) amends regulation 6 of the Regulations in order to restrict the extent to which a person who is involuntarily unemployed may retain the status of “worker”. Where a person worked for more than 12 months before becoming involuntarily unemployed, worker status may be retained for up to six months while the person is seeking work and has genuine prospects of

employment, and for longer if the person can provide compelling evidence that he or she continues to seek work and has a genuine chance of being engaged. The new regulation 6(2)(ba) and (2A) provides that a person who has worked for less than 12 months may only retain worker status for a maximum of six months. Changes are also made to the definition of “jobseeker” to clarify that a person may be a jobseeker both upon entering the UK, and where they have previously enjoyed a right to reside as a “qualified person” in another capacity. A person may only retain jobseeker status for more than 6 months if they are able to provide compelling evidence of seeking work and having a genuine chance of being engaged. These changes reflect the requirements of Article 7(3) of Directive 2004/38/EC.

Paragraph 4 of the Schedule inserts a new regulation 7B into the 2006 Regulations to provide for how residence by an accession State national previously subject to worker authorisation, as defined by the Accession (Immigration and Worker Authorisation) Regulations 2006 (S.I. 2006/3317) (“the EU2 Regulations”), should be treated for the purposes of calculating periods of residence under the 2006 Regulations.

Paragraph 5 of the Schedule replaces the existing regulation 9 of the 2006 Regulations to require a British citizen to have “transferred the centre of his or her life” to another member State in order to acquire a right of residence in the UK for his or her non-EEA family member seeking a right to reside in the UK upon their return. Factors relevant to whether the centre of a person’s life has been transferred to another member State include the period of residence in that member State, the location of that person’s principal residence, and the degree of integration. These changes are to ensure that a British citizen engages in genuine and effective use of the rights conferred by Directive 2004/38/EC before a right to reside in the United Kingdom is conferred on a non-EEA family member.

Paragraph 6 of the Schedule amends regulation 11 of the 2006 Regulations to provide that a non-EEA national who presents a “qualifying EEA State residence card” may be admitted to the UK. A “qualifying EEA State residence card” is a residence card issued under Article 10 of Directive 2004/38/EC by an EEA State listed in regulation 2 of the 2006 Regulations as amended by these Regulations, currently Germany and Estonia.

Paragraph 14(b) of the Schedule clarifies that the Secretary of State may revoke certain residence documentation where the person to whom it was issued never had a right to reside.

Paragraph 16 inserts new regulation 20B into the 2006 Regulations. Where the Secretary of State has reasonable doubt about a person’s right to reside under the 2006 Regulations, or wants to verify the identity of a person to apply for documentation under Part 3 of those regulations, the new regulation 20B allows that person, or a person connected to their right to reside (e.g. an EEA family member) to be invited for

interview by the Secretary of State. Where that person, or a person connected to their right to reside, without good reason, fails to provide the requested information, or, on at least two occasions to attend an interview if so invited, the Secretary of State may decide that he or she is not entitled to a right to reside under the 2006 Regulations. The failure to attend an interview cannot be the sole basis for such a decision, nor should this provision be used in a systematic manner.

Paragraph 17 of the Schedule makes a minor amendment to regulation 21A of the 2006 Regulations, which governs the test to be applied when taking a decision under Part 4 of the 2006 Regulations (refusal of admission and removal etc) in relation to a person with a derivative right of residence. The quotation marks in regulation 21A(3)(a) of the 2006 Regulations surrounding “justified on grounds of public policy, public security or public health in accordance with regulation 21” are not required.

Paragraph 18 of the Schedule inserts a new regulation 21B in to the 2006 Regulations. This gives effect to Article 35 of Directive 2004/38/EC which provides that member States may adopt the necessary measures to refuse, terminate or withdraw any right conferred by that Directive in the case of abuse of rights or fraud. The new regulation prevents people from evading the requirements for an extended right of residence under the 2006 Regulations, for example by attempting repeatedly to re-enter the United Kingdom in order to engage regulation 13 (initial right of residence). Where a person has been removed from the UK on one previous occasion in a 12 month period for not having a right to reside, the new regulation 21B allows that person to be refused admission if they cannot demonstrate that, upon re-entry, they will have a right to reside other than that provided by regulation 13. Where a person is involved in a marriage or civil partnership of convenience or other fraudulent activity, measures to terminate or refuse a right to reside may also be taken.

Paragraph 24 of the Schedule inserts a new regulation 28A into the 2006 Regulations which applies section 97A of the Nationality, Immigration and Asylum Act 2002 (c. 41) to EEA decisions made under the 2006 Regulations in certain national security cases. The new regulation 28A will apply where the Secretary of State has certified under regulation 28(2) – (4) of the 2006 Regulations that an EEA decision has been taken on national security grounds. Section 97A as applied by these Regulations will prevent an appeal from being brought against that decision from within the United Kingdom, if the Secretary of State has certified that the removal of that person pending the appeal would not breach the United Kingdom’s obligations under the European Convention on Human Rights.

The remainder of these Regulations deals with matters consequential to the above changes.

These Regulations extend to the whole of the United Kingdom.

An impact assessment has not been produced for these Regulations as no impact on businesses, charities, voluntary bodies or the public sector is foreseen.

## Wiltshire Council Local Council Tax Support Scheme Equality Analysis

### 1. What is the name of the service that is being assessed?

Since April 2013 Council tax benefit has been abolished and replaced by a new localised scheme of support. The new scheme will be known as the 'Council Tax Reduction Scheme'.

*The Council Tax scheme was abolished by the Welfare Reform Bill 2011. The Local Government Finance Act amended by Section 13A allows for the development of a new localised Council Tax Reduction scheme.*

### 2. What are the aims of the service, whose needs is it designed to meet, what are the current priorities?

Unlike the current Council Tax Benefit scheme, which is fully funded by central government, the new Council Tax Reduction scheme will be a cash limited, substantially reduced, pot of money. In funding the new scheme the Government intends to transfer to local authorities their estimate of what would have been spent on Council Tax Benefit in each area (had the old scheme continued) minus 10 per cent. With an estimated spend of £27 million on Council Tax benefit across Wiltshire in 2012/2013 a 10% reduction in funding equates to a shortfall of at least £2.7 million. Within these financial boundaries Wiltshire Council has the discretion to design their own local scheme and decide who to support financially.

The new scheme is just one of a number of measures in a much wider set of reforms to the welfare system. The overall aims of these reforms are to improve incentives to work, reduce worklessness and end a culture of benefit dependency.

Wiltshire council has developed a scheme that seeks to support the government's aims and provides help for those on low income, taking into account the reality of the funding cut. The Council's approach in designing the scheme has been to continue to deliver a means tested reduction in council tax aimed to support those with the greatest need and to provide work incentives through enhanced income thresholds.

#### 2.1 New scheme

Although the scheme retains many of the features of the old Council Tax Benefit Scheme the value of the award, for many working age people, will be reduced. This is because there are some nationally prescribed elements to the new scheme which include protecting people of pension age from any reduction in benefit. Therefore it is inevitable that the burden of the reduced funding will continue to fall upon people of working age.

In targeting support to those most in need, the Capital savings limit at the point the reduction can be claimed has been lowered and a discretionary fund established to support anyone who may suffer severe financial hardship as a result of the planned changes. The design of the scheme has been simplified as well as the introduction of work incentives. The key differences under the new scheme include:

- Putting a maximum limit on the amount of council tax reduction that can be paid. This means working age people who claim council tax benefit will have to pay up to 20% of their bill.
- Changing the amount of savings a person can have before benefits are given. In the current scheme, a person is not entitled to council tax benefit when their savings are more than £16,000. Any savings their partner may have are also taken into account. Under the new scheme the savings limit will be £10,000.
- Removing second adult rebate, at the moment, if you can afford to pay your council tax but live with someone on a low income, you may be able to receive help with your council tax. This will change so that a discount will no longer be offered.
- Removing the right to have council tax support backdated if someone fails to claim within the prescribed period. All existing Council Tax reduction recipients that are eligible will be automatically transferred to the new council tax support scheme.
- Enhanced earnings taper, this means the rate at which council tax benefit is withdrawn where a person has more income than the law says they need to live on will be reduced.
- In order to simplify the scheme a new flat rate non-dependant deduction will be introduced.
- In order to simplify the scheme changes to the treatment of underlying entitlement will be made.

**3. In what ways might the policy or service affect some groups of people differently? Might some groups find it harder to access the service? Do some groups have particular needs that are not well met by the service?**

In addition to the nationally prescribed rules for people of pension age, the government requires local authorities to consider protecting vulnerable groups in the design of the new scheme, drawing council's attention to existing duties and responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and Housing ACT 1996 as well as the public sector duties in section 139 of the Equality Act 2010.

During the development of the scheme the council has tried hard to balance the reality of a significant cut in funding to protecting the most vulnerable members of our community as far as possible. The scheme acknowledges that recipients will need to contribute more to meet the shortfall but also seeks to support those people with protected characteristics as much as possible. Recognition is also given to the fact that some people may be more vulnerable to the reductions in financial support under the new scheme particularly where they may have difficulty gaining employment.

### **3.1 Age**

#### ***Pension Age people***

Older people (those of pension age) are protected from any financial loss under the new scheme by the legislation. The government state in their 'Localising Council Tax – EIA' in January 2012 that:-

“The government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform”.

#### ***Working Age people***

The decision to protect people of pension age means that the impact of reduced funding for the scheme falls disproportionately upon those of working age. This is likely to have a negative impact on all working age people who currently receive council tax benefit and are transferred to the new scheme.

The scheme does provide incentives to working age people to seek employment by introducing an enhanced earnings taper, this means the rate at which council tax benefit is withdrawn where a person has more income than the law says they need to live on will be reduced

### **3.2 Sexual orientation**

The Council does not currently keep case level data on sexuality as it is not relevant to the calculation of Council Tax Benefit. The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

### **3.3 Sex**

In designing the scheme consideration was given to making changes to income disregards including child benefit which would have had a detrimental effect on child benefit recipients, many of whom are women. These changes were rejected on equality grounds.

Current disregards under the council tax benefit scheme which tend to favour more females than males such as child benefit disregards will continue to be a feature of the new scheme.

### **3.4 Marriage and civil partnership**

Married couples and civil partnerships are recognised equally in the current Council Tax Benefit scheme. The equal and fair treatment of couples will continue in the proposed CTS scheme from 1 April 2013.

### **3.5 Disability**

Disabled people can find it much harder to secure employment than non-disabled people. In the first quarter of 2012, DWP national figures show an increasing gap in the employment rate for disabled people compared to that for non-disabled.

The scheme extends all current favourable treatment of income of disabled people. National benefits such as disability living allowance, attendance allowance will continue to be disregarded in full and recipients will continue to benefit from the enhanced premiums and personal allowances which favour people with disabilities

Furthermore, the new scheme will provide protection for disabled people of working age from the reduction 20% reduction in support.

### **3.6 Gender Reassignment**

The scheme is likely to have a negative impact on all working age people who in the past may have received full council tax benefit and are transferred to the new scheme. The Council does not currently keep case level data on gender reassignment as it is not relevant to the calculation of Council Tax Benefit. The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

### **3.7 Race**

The Council does not keep case level data on race as it is not relevant to the calculation of Council Tax Benefit. Although the Council does regularly take positive action in terms of promoting take up of the benefits it administers amongst minority and hard to reach groups.

Support currently offered in terms of improving accessibility will continue under the new scheme this includes, interpretation services, visiting service, information leaflets in different formats and languages, correspondence in plain English and targeted benefit take up campaigns.

The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

### **3.8 Religion or Belief**

The Council does not keep case level data on a person's religion or belief as it would not be relevant to the calculation of Council Tax Reduction. Support currently offered in terms of improving accessibility will continue under the new scheme this includes, interpretation services, visiting service, information leaflets



in different formats and languages, correspondence in plain English and targeted benefit take up campaigns.

The merits of collecting information with regard to those with protected characteristics will form part of the wider review of the scheme in 2013.

### **3.9 Pregnancy and maternity**

The previous scheme offered disregards which, under the council tax benefit scheme tended to favour more females than males such as child benefit disregards. These will continue to be a feature of the new scheme

### **3.10 Protected groups**

Another group that will receive protection from the 20% reduction in support will be War pensioners and their widows in recognition of the sacrifices they or their partners have made.

### **3.11 Discretionary fund**

The scheme incorporates the creation of a discretionary hardship fund to help mitigate against the negative impact of any changes and support those who may be particularly disadvantaged taking into consideration individual circumstances.

### **3.12 Migration of existing claims**

All current recipients of Council Tax Reduction will be automatically reassessed for eligibility to the new scheme from April 2014, based on the new parameters proposed in this report.

See summary of caseload data this includes groups with protected characteristics:

<b>Council Tax Benefit Caseload trend:</b>	<b>April 2010</b>	<b>April 2011</b>	<b>April 2012</b>	<b>April 2013</b>
All claims	29068	29725	30388	29,358
Pensioners	12734	12740	12756	13,612
Vulnerable	1360	1399	1252	4,988
Passported benefit cases	10366	10063	10153*	6505
Other	4608	5523	6227	4253

As the table illustrates, currently 29,358 people claim Council Tax Benefit in Wiltshire, of these current recipients 10,750 will face a reduction in support; the remaining 5,000 being those classified as vulnerable above.

**4. What evidence do you have for your judgement? Is there any evidence of public concern? Is there local or national research to suggest that there could be a problem?**

In designing the scheme the council undertook an in depth analysis of the current council tax processing system. A specially designed software tool facilitated the modelling of various scheme options examining the impact on people, according to their age, disability, family circumstances and level of income.

The modelling of the statistical data enabled the council to produce case studies to illustrate how each of the options considered would affect individuals. Models considered included:

- Restricting benefit according to Council Tax bands
- Eliminating income disregards for child benefit
- Making 20% deduction from passported cases (i.e. people eligible to income support etc)

The above models were later rejected as they disproportionately affected vulnerable groups.

**5. What other data, research and other evidence was used to write the Equality Impact Assessment.**

In addition to the in depth modelling and case analysis to inform the design of the scheme a range of other local and national data, research and evidence was considered.

**5.1. National Data**

The Department for Communities and Local Government (DCLG) have completed an Impact assessment for the implementation:-

[www.communities.gov.uk/localgovernment/localgovernmentfinance/counciltax/counciltaxsupport](http://www.communities.gov.uk/localgovernment/localgovernmentfinance/counciltax/counciltaxsupport)

**5.2 Funding options considered**

Wiltshire council considered the options of allowing the cost of the scheme to fall on the general fund and, ultimately the tax payers or designing a revised scheme that supports incentivises to work. The preferred option approved by cabinet for public consultation was to :-

Develop a new Local Council Tax reduction scheme that would continue to be means tested and aimed at helping those with greatest need, this would be along similar lines to the council tax benefit. To avoid passing the cost of the reduction to tax payer's further charges would need to be applied. Changes to current scheme would include:-

- Calculating award based on 80% of maximum eligible council tax
- Removing Second Adult rebate
- Creation of a discretionary hardship fund to help those most in need
- Removing backdating
- Adjusting earnings taper to incentives work
- Removing underlying entitlement
- Introducing a capital limit

### **5.3 Public consultation**

The council undertook a full public consultation exercise about the proposal for the new scheme. The consultation period run between 5 September and 31 October 2012

Customer representative groups such as CAB, Housing advice centres, landlords, disabled groups and Wiltshire assembly have also been invited to actively participate in the public consultation

In addition to the public consultation formal meetings were held with all the major precepting authorities, stakeholders and parishes.

## **6. What practical changes will help reduce any adverse impact on particular groups?**

Raising awareness

Writing to all customers affected in plain English

Visiting those most badly affected by welfare reform in general

Ability to share information across the council in order to identify those most affected

Discretionary fund to support anyone experiences exceptional financial hardship

Right of appeal

## **7. Does the policy meet the Council's responsibilities in relation to equality and human rights?**

In designing the scheme every attempt has been made to minimise the effect of reduced funding in delivering the scheme, and to prevent discrimination against people who are disadvantaged, vulnerable or with protected characteristics.

In future it is likely the councils scheme will through necessity, adapt and change to reflect local circumstances.

## **8. How will you monitor the take-up impact of the service in future?**

Take up of the service will be measured via the Northgate I.T. council tax support delivery system and supported by measurement of the demand on the discretionary hardship fund.

It can be seen that the number of recipients of the new scheme have fallen, since the local scheme was introduced. The provision of monthly reports with regard to case load, and expenditure, in relation to the scheme, are presented to the Associate Director for Finance, to help understand it's interaction with the full range of planned changes to the welfare system. These changes include the introduction of Universal Credit and other areas of responsibility such as localisation of community grants and crisis loans. Whilst every effort is being made to understand how all these changes can interact positively, it is still too early to fully understand their combined effect.

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Wiltshire Council

Council

25 February 2014

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## Treasury Management Strategy 2014-15

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### **Executive Summary**

This report presents the Treasury Management Strategy for 2014-15 including:

- a) the Prudential and Treasury Indicators (Prls and Trls) for the next three years;
- b) other debt management decisions required for 2014-15 that do not feature within the Prls or Trls, as shown in paragraphs 3.11 to 3.20;
- c) the Annual Investment Strategy for 2014-15 (only one change from 2013-14 as detailed in paragraph 3.23 of the report); and
- d) the updated Treasury Management Practices.

### **Proposals**

Following recommendation by Cabinet at its meeting on 11 February 2014, Council is recommended to:

- a) adopt the Prudential and Treasury Indicators (Appendix A);
- b) adopt the Annual Investment Strategy, including the proposed increase in the lending limit associated with Government backed UK banks (Appendix B);
- c) adopt the updated Treasury Management Practices (TMPs) (Appendix C);
- d) delegate to the Associate Director, Finance, Revenues & Benefits and Pensions the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;
- e) authorise the Associate Director, Finance, Revenues & Benefits and Pensions 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 and deposits; and
- g) agree that any surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Associate Director, Finance, Revenues & Benefits and Pensions the authority to select such funds.

**Reasons for Proposals**

To enable the Council to agree a Treasury Management Strategy for 2014-15 and set Prudential Indicators that comply with statutory guidance and reflect best practice.

**Michael Hudson**

**Associate Director, Finance, Revenues & Benefits and Pensions**

**Treasury Management Strategy 2014-15**

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**1. Purpose of Report**

- 1.1 This report, which was presented to Cabinet on 11 February 2014, asks the Council to approve the Prudential and Treasury Indicators, together with the Treasury Management Strategy for 2014-15, including an increase in the lending limit associated with UK Government backed banks, and the updated Treasury Management Practices (Appendix C).
- 1.2 The Treasury Management Practices (TMPs) are required by the CIPFA Treasury Management Codes and Treasury Guidelines and have not been updated for some time. Consequently, it is considered necessary, for their formal adoption, that the TMPs, in this instance, although covered in a relatively significant number of pages, are included in full.

**2. Background**

- 2.1 The Council is required by legislation to approve a Treasury Management Strategy, which incorporates the setting of Prudential and Treasury Indicators and an Annual Investment Strategy.

**3. Main Considerations for the Council**

Prudential Indicators (Prls) and Treasury Indicators (Trls)

*Basis of the Indicators*

- 3.1 A summary of the Prls and Trls is shown in Appendix A. The key indicators are the Treasury Indicators relating to the Authorised Limit (Trl 1) and the Operational Boundary (Trl 2), which control the Council's exposure to debt.
- 3.2 The Prls and Trls have been set on the basis of all known commitments and the effect of all known revenue and capital proposals relating to the Council.

*Monitoring and Reporting of the Prudential Indicators*

- 3.3 Progress will be monitored against the Prls and Trls throughout the year, particularly against the two borrowing limits. Cabinet will be kept informed of any issues that arise, including potential or actual breaches. Members will receive quarterly capital monitoring reports and quarterly treasury reports.
- 3.4 The elements within the Authorised Limit and the Operational Boundary, for borrowing and other long term liabilities require the approval of the Council. In order to give operational flexibility, members are asked to delegate to the

Associate Director, Finance, Revenues & Benefits and Pensions the ability to effect movements between the two elements where this is considered necessary. Any such changes will be reported to members in the next appropriate treasury report. The operational boundary is a key management tool for in-year monitoring. It will not be significant if the operational boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary is considered significant and will lead to further investigation and action as appropriate. Any breach of the operational boundary will be reported to members in the next appropriate treasury report. The authorised limit will in addition need to provide headroom over and above the operational boundary, sufficient for unusual cash movements, for example, and should not be breached.

## Borrowing Strategy

### *Levels*

- 3.5 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded (please refer to Appendix A – paragraph 12) with loan debt as cash supporting the Council's reserves, balances and cash flow have been used as a temporary measure (internal borrowing). This strategy is prudent, as investment returns are low and by borrowing internally and, therefore, having less cash to invest, counterparty (the other party that participates in a financial transaction, such as an organisation/bank from whom the Council borrows money/with which the Council deposits cash surpluses) risk is reduced.
- 3.6 Against this background and the risks within the economic forecast, caution will be adopted with the 2014-15 treasury operations. The Associate Director, Finance, Revenues & Benefits and Pensions will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- a) if it was considered 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 will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
  - b) if it was considered that there was a significant risk of a much sharper **rise** in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Any decisions will be reported to Cabinet in the next appropriate treasury report.



### *Rate and Timing of Borrowing*

- 3.7 Taking account of the cash required to support the capital programme over the next three to five years, the Council has an anticipated requirement, subject to the approval of the capital programme on 25<sup>th</sup> February 2014, to borrow an additional £99.9 million between now and the end of 2016-17. This is reflected in Prl 4 in Appendix A (Gross Borrowing – General Fund), i.e. the increase in gross borrowing to £345.1 million in 2016-17 from £245.2 million in 2013-14.
- 3.8 The timing of any borrowing is crucial in terms of interest rates and the potential to minimise interest costs. Prior to any actual borrowing the treasury team will, in conjunction with our treasury advisers, proactively manage the interest rate position, using all information available to inform the borrowing decision.
- 3.9 It is, of course, not always possible to obtain the lowest rates of interest, as there is a risk that unforeseen events can significantly alter the level of rates, however, ongoing active monitoring of rates will mitigate against this risk.
- 3.10 In supporting the capital programme, the Council will consider all borrowing options, such as:
- a) internal borrowing, using medium term cash balances;
  - b) fixed rate Public Works Loan Board (PWLB) borrowing;
  - c) long term fixed rate market loans at rates, which, dependent upon market conditions and availability, can be significantly below PWLB rates for the equivalent maturity period;

The decision will be made whilst maintaining an appropriate balance between PWLB and market debt in the debt portfolio.

### Other Debt Management Issues

#### *Policy on Borrowing in Advance of Need*

- 3.11 The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed because it is illegal. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the security of such funds is ensured.

#### *Debt Rescheduling*

- 3.12 As short term borrowing rates will be cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the debt repayment cost (i.e. premiums for early repayment).
- 3.13 The reasons for any rescheduling to take place will include:
- a) the generation of cash savings and / or discounted cash flow savings;
  - b) helping to fulfil the treasury strategy;

- c) enhancing the balance of the portfolio (the maturity profile and/or the balance of volatility).

3.14 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

3.15 All rescheduling will be reported to members in a treasury report at the earliest meeting following its action.

#### *Lender Option Borrower Option (LOBO) Market Loans*

3.16 Wiltshire Council currently has borrowings of £61 million in LOBO loans.

3.17 There are basically two main types of LOBO loan (of which the Council has both in its portfolio):

- a) a loan with an 'initial period' at a relatively low rate of interest, on the completion of which, the rate will automatically increase to a 'secondary rate' under the terms of the loan agreement. The interest rate is then subject to 'call option dates' at certain predetermined stages (e.g. every six months, every five years) over the life of the loan, at which time the lender has the option to set a revised interest rate and the borrower has the option to repay the loan without penalty; or
- b) a loan subject to 'call option dates' only (i.e. there is no 'secondary rate') at which time the lender has the option to raise the interest rate and the borrower has the option to repay the loan without penalty.

3.18 If the lender exercises his option to revise the interest rate at one of the 'call option dates', the Council's strategy is that it will always exercise its option to repay the loan. Consideration will then be given to refinancing the debt where the overall level of debt prior to the repayment needs to be maintained.

3.19 LOBO loans are treated in accordance with CIPFAs Treasury Management in Public Services Guidance Notes for Local Authorities 2011 Edition, relating to the determination of the maturity of borrowing that affects the date on which a LOBO loan should be treated as maturing. The Guidance states that "if the lender has the right to increase the interest rate payable without limit, such as in a LOBO loan, this should be treated as a right to require payment." For the purposes of the appropriate PrI, therefore, maturity occurs at the next call option date – i.e. the date on which the lender has the right to increase the interest rate payable without limit. However, in the current market of relatively low interest rates and very little significant upward movement in rates predicted in the near future, it is unlikely that the loans would be called in the short to medium term.

#### *Short Term Cash Deficits.*

3.20 Temporary loans, where both the borrower and lender have the option to redeem the loan within twelve months, are used to offset short term revenue cash deficits. They may also be used to cover short term capital requirements until longer term loans become more cost effective. The majority of these loans

will be at fixed interest rates, maturing on specific dates. The strategy is that the Council shall utilise temporary loans for any short term cash deficits that arise in respect of revenue and/or capital.

## Cash Investments

### *Annual Investment Strategy*

- 3.21 The Annual Investment Strategy for 2014-15, which sets out the policy framework for the investment of cash balances, is shown in Appendix B.
- 3.22 Comparisons with other local authorities' investments through the local treasury advisors Investments Benchmarking Group suggest that the Council's average investment return could be improved. Although rates are currently low and likely to remain that way for a while, following discussions with the treasury advisors, an option available is an increase in lending limits more in line with other authorities within the group, whilst maintaining the security and liquidity of the Council's investments.
- 3.23 Currently some of the more competitive rates, within the Council's creditworthiness criteria, are available from the UK Government backed banks (Lloyds Banking Group and Royal Bank of Scotland Group). It is, therefore, proposed that the lending limit in Appendix B for UK Government backed banks shall be increased from £8 million to £12 million to take advantage of these competitive rates, which should lead to an improved average rate of return on the Council's investments. This has been reflected in the Annual Investment Strategy.
- 3.24 Other key issues to note are:
- a) the risk appetite of this Council is low in order to give priority to the security of its investments;
  - b) the borrowing of monies purely to invest or on-lend and make a return is unlawful;
  - c) all Council investments will be in sterling. This will avoid foreign exchange rate risk.

### *Short Term Cash Surpluses*

- 3.25 It is anticipated that temporary short term cash surpluses will arise regularly during the year. Investment of these surpluses will be in specific investments (e.g. short term Sterling investments of less than one year). Such investments will normally be short term deposits maturing on specific dates that reflect cash flow requirements at the date the deposit is made. However, under certain market conditions, money market funds will be used, particularly if they provide improved returns.

### *Longer Term Cash Surpluses*

- 3.26 Some cash surpluses, for example core revenue balances, net creditors, accrued reserves and special funds such as those for insurance and PFI can be invested on a long term basis. These cash surpluses may be used for capital financing requirements, where longer term interest rates mean that it is less cost effective to take out longer term loans.

- 3.27 Improved returns may be obtained by placing these surpluses in money market funds. The Associate Director, Finance, Revenues & Benefits and Pensions has delegated authority to select money market funds and appoint External Cash Managers within the current approved strategy and it is proposed that this authority is retained.
- 3.28 The proposed Investment Strategy for 2014-15 includes the use of unspecified investments (e.g. more than 12 months to maturity and for which external professional advice is required) that the Council's treasury adviser may recommend for investment of longer term cash surpluses.
- 3.29 Although the Council has been well positioned in terms of the balance between both loans and investments, rates of interest paid on deposits have been moving slightly lower over the last financial year. Following a further period of similarly low rates, the Bank Rate is not expected to start increasing until quarter 2 (April to June) 2016.

#### *Icelandic Deposits*

- 3.30 The latest position on the recovery of the £12 million investments, frozen as a result of the collapse of the Icelandic banks, Heritable (£9 million) and Landsbanki (£3 million), is that the Council has so far recovered:
- a) £8.5 million from the administrators of Heritable; and
  - b) £1.7 million from the Landsbanki Islands hf Bank Winding-up Board WuB).
- 3.31 The Council has now recovered approximately 94% of the £9 million originally invested in Heritable. As this is extremely close to the expected final recovery proportion (of 95%), it is unlikely that any further distributions will be significant, relative to those previously received. The timing and quantum of any further distributions are dependent upon the outcome of ongoing legal proceedings.
- 3.32 There is currently no indication of the timing or amount of any further distributions from the Landsbanki WuB. The WuB have indicated that the Council will (subject to foreign exchange fluctuations and the lifting of the capital controls within Iceland) eventually recover 100% of the original investment in Landsbanki Islands hf. However, they have also indicated that this could take several years.

#### Minimum Revenue Provision

- 3.33 The minimum revenue provision (MRP) is the amount set aside for the repayment of the debt as a result of borrowings made to finance capital expenditure.
- 3.34 In accordance with Local Authorities (Capital Finance and Accounting) Regulations 2008 the Council adopted a MRP annual policy in May 2009.
- 3.35 For financial year 2013-14 the annual policy remained unchanged, in that a regulatory method of setting aside 4% of the borrowing requirement for supported borrowing and an asset life method calculation for any unsupported borrowing was applied.

3.36 It is proposed that this policy is retained in 2014-15.

#### **4. Environmental and Climate Change Considerations**

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

#### **5. Equalities Impact of the Proposal**

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

#### **6. Risks Assessment and Financial Implications**

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

6.2 The strategies in Appendix A and Appendix B take account of the forecast movement in interest rates and allow sufficient flexibility to vary strategy if actual movements in interest rates are not in line with the forecast.

6.3 The Council's treasury adviser is currently predicting the following interest rate movements:

a) the Bank Rate has remained at 0.50% since March 2009. It is expected to rise to 0.75% by the end of the second quarter of 2016, rising further to 1.00% by the end of the third quarter of 2016. Then it is expected to rise again (by a further 0.25%) during the first quarter of 2017;

b) medium term (10 year) PWLB borrowing rates are expected to fall, slightly, from 3.70% to 3.60% during the first a quarter of 2014, then rising gradually to 4.50% by the end of March 2017.

6.4 Interest rates have remained relatively static during 2013, following on from the economic downturn that started in late 2008. Based on the latest forecast, interest rates are not expected to rise until the middle of 2016. Although PWLB rates will fluctuate in line with Gilt prices, depending on market sentiment.

6.5 The risk that counterparties are unable to repay investments could jeopardise the Council's ability to meet its payments. Investment counterparty risk is controlled by using suitable criteria for assessing and monitoring credit risk, including the use of an up to date lending list. The lending list is based on counterparty categories relating to country, type, sector, maximum investment, and maximum duration of investment (see Appendix B). The Council uses the credit worthiness service provided by its treasury advisers, which is a comprehensive modelling approach incorporating the credit ratings of all three major credit rating agencies, together with 'overlays' of Credit Default Swap (CDS) spreads (default risk), credit watches, credit outlooks and sovereign ratings from the agencies (a more detailed explanation is included within the Annual Investment Strategy in Appendix B).

6.6 Interest earnings are an important source of revenue for the Council and it is, therefore, important that the portfolio is managed in a way that maximises the

investment income stream, whilst managing exposure to risk and maintaining sufficient liquidity.

## **7. Legal Implications**

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

## **8. Public Health Implications**

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

## **9. Safeguarding Considerations**

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

## **10. Options Considered**

10.1 Future consideration will be given to alternative borrowing and investment options to improve the cost effectiveness of and return on treasury activities for the Council. This may incorporate consideration of alternative sources of capital financing, such as the issuing of bonds, rather than the more traditional borrowing approaches, together with longer term investments, where appropriate and subject to security and liquidity of investments. Currently, the issuing of bonds has not been taken forward because of both the costs of issuance, such as gaining and maintain a suitable credit rating (local authorities, including Wiltshire Council are presently rated AAA) and the interest rates, which have not been competitive (with PWLB rates).

10.2 The options in relation to the revenue and capital budgets in these proposals are fully consistent with the figures included within the budget considerations.

## **11. Conclusion**

11.1 The Council is requested to:

- a) adopt the Prudential and Treasury Indicators (Appendix A);
- c) adopt the Annual Investment Strategy, including the proposed increase in the lending limit associated with Government backed UK banks (Appendix B);
- d) adopt the updated Treasury Management Practices (TMPs) (Appendix C);
- e) delegate to the Associate Director, Finance, Revenues & Benefits and Pensions the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;
- f) authorise the Associate Director, Finance, Revenues & Benefits to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long term portfolio;

- g) agree that short term cash surpluses and deficits continue to be managed through temporary loans and deposits; and
- h) agree that any long term surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Associate Director, Finance, Revenues & Benefits the authority to select such funds.

**Michael Hudson**  
**Associate Director, Finance, Revenues & Benefits**

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### **Background Papers**

The following unpublished documents have been relied on in the preparation of this Report: NONE

### **Appendices**

Appendix A Prudential and Treasury Indicators for 2014-15, 2015-16 & 2016-17

Appendix B Annual Investment Strategy for 2014-15

Appendix C Treasury Management Practices (Updated)

**Prudential and Treasury Indicators for 2014-15, 2015-16 & 2016-17**

1. The Prudential and Treasury Management Codes and Treasury Guidelines require the Council to set a number of Prudential and Treasury Indicators for the financial year ahead. This appendix sets out the indicators required by the latest codes analysed between Prudential Indicators and Treasury Indicators.

**Prudential Indicators****Prl 1 – Capital Expenditure**

2. This Prl shows the actual and anticipated level of capital expenditure for the five years 2012-13 to 2016-17. The Capital Programme 2014-15 to 2016-17 will be submitted to Cabinet and Council in February 2014, which will ratify the budget for 2014-15. The years 2015-16 to 2016-17 are based on indicative figures as part of the Capital Programme.

	<b>2012-13 Actual £million</b>	<b>2013-14 Expected £million</b>	<b>2014-15 Estimate £million</b>	<b>2015-16 Estimate £million</b>	<b>2016-17 Estimate £million</b>
<b>General Fund</b>	67.3	137.0	132.1	74.9	58.0
<b>Housing Revenue Account</b>	4.5	11.1	10.2	10.2	10.2
<b>Total</b>	<b>71.8</b>	<b>148.1</b>	<b>142.3</b>	<b>85.1</b>	<b>68.2</b>

3. The capital expenditure figures shown in Prl 1 assume a certain level of financing from borrowing each year. New and existing borrowing needs to be affordable and sustainable.

**Prl 2 – Ratio of Financing Costs to Net Revenue Stream**

4. Prl 2 identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream (funding receivable from the Government and council tax payers and rents receivable in the case of the HRA).

	<b>2012-13 Actual £million</b>	<b>2013-14 Expected £million</b>	<b>2014-15 Estimate £million</b>	<b>2015-16 Estimate £million</b>	<b>2016-17 Estimate £million</b>
<b>General Fund</b>	<b>6.5%</b>	<b>6.3%</b>	<b>7.1%</b>	<b>8.4%</b>	<b>9.5%</b>
<b>Housing Revenue Account</b>	<b>15.9%</b>	<b>15.3%</b>	<b>14.7%</b>	<b>14.4%</b>	<b>14.0%</b>

5. The General Fund cost of financing will rise proportionately over the reporting period because of the effect on financing costs where 'new debt' is expected to rise faster than 'old debt' is repaid. Previously the rise in General Fund financing costs was not an affordability issue as the new borrowing taken out was supported by Revenue Support Grant. Only by the use of continued Unsupported Borrowing was there any pressure on the Council Tax. In terms of the fall in HRA financing costs in 2013-14, through 2014-15, 2015-16 and 2016-17, this is a reflection of fixed borrowing costs over the period against expected rental income.



## Prudential and Treasury Indicators for 2014-15, 2015-16 &amp; 2016-17

6. However, the changes to the Revenue Support Grant mechanism that were introduced for 2006-07 and later years (specifically the grant “floor”) mean that the Council may not be able to afford the financing costs of all the supported capital expenditure indicated by the Government, because we do not receive the full grant. This has the effect of “levelling the playing field” so that support for capital borrowing has to be considered alongside all other revenue priorities in the budget process. Support for capital can no longer be “passported” automatically.

Prl 3 – Estimate of Incremental Impact of Capital Investment Decisions on the Council Tax and Housing Rents

7. Prl 3 represents the potential increase in Council Tax/Housing Rents required to fund the planned increase in the capital budgets for the forthcoming year and future years as a proportion of the tax base at Band D/average weekly housing rents. Due to the change to the subsidy system there is no planned effect on average housing rents due to the additional borrowing required.

	2014-15 £	2015-16 £	2016-17 £
Effect on Band D Council Tax	-4.39	3.92	0.95
Effect on Average Housing Rent per week	0.00	0.00	0.00

8. In 2014-15 the effect on Band D Council Tax is a credit because there is a potential decrease in financing costs associated with the potential reduction in planned capital budgets on the basis of this Prl.

Prl 4 – Gross Borrowing and the Capital Financing Requirement

9. Prl 4 measures the so-called “Golden Rule” and focuses on prudence. Its purpose, as described in the Prudential Code, is: *“In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the local authority should ensure that gross borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two years”.*
10. The Capital Financing Requirement (CFR) increases whenever capital expenditure is incurred. If resourced immediately (from capital receipts, direct revenue contributions or capital grant/contributions) the CFR will reduce at the same time that the capital expenditure is incurred, resulting in no net increase in CFR.
11. Where capital expenditure is not resourced immediately, there is a net increase in CFR, represented by an underlying need to borrow for capital purposes, whether or not external borrowing actually occurs. The CFR may then reduce over time through future applications of capital receipts, capital grants/contributions or further charges to revenue.
12. This Prl is necessary, because under an integrated treasury management strategy (in accordance with best practice under the CIPFA Code of Practice on Treasury Management in the Public Services), borrowing is not associated with particular items or types of expenditure, whether revenue or capital.

**Prudential and Treasury Indicators for 2014-15, 2015-16 & 2016-17**

13. In accordance with a change in the guidance, issued by CIPFA in November 2012, this PrI has been amended to compare gross debt with the CFR. (Previously net debt (after investments) was compared with CFR.)

	<b>2012-13 Actual £million</b>	<b>2013-14 Expected £million</b>	<b>2014-15 Estimate £million</b>	<b>2015-16 Estimate £million</b>	<b>2016-17 Estimate £million</b>
CFR – General Fund	341.9	378.1	438.7	439.7	431.8
CFR – HRA	122.6	122.6	122.6	122.6	122.6
Gross Borrowing – Gen Fund	245.2	245.2	305.1	335.1	345.1
Gross Borrowing – HRA	118.8	118.8	118.8	118.8	118.8
<b>CFR not funded by gross borrowing – Gen Fund</b>	<b>96.7</b>	<b>132.9</b>	<b>133.6</b>	<b>104.6</b>	<b>86.7</b>
<b>CFR not funded by gross borrowing – HRA</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>

14. No movement in General Fund gross borrowing is anticipated in 2013-14. In the following financial years, 2014-15 to 2016-17, gross borrowing is expected to increase as planned additional long term borrowing is taken out.
15. No problems are foreseen in meeting the “Golden Rule” over the period under review. The table above shows a relatively significant margin not funded by gross borrowing.

PrI 5 – Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services (“The Code”)

16. The Revised CIPFA Code of Practice for Treasury Management in the Public Services 2009 was adopted by Wiltshire Council at its meeting on 23 February 2010.
17. All recommendations within this report are consistent with the Revised CIPFA Code.

**Treasury Management Indicators within the Prudential Code**

TrI 1 – Authorised Limit for External Debt

18. The Authorised Limit is the Operational Boundary (see TrI 2 below), including an allowance for unplanned and irregular cash movements. This allowance is difficult to predict, Council approved an amended allowance of 2.5% in the Treasury Management Strategy 2012-13 at its meeting on 15 February 2012. It is proposed that an allowance of 2.5% is continued for General Fund borrowing for 2014-15 to 2016-17 and this will be kept under review. The allowance provides for the possibility of additional borrowing during the year as a result of Government support for further schemes and provides headroom where the projection proves too optimistic (payments made earlier or receipt of income delayed against that forecast). There is no allowance in respect of HRA borrowing as it is capped and, therefore, cannot be exceeded.

## Prudential and Treasury Indicators for 2014-15, 2015-16 &amp; 2016-17

Authorised Limit	2014-15 £million	2015-16 £million	2016-17 £million
Borrowing – General Fund	471.2	473.2	466.1
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
<b>TOTAL</b>	<b>594.6</b>	<b>596.6</b>	<b>589.5</b>

19. The Authorised Limit set by the Authority is the statutory borrowing limit under Section 3(1) of the Local Government Act 2003, a breach would be serious and, therefore, there is the need to build in sufficient headroom.

Trl 2 – Operational Boundary for External Debt

20. The Operational Boundary and the Authorised Limit are central to the Prudential Code and reflect the limits that authorities place on the amount of their external borrowing.

21. The Operational Boundary is based on a prudent estimate of the most likely maximum level of external borrowing for both capital expenditure and cash flow purposes, which is consistent with other budget proposals. The basis of the calculation for General Fund borrowing 2014-15 (£459.7 million) is:

- Expected Capital Financing Requirement at 31 March 2014 of £378.1 million
- Plus the expected long-term borrowing to finance capital expenditure (unsupported only £74.5 million)
- Less the expected set-aside for debt repayment (£12.9 million)
- Plus the expected maximum level of short-term cash flow borrowing that is anticipated (£20.0 million).

22. The basis of the calculation for HRA borrowing 2014-15 is the debt settlement of £123.2 million.

Operational Boundary	2014-15 £million	2015-16 £million	2016-17 £million
Borrowing	459.7	461.6	454.8
Borrowing – HRA	123.2	123.2	123.2
Other Long Term Liabilities	0.2	0.2	0.2
<b>TOTAL</b>	<b>583.1</b>	<b>585.0</b>	<b>578.2</b>

23. The Operational Boundary for each year also includes a small provision for other long term liabilities.

24. The Operational Boundary is a key management tool for monitoring the Authority's expected level of borrowing. It is essential to ensure that borrowing remains within the limits set and to take appropriate action where any likely breach is anticipated. Monitoring will take place through the year and will be reported to Cabinet.

**Prudential and Treasury Indicators for 2014-15, 2015-16 & 2016-17**Trl 3 – External Debt – Actuals at 31 March 2013 and Expected 2014

25. This Trl shows the amount of gross external debt outstanding in periods prior to the budget years under consideration. Other long term liabilities relate to a provision for any borrowing required for finance leases on certain properties, plant, vehicles and equipment. It should be noted that as these figures are taken at a point in time, they are not comparable with the Authorised Limit and Operational Boundary, which are control limits.

	<b>31/3/13 Actual £million</b>	<b>31/3/14 Expected £million</b>
Borrowing – General Fund	245.2	245.2
Borrowing – HRA	118.8	118.8
Other Long Term Liabilities	0.2	0.2
<b>TOTAL</b>	<b>364.2</b>	<b>364.2</b>

**Treasury Management Indicators within the Treasury Management Code**Trl 4a and 4b – Upper Limit on Fixed Interest Rate Exposures and Variable Interest Rate Exposures, respectively

26. Future interest rates are difficult to predict. Anticipated rates are shown in the main report, under Risk Assessment. Indications are that best value will be achieved by taking long-term loans at fixed rates in 2014-15. However, consideration of short term variable rate loans may prove to be advantageous, in 2014-15 and in future financial years.
27. Interest rates will be monitored closely, in conjunction with the treasury adviser, to take advantage of any favourable changes in circumstances. The strategy should still be flexible, the upper limit for fixed interest rate and variable interest rate exposures are set out below.

**The Council's upper limit for fixed interest rate exposure for the three year period 2013-14 to 2015-16 is 100% of net outstanding principal sums.**

**The Council's upper limit for variable interest rate exposure is 50% for 2014-15, 50% for 2015-16 and 55% for 2016-17 of net outstanding principal sums.**

Trl 5 – Upper & Lower Limits on the Maturity Structure of Borrowing

28. The Council's policy needs to ensure that it is not forced to refinance too much of its long term debt in any year when interest rates are high. The present long-term General Fund debt, of £245.2 million, falls due for repayment over the next 60 years. LOBO (Lender Option Borrower Option) market loans are included at rates determined by reference to the earliest date on which the lender can require payment (i.e. at the next interest rate call date), as currently recommended by CIPFA. Most of the Council's debt matures within the period "10 years and above", albeit PWLB debt only. Depending on the maturity profile, the upper limits may require amendment for further borrowing in the future.

**Prudential and Treasury Indicators for 2014-15, 2015-16 & 2016-17**

29. In addition to the main maturity indicators it is considered prudent that no more than 15% of long term loans should fall due for repayment within any one financial year.

30. In order to protect the Council from this risk and to safeguard the continuity in treasury management financing costs, the following limits have been adopted.

<b>Limits on the Maturity Structure of Borrowing</b>	<b>Upper</b>	<b>Lower Limit</b>
Maturing Period:		
- under 12 months	15%	0%
- 12 months and within 24 months	15%	0%
- 2 years and within 5 years	45%	0%
- 5 years and within 10 years	75%	0%
- 10 years and above	100%	0%

Trl 6 – Principal Sums invested for periods of longer than 364 days

31. This Trl is covered by the Annual Investment Strategy, which is detailed in the following appendix.

**WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2014-15****The Main Strategy**

1. The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").
2. The general investment policy of the Council is the prudent investment of any surplus cash balances, the priorities of which are (in order):
  - a) the security of capital (first);
  - b) the liquidity of investments (second); and (then)
  - c) return (third).
3. The Council will aim to achieve the optimum return on investments commensurate with high levels of security and liquidity. The risk appetite of this Council is low in order to give priority to the security of its investments.
4. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
5. All Council investments will be in sterling. This will avoid foreign exchange rate risk.
6. Investment of the Council's normal cash flow requirements will be in specified investments, as prescribed in "The Guidance". The categories of organisations with which investments will be placed and the minimum high credit quality required for each category are those set out in the minimum requirements for high credit quality below.
7. Investments in money market funds may be made if the fund has a high credit rating (AAA), as prescribed in the minimum requirements for high credit quality below.
8. For specified investments made under the recommendations of the Council's treasury adviser, the approved policy must be followed and is bound by the minimum requirements for high credit quality below.
9. In addition, using the professional judgement of the Council's treasury advisers, non specified investments may be made in UK Government Bonds (Gilts) and in multilateral development banks, such as the European Bank for Reconstruction and Development (EBRD), (as defined in Statutory Instrument 2004 No. 534) with a high credit rating, as prescribed in the minimum requirements for high credit quality below. (Multilateral development banks, or MDBs are supranational institutions set up by sovereign states, which reflect the development aid and cooperation policies established by these states. They have the common task of fostering economic and social progress in developing countries by financing projects, supporting investment and generating capital.)

**WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2014-15**

10. Such investments are the only non-specified investments authorised for use and will only be:
  - a) in sterling
  - b) in the case of UK Gilts, for a maximum of 50 years; and
  - c) for investments maturing in excess of 12 months, limited to £30 million.
11. The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2010, and will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with this local authority will comply with the requirements of SI 2009 No 393. The Pension Fund Investment Strategy is approved by the Pension Fund Committee.
12. In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the advisors ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
13. Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.
14. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
15. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.
16. The intention of the strategy is to provide security of investment and minimisation of risk.

***Creditworthiness Policy***

17. This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising

## WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2014-15

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.
18. 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.
19. 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.
20. All credit ratings will be monitored at least weekly (daily if there are any updates released by Capita Asset Services). The Council is alerted to changes in ratings of all three agencies through its use of the creditworthiness service.
21. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
22. In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.



## WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2014-15

23. Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.
24. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings.

**The Minimum requirements for “high credit quality”**

25. In accordance with the DCLG Guidance on Local Government Investments in respect of selection of counterparties with whom investments are placed, Wiltshire Council will comply with the minimum requirements below.
26. Credit ratings will be those issued by Fitch Ratings Ltd in respect of individual financial institutions (as shown below, where F1+ is the highest short term rating and AAA the highest long term rating). An exception is made in respect of money market funds, as shown below, where a different overall AAA rating is the highest.
27. The minimum requirements for high credit quality, by type of institution, are as follows:
  - **Banks incorporated inside the United Kingdom with a short term credit rating of at least F1 or Government backed and their subsidiaries;**
  - **Banks incorporated outside the United Kingdom with a short term credit rating of at least F1+ and a long term rating of A+;**
  - **United Kingdom building societies with a short term credit rating of at least F1 or Government backed;**
  - **All local authorities and public bodies (as defined in S23 of the Local Authorities Act 2003) (ratings are not issued for most of these bodies);**
  - **Multilateral development banks (as defined in Statutory Instrument 2004 No. 534) with a short term credit rating of at least F1 and long term credit rating of AAA;**
  - **All banks & building societies must have a bank viability rating of at least bbb – except where the counterparty is UK Government backed (fully and partially) – (aaa being the highest, through aa, a and bbb);**
  - **In addition, all banks and building societies to which the Authority may lend funds must have a support rating of no more than 3 (in the range 1, being the highest support rating to 5, the lowest);**
  - **Money market funds, which have been awarded the highest possible rating (AAA) from at least one of the following credit rating agencies,**

## WILTSHIRE COUNCIL- ANNUAL INVESTMENT STRATEGY FOR 2014-15

Standard and Poor's, Moody's Investor Services Ltd or Fitch Ratings Ltd.; and

- **Deposits must only be placed in money market funds subject to individual signed management agreements.**

28. In addition to the above criteria, the following limits will be applied to the total cumulative investments placed with an individual institution (or group of institutions where there is common ownership):

a) **Up to £15 million:**

- **UK incorporated banks with a long term credit rating of at least AA;**
- **Overseas banks that have a long term credit rating of at least AA;**
- **Multilateral development banks;**
- **Local authorities and other public bodies; and**
- **Money market funds.**

b) **Up to £12 million:**

- **Government backed UK banks and UK building societies and their subsidiaries**

c) **Up to £8 million:**

- **Other UK incorporated banks (that have a long term credit rating of less than AA but which also satisfy the credit rating conditions within this Strategy);**
- **Other overseas banks (that have a long term credit rating of less than AA but which also satisfy the credit rating conditions within this Strategy);**
- **UK Building societies with long term credit rating of at least A; and**
- **Government backed overseas banks and their subsidiaries.**

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

These Schedules set out the details of how the Treasury Management Practices (TMPs) are put into effect by the Council.

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

## TMP1 RISK MANAGEMENT

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP1 RISK MANAGEMENT

#### 1.1 CREDIT AND COUNTERPARTY RISK MANAGEMENT

Credit and counterparty risk is the risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

Wiltshire Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4, Approved Instruments Methods and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

##### 1.1.1. Policy on the use of Credit Risk Analysis Techniques

- Wiltshire Council will, subject to its own Treasury Management Strategy, use the Capita Asset Services creditworthiness service based on colours determined by minimum combinations of ratings to derive maturity limits as follows:
  - Yellow            5 years
  - Dark Pink       5 Years (enhanced money market funds, credit score 1.25)
  - Light Pink       5 Years (enhanced money market funds, credit score 1.5)
  - Purple            2 years
  - Blue              1 year (only nationalised or semi nationalised UK Banks)
  - Orange           1 year
  - Red               6 months
  - Green            100 days
  - No colour        not to be used
  
- In addition a credit default swap overlay is used as a further safeguard to give early warning of potential creditworthiness problems which may only belatedly lead to actual changes in credit ratings.
- As this methodology is complex, readers are referred to the document produced by Capita Asset Services "Guide to Establishing Credit Policies December 2011" for a full explanation.
  - The Council will use credit criteria in order to select creditworthy counterparties with which it places investments.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

- Credit ratings will be used as supplied from all three rating agencies – Fitch, Moody's and Standard & Poor's.
- Treasury Management Consultants will provide regular updates of changes to all ratings relevant to the Council.
- The responsible officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.
- Credit ratings for individual counterparties can change at any time. The Associate Director, Finance, Revenues & Benefits and Pensions is responsible for applying approved credit rating criteria for selecting approved counterparties. Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.
- Wiltshire Council will not rely solely on credit ratings in order to select and monitor the creditworthiness of counterparties. In addition to credit ratings it will, therefore, use other sources of information including:
  - The quality financial press
  - Market data
  - Information on government support for banks and
  - The credit ratings of that government support
- Maximum maturity periods and amounts to be placed in different types of investment instrument are as follows:
  - Investment of the Council's normal cash flow requirements will be in specified investments, and therefore up to a maximum duration of one year, as prescribed in "The Guidance". The categories of organisations with which investments will be placed, the minimum high credit quality required for each category and the maximum amounts to be placed in different types of investment instrument are those set out in the minimum requirements for high credit quality below.
  - Investments in money market funds may be made if the fund has a high credit rating (AAA), as prescribed in the minimum requirements for high credit quality below.
  - In addition, using the professional judgement of the Council's treasury advisers, non specified investments (where maturity may occur in more than one year) may be made in UK Government Bonds (Gilts) and in multilateral development banks (as defined in Statutory Instrument 2004 No. 534) with a high credit rating, as prescribed in the minimum requirements for high credit quality below.
  - Such investments are the only non-specified investments authorised for use and will only be:

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- a) in sterling
  - b) in the case of UK Gilts, for a maximum of 50 years; and
  - c) for investments maturing in excess of 12 months, limited to £30 million.
- Diversification: Wiltshire Council will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following:
  - Maximum amount to be placed with any one institution - £15 million, £12 million or £8 million, dependent upon credit criteria as shown below.
  - Group limits, where a number of institutions are under single ownership, are subject to the same limits per group, based upon the same credit criteria shown below (i.e. where there are a number of institutions within the same group the maximum of £15 million, £12 million or £8 million will be applied as an aggregate of the investments with all the individual institutions in the group).
  - Capita Asset Services limits (e.g. banks versus building societies) are shown in the minimum requirements for high credit quality below.
  - Country limits – a minimum sovereign rating of AA- is required for an institution to be placed on our approved lending list. The list of countries which currently meet this criteria are monitored closely by the Treasury team.
- Investments will not be made with counterparties that do not have a credit rating in their own right
- The definition of **'high credit quality'** in order to determine what are specified investments as opposed to non specified investments which do not have high credit ratings is set out below. Where funds are invested using external fund manager(s), they will adhere to the counterparty credit criteria and maximum individual limits set by Wiltshire Council
- The **minimum requirements for 'high credit quality'** for selecting the creditworthiness of counterparties with which to place investments is based on the Fitch Credit Rating Agency credit ratings in respect of individual financial institutions are as follows. An exception is made in respect of money market funds, as shown below, where a different overall AAA rating is applied.
  - ***Banks incorporated in the United Kingdom with a short-term credit rating of at least F1 or Government backed and their subsidiaries.***
  - ***Banks incorporated outside the United Kingdom with a short-term credit rating of at least F1+ and a long term rating of A+.***

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- ***United Kingdom building societies with a short term credit rating of at least F1 or Government backed.***
  - ***All local authorities and public bodies (as defined in S23 of the Local Authorities Act 2003) {ratings are not issued for most of these bodies}.***
  - ***Multilateral development banks (as defined in SI 2004 No. 534) with a short term credit rating of at least F1 and long term credit rating of AAA.***
  - ***All banks & building societies must have a bank viability rating of at least bbb – except where the counterparty is UK Government backed (fully or partial).***
  - ***Additionally, all banks and building societies to which the Authority may lend funds must have a support rating of no more than 3 (1 being the highest support rating).***
  - ***Money Market Funds, which have been awarded the highest possible rating (AAA) from at least one of the following credit rating agencies: Standard and Poor's; Moody's Investor Services Ltd; or Fitch Ratings Ltd.***
  - ***Deposits must only be placed with Money Market Funds subject to individual signed management agreements.***
- In addition to the above criteria, the following limits will also be applied to the total cumulative investments placed with an individual institution (or group of institutions where there is common ownership):

**Up to £15 million:**

- **UK incorporated banks with a long term credit rating of at least AA;**
- **Overseas banks that have a long term credit rating of at least AA;**
- **Multilateral development banks;**
- **Local authorities and other public bodies; and**
- **Money market funds.**

**Up to £12 million:**

- **Government backed UK banks and UK building societies and their subsidiaries.**

**Up to £8 million:**



## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- **Other UK incorporated banks (that have a long term credit rating of less than AA but which also satisfy the credit rating conditions within the Investment Strategy);**
- **Other overseas banks (that have a long term credit rating of less than AA but which also satisfy the credit rating conditions within the Investment Strategy);**
- **UK Building societies with long term credit rating of at least A; and**
- **Government backed overseas banks and their subsidiaries.**

### 1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

Wiltshire Council will ensure it has adequate, though not excessive, cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. Wiltshire Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

#### 1.2.1. Amounts of approved minimum cash balances and short-term investments

The Treasury Management section shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day (OR give details of any more specific targets). Short term borrowing or lending shall be arranged in order to achieve this aim.

#### 1.2.2. Details of liquidity management:

- Standby facilities – Wiltshire Council has an overnight treasury account with its main bankers, where surplus cash, required in the very short term, is placed until the next working day. Additionally, the Council has a number of (currently five) money market funds, each of which, potentially, holds up to £15 million that can be accessed instantaneously. These funds are operated through a dealing platform, supplied by ICAP, called "MyTreasury", the cut off times for dealing vary between 12:30 pm and 13:30 pm each day as follows:
  - Ignis – 13:30 pm
  - Goldman Sachs – 12:30 pm
  - Black Rock – 12:45 pm

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- JP Morgan – 13:00 pm
- Federated Prime Rate – 13:00 pm
  
- Bank overdraft arrangements - a £500,000 overdraft has been arranged as part of the banking services contract. Any overdraft, up to this limit, is charged at 2.5% over base rate plus £4 a day. The overdraft is assessed on a 'suite of accounts' basis for all the Council's bank accounts. This facility is available purely to cover the rare occasions where unforeseen (net) cash out flows occur. However, the Council, through the treasury team, will always endeavour to attain a balanced daily position.
  
- Short-term borrowing facilities – Wiltshire Council accesses temporary loans through approved brokers on the London money market, in line with the approved Treasury Management Strategy.
  
- Insurance/guarantee facilities - There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

### 1.3 Interest Rate Risk Management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which it has failed to protect itself adequately.

Wiltshire Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6, Reporting Requirements and Management Information Arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, whilst, at the same time, retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

#### 1.3.1 Upper Limits on Fixed Interest Rate Exposures and Variable Interest Rate Exposures

The upper limit for fixed interest rate exposure is 100% of net outstanding principal sums (Treasury Indicator 4a).

The upper limit for variable interest rate exposure is 50% for 2014-15, 50% for 2015-16 and 55% for 2016-17 of net outstanding principal sums (Treasury Indicator 4b).

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 1.3.2 Trigger points and other guidelines for managing changes to interest rate levels

No specific trigger points are assigned for initiating action in respect of managing changes to interest rate levels. The decision as to whether to borrow at fixed or variable rates and/or to undertake restructuring of existing debt will depend upon:

- overall market and economic circumstances at the time;
- the level of borrowing that the Council requires, relative to its existing debt; and
- the level of fixed and variable interest costs incurred on existing debt relative to current interest rates.

### 1.3.3. Policies concerning the use of instruments for interest rate management.

- **Forward Dealing**  
Forward dealing will only be applied on the advice of external treasury advisers.
- **Callable deposits** (fixed investments for up to 5 years at borrower's option)  
The use of callable deposits is not currently considered as part of the annual treasury management strategy.
- **LOBOs** (borrowing under lenders option/borrowers option)  
The use of LOBOs is considered as part of the annual borrowing strategy and will only be applied on the advice of external treasury advisers. The Council currently has £61m of its borrowing through LOBOs, all of which was arranged using advice from the Council's treasury advisers.

Typically, longer-term borrowing will only be undertaken at fixed rates if this is not likely to result in an increase in the current average rate of interest incurred on existing debt. Where cost effective and practically achievable, restructuring of existing debt will only take place if it will result in a lowering of the average rate of interest incurred on debt following the restructuring and/or result in the smoothing of the maturity profile of that debt to reduce the future risk of unfavourable funding conditions.

## 1.4 EXCHANGE RATE RISK MANAGEMENT

Wiltshire Council has a minimal exposure to exchange rate risk as it may only enter into investments and loans in sterling for treasury management purposes (see Treasury Management Strategy). The Council will manage any exposure to fluctuations in exchange rates, in the rare event that this should occur, so as to minimise any detrimental impact on its budgeted income/expenditure levels.

Exchange rate risk is the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances, against which it has failed to protect itself adequately.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 1.4.1 Approved criteria for managing changes in exchange rate levels

Wiltshire Council has minimal exposure to exchange rate risk as a result of its normal business activity. If a contractual obligation to receive income or make a payment in a currency other than sterling occurs, forward foreign exchange transactions will be considered, with professional advice, to eliminate or minimize currency risk.

Unexpected receipts of foreign currency income will be converted into sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency may be held on deposit to meet this expenditure commitment.

### 1.5 REFINANCING RISK MANAGEMENT

The risk that maturing borrowing, capital, project or partnership financing cannot be refinanced on terms that reflect the provisions made by the Council for refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Wiltshire Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the funds raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

Wiltshire Council will actively manage its relationships with the counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

#### 1.5.1 Debt/Other Capital Financing, Maturity Profiling, Policies and Practices

Wiltshire Council will establish, through its Prudential and Treasury Indicators, the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous. The situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of reasonable cash savings at minimum risk;
- b) to reduce the average interest rate; and
- c) to amend the maturity profile and /or the balance of volatility of the portfolio.

Rescheduling will be reported to the Cabinet at the next available opportunity following its action.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 1.5.2 Projected Capital Investment Requirements

The responsible officer will prepare a three year plan for capital expenditure for the Council. The capital plan will be used to prepare a three year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

### 1.5.3 Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing

In considering the affordability of its capital plans, Wiltshire Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax *and* housing rent levels. It will also take into account affordability in the longer term beyond this three year period. (Note: paragraph 30 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

Wiltshire Council will use the definitions provided in the Prudential Code for borrowing (65), capital expenditure (66), capital financing requirement (67), debt (68), financing costs (69), investments (70), net borrowing (71), net revenue stream (72), and other long term liabilities (73).

### 1.5.4 Capital Receipts Generated by the HRA

Under the new Right to buy Legislation which increased the level of discounts available to tenants to purchase their home, the pooling system was amended. Now approximately 5075% of capital receipts generated by RTB and other dwelling sales are pooled will be pooled together with 50% of capital receipts from the sale of land without buildings (net of capital allowances), i.e. paid to the Secretary of State, with the exception of 'qualifying disposals' (e.g. large and small scale voluntary transfers of housing to social registered landlords). The remaining 50% is retained by the local authority, with around 25% kept as general capital receipts, and the remaining 25% to be kept to allocate to new housing developments. The aim of this final 25% is to replace every house lost under RTB with a new build home.

### 1.5.5 PFI, Partnerships, ALMOs and guarantees

The council currently has 2 live PFI schemes, one was for the building and running of 3 schools in the North Wiltshire area, the other is for the provision of up to 240 new homes across Wiltshire. A third scheme was in place to run the Monkton Park offices in Chippenham, however the facilities management and running of the building was brought back in house, so only the payment to the bank for the cost of building the building is incurred.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 1.6 LEGAL AND REGULATORY RISK MANAGEMENT

Legal or regulatory risk is the risk that the Council, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and as a result the Council incurs a loss.

Wiltshire Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] *credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the Council, particularly with regard to duty of care and fees charged.

Wiltshire Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

#### 1.6.1 References to Relevant Statutes and Regulations

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council. The major relevant documents currently are:

- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- Guidance on Investments ODPM 12.3.2004 (revised 1.4.10)
- Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 Statutory Instrument No. 521
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- S.I. 2008 no. 414 (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Revised Guidance on Investments CLG 1.4.2010
- Localism Act 2011
- Guidance on Housing Capital Receipts Pooling ODPM 23.3.2004
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Allocation of financing costs to the HRA (housing authorities) – annual determination by Secretary of State
- Definition of HRA capital expenditure - Local Government and Housing Act 1989 section 74 (1)
- CLG Document “ Implementing self-financing for council housing” – 1 Feb 2011
- CIPFA Consultation “Proposed Capital Finance Arrangements Under The New Housing Finance System” – Feb 2011
- CIPFA’s Treasury Management Codes of Practice and Guidance Notes 2011,
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2011
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- LAAP Bulletins
- Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
- PWLB circulars on Lending Policy
- The Non Investment Products Code (NIPS) - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
- Financial Services Authority’s Code of Market Conduct
- The Council’s Standing Orders relating to Contracts
- The Council’s Financial Regulations
- The Council’s Scheme of Delegated Functions

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### **1.6.2 Procedures for evidencing the Councils Powers/Authorities to counterparties**

Wiltshire Council's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

Wiltshire Council will bring this to the attention of interested counterparties as necessary. Evidence of the Wiltshire Council scheme of delegation and officers authorized to deal on behalf of the Council is sent to new counterparties.

### **Required Information on Counterparties**

Lending shall only be made to counterparties on the Approved Lending List. This list has been compiled using advice from the Council's treasury advisers based upon credit ratings supplied by Fitch, Moody's and Standard and Poor's. Further restrictions are operated using Fitch ratings specifically.

### **1.6.3 Statement of the Councils Political Risks and Management of Same**

The responsible officer shall take appropriate action with the Council, the Corporate Directors and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council, change of Government etc.

### **1.6.4 Monitoring Officer**

The monitoring officer is the Associate Director of Legal and Governance; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

### **1.6.5 Associate Director, Finance, Revenues & Benefits and Pensions (Section 151 Officer)**

The duty of the Associate Director, Finance, Revenues & Benefits and Pensions (Section 151 Officer) is to ensure that the financial affairs of the Council are conducted in a prudent manner and to report to the Council if he has concerns as to the financial prudence of its actions or its expected financial position.

## **1.7 FRAUD, ERROR & CORRUPTION AND CONTINGENCY MANAGEMENT**

The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.



## TREASURY MANAGEMENT PRACTICES - SCHEDULES

Wilshire Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

At a general level the Council has adopted a “Whistle Blowing” policy that seeks to reassure staff through the publication of procedures involved in raising concerns about fraud and/or corruption taking place within the organisation, and an Anti-Fraud and Corruption Policy as part of the process of managing risk and raising risk awareness in the organisation. All staff have been issued with an Internet, E-mail and Computer Use policy that also includes instructions on general computer use. This covers the use of secure system passwords, and the use of screen-savers and associated passwords.

The Council’s banking information for Treasury Management is accessed via the HSBCnet online facility, to which five treasury management staff have access. Whilst these individuals can initiate the payment of funds to third parties and transfers between accounts all payments or transfers must then be authorised by (different) one of five signatories. Overall system administration is carried out by three members of staff from IT. No overlap occurs.

More detailed arrangements are set out in the Schedule to TMP5.

### 1.7.1 Details of Systems and Procedures to be Followed, Including Internet Services

#### Authority

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are negotiated by the responsible officer or authorised persons.
- Loan procedures are defined in the Council’s Financial Regulations.

#### Procedures

- Daily bank balances are determined from bank information, which is currently available on the HSBCNet platform, via the Internet. Regular

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

transfers are made between the main bank account and the other (payment) accounts to replenish balances.

- Payments or receipts in respect of loans and loan interest are identified from the information maintained within the Treasury Management database.
- Other payments and receipts are identified via the cash flow (diary maintenance) element of the Treasury Management database.
- Any surplus cash is invested on the basis of the daily cash flow forecast, according to security of investments, liquidity requirements and prevailing market rates. Any shortfalls will be covered by money held in money market funds or call accounts. Should funds not be available from these accounts, any shortfall will be covered by short term borrowing.

### Investment and borrowing transactions

- A detailed register of all loans and investments, including counterparty and broker details, is maintained in the Logotech Treasury Management system.
- Written confirmation is received and verified against the dealer's records for the transaction and then filed electronically on the directory.
- Any discrepancies are immediately reported to the broker or institution for resolution.
- All transactions placed through brokers are confirmed by a broker confirmation showing details of the loan/deposit arranged, which are checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the broker or institution for resolution.
- Contract notes for transactions carried out in the money market are received and checked as they come in.

### Regularity and security

- Lending is only to institutions on the Approved List of Counterparties.
- The Logotech Treasury Management system prompts the dealer that money borrowed or lent is due to be repaid.
- All loans raised and repayments are made directly to and from the County Fund account.
- Counterparty limits are set for every institution that the Council invests with. Where individual counterparties are part of a group, the limit applies to the group as a whole.
- Brokers have a list of named dealers authorised to agree deals.
- There is a separation of duties in the section between dealers and the checking and authorisation of all deals on HSBCnet.
- No member of the treasury management dealing team is an authorised signatory.
- Payments can only be authorised by an authorised signatory.
- HSBCNet can only be accessed by password and authorisation can only be achieved by using CHIP & PIN card access.
- The Logotech Treasury Management system can only be accessed by a password.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- There is adequate insurance cover for employees involved in loans management and accounting.

### Checks

- The bank reconciliation is carried out daily from the bank statement to the financial ledger.
- The Logotech Treasury Management system balances are verified to the HSBCnet balance each day.

### Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Logotech Treasury Management system.
- The Logotech Treasury Management system automatically calculates periodic interest payments for PWLB and other (market) long term loans. This is used to check the amount paid to lenders.
- Average weighted capital loans fund interest rates and debt management expenses are calculated monthly using information from the financial ledger and the Logotech Treasury Management system. Housing Revenue Account (self financing) loans are separately identified.
- These interest and expense rates are then used to calculate the principal, interest and debt management expense charges to the Loans Fund and, where appropriate and as agreed, the Housing Revenue Account (HRA) recharge. The major part of the HRA recharge is based on the PWLB loans taken out to fund the self financing settlement, with an additional amount, calculated by reference to the average weighted interest rate for the top (in terms of highest interest rate) four General Fund loans.

### 1.7.2 Emergency and Contingency Planning Arrangements – Disaster Recovery Plan

All computer files are backed up on the server to enable files to be accessed from remote sites.

The Council has written procedures in place as part of the 'Corporate Business Continuity Plan'.

Regarding treasury management activities, the access of daily bank balance information and initiation of deposit payments and loan repayments is via HSBCnet. As such in the event of a system failure HSBCnet can be accessed at any location where a computer with internet access is available.

Copies of the Logotech Treasury Management System software (LMS) are made daily and held in the banker's safe. In the event of the loss of the software and/or paper files, records of transactions and outstanding loans and deposits are held both by counterparties and broker intermediaries, and it should be possible to recreate these without undue difficulty.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 1.7.3 INSURANCE COVER DETAILS.

#### **Fidelity Guarantee**

Cover is arranged against fraudulent misappropriation of funds by employees. This includes direct loss of money or goods belonging to Wiltshire Council for which we are legally responsible.

The cover is for theft committed by an employee and extends to temporary agency staff. The definition of an employee is somebody who has a contract of service or apprenticeship under a government-training scheme with the Council. The policy excludes persons temporarily employed as drivers, computer operators or programmers.

The excess on this policy is £100,000 and the cover is up to £10 million.

#### **Professional and Officials' Indemnity Policy**

Wiltshire Council insures against its liability for damages and losses arising from error or omission occurring or committed by an officer/employee.

There is an excess of £50,000 on this policy. The cover is limited to £5 million.

## 1.8 MARKET RISK MANAGEMENT

Market risk is the risk of market fluctuations in the value of the principal sums the Council borrows and invests.

Wiltshire Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

### **1.8.1. Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (Gilts, CDs, Etc.)**

These are controlled through setting limits on investment instruments where the principal value can fluctuate.

The limits are determined and set through the Annual Investment Strategy, which forms part of the Treasury Management Strategy, approved by Councillors prior to the start of each financial year.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS**

Investment of the Council's normal cash flow requirements will be in specified investments, as prescribed in "The Guidance". The categories of organisations with which investments will be placed and the minimum high credit quality required for each category are those set out in the minimum requirements for high credit quality within the Council's approved Annual Investment Strategy.

Investments in money market funds may be made if the fund has a high credit rating (AAA), as prescribed in the minimum requirements for high credit quality.

For specified investments made under the recommendations of the Council's treasury adviser, the approved policy must be followed and is bound by the minimum requirements for high credit quality.

In addition, using the professional judgement of the Council's treasury advisers, non specified investments may be made in UK Government Bonds (Gilts) and in multilateral development banks (as defined in Statutory Instrument 2004 No. 534) with a high credit rating, as prescribed in the minimum requirements for high credit quality.

Such investments are the only non-specified investments authorised for use and will only be:

- a) in sterling
- b) in the case of UK Gilts, for a maximum of 50 years; and
- c) for investments maturing in excess of 12 months, limited to £30 million.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 2 PERFORMANCE MEASUREMENT**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 2 PERFORMANCE MEASUREMENT

#### 2.1 EVALUATION AND REVIEW OF TREASURY MANAGEMENT DECISIONS

Wiltshire Council has a number of approaches to evaluating treasury management decisions:

- a. monthly reviews carried out by the treasury management team
- b. quarterly and other ad hoc reviews with our treasury management consultants
- c. annual review after the end of the financial year as reported to Cabinet and full Council
- d. quarterly monitoring reports to Cabinet
- e. comparative reviews
- f. strategic, scrutiny and efficiency value for money reviews

##### 2.1.1 Periodic reviews during the financial year

The Associate Director, Finance, Revenues & Benefits and Pensions, Chief Accountant and Principal Accountant (Capital) receive a quarterly treasury update report that reviews actual activity against the Treasury Management Strategy Statement and cash flow forecasts. This will include:

- a) Total debt
- b) Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.

##### 2.1.2 Reviews with our treasury management consultants

The treasury management team holds quarterly reviews with our consultants to review the performance of the investment and debt portfolios. In addition, they provide a monthly investment report based on information on deposits outstanding that the treasury management team submit to them.

##### 2.1.3 Annual Review after the end of the financial year

An Annual Treasury Report, which reviews treasury management performance against the TMSS for the year, is submitted to the Cabinet and full Council after the close of each financial year. This report contains the following:

- a. total debt and investments at the beginning and close of the financial year and average interest rates
- b. borrowing activity for the year compared to strategy
- c. investment activity for the year compared to strategy
- d. explanations for variance between original strategies and actual performance
- e. any debt rescheduling carried out during the year
- f. actual borrowing and investment rates available through the year
- g. comparison of return on investments to the investment benchmark
- h. compliance with Prudential and Treasury Indicators
- i. other treasury management performance related activities

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 2.1.4 Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the Council in respect of debt and investments compares with other authorities holding similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from:

- CIPFA Treasury Management statistics published each year for the last complete financial year
- Capita Asset Services Benchmarking Club
- Other appropriate available comparators.

In drawing any conclusions, the Council will bear in mind that the risk characteristics of other council's treasury management operations may differ from those of Wiltshire Council.

## 2.2 BENCHMARKS AND CALCULATION METHODOLOGY:

### 2.2.1 Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

### 2.2.2 Investment

The performance of investment earnings will be measured against the following benchmarks:

- a. in house investments: 3 month LIBID
- b. cash fund manager (not currently applicable)

Performance will also be measured against the local authority 'universe' and a selected peer group, which relates to authorities that are part of the Capita Asset Services Benchmarking Group.

## 2.3 POLICY CONCERNING METHODS FOR TESTING VALUE FOR MONEY IN TREASURY MANAGEMENT

### 2.3.1 Banking services

The Council's current banking arrangements are on a rolling annual review basis, subject to an agreed facilities document prepared by the Council's bankers.



## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 2.3.2 Money-broking services

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

An approved list of brokers will be established which takes account of both prices and quality of services.

### 2.3.3 Consultants'/advisers' services

Wiltshire Council's policy is to appoint full-time professional treasury management consultants, who also provide leasing advice (if/when required).

Wiltshire Council recognises that, in line with CIPFA guidance, "the overall responsibility for treasury management must always remain with the Council." As such, the Council will, in addition to the appointment of treasury consultants/advisers, perform its own analysis of market and investment conditions and the suitability of counterparties, using any available tools such as the Internet and financial press.

### 2.3.4 Policy on External Managers (Other than relating to Superannuation Funds)

The Council's current policy is not to appoint external investment fund managers.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 3 DECISION-MAKING AND ANALYSIS**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 3 DECISION-MAKING AND ANALYSIS

#### 3.1 FUNDING, BORROWING, LENDING AND NEW INSTRUMENTS/TECHNIQUES:

##### 3.1.1 Records to be kept

The Treasury section uses a dedicated computerised (Logotech) database system in which all investment and loan transactions are recorded. Full details are included in the user manual. The following records will be maintained:

- 'Projected Balance' report downloaded from HSBCnet.
- Detailed transaction report from Logotech saved on the daily dealing sheet showing the projected position for the day before any action is taken. Details of each loan or deposit are recorded in writing on this report when the deal is made with the broker.
- Brokers and counterparties confirmation for investment and temporary borrowing transactions, saved on the directory under the format of "Month, date of month, Counterparty and Broker.
- Confirmations from borrowing/lending institutions where deals are placed directly
- PWLB loan confirmations
- PWLB debt portfolio schedules
- Money Market deal confirmations

##### 3.1.2 Processes to be pursued

- Cash flow analysis
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure and other forms of financing, where they lead to value for money
- Performance information and monitoring

##### 3.1.3 Issues to be addressed

###### 3.1.3.1. In respect of every treasury management decision made, the Council will:

- a) Above all, be clear about the nature and extent of the risks to which it may become exposed
- b) Be certain about the legality of the decision reached, the nature of the transaction and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate to deliver the Council's objectives, protect the Council's interests and to deliver good housekeeping

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market and confirmed as competitive.

**3.1.3.2 In respect of borrowing and other funding decisions, the Council will:**

- a) Consider the ongoing revenue liabilities created and the implications for the Council's future plans and budgets
- b) Evaluate the economic and market factors that might influence the manner and timing of any decisions to borrow
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships
- d) Seek to reduce the overall level of financing costs/'smooth' maturity profiles by considering alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

**3.1.3.3 In respect of investment decisions, the Council will:**

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions
- b) Consider the alternative investment products and techniques available, especially the implications of using any that may expose the Council to changes in the value of its capital
- c) Determine appropriate credit policy limits and criteria to minimise the Council's exposure to credit and other investment risks.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

#### 4.1 APPROVED ACTIVITIES OF THE TREASURY MANAGEMENT OPERATION

- **Borrowing**  
The assessment of borrowing requirements, the availability of authorisations and approvals, the assessment of borrowing sources, interest rates, loan periods, repayment options, and the adequacy of documentation.
- **Lending**  
The assessment of: Security; then Liquidity; then Yield (the SLY principle), including: risk exposure; the creditworthiness of counterparties; the amount (if any) available; the nature and period of the investment; the level of returns; and the evaluation of documentation.
- **Funding decisions**  
Funding requirements and authorisations, assessment of alternative sources, the review of economic and market factors, repayment profiles and periods/duration, variable and fixed interest rates, alternatives to borrowing and revenue cost implications.
- **Debt repayment and rescheduling**  
The restructuring of existing long-term loans through premature re-payment and replacement to achieve economies in interest rate costs and to manage maturity profiles.
- **Review of Financial Instruments and treasury management techniques**  
The consideration, approval and use of new financial instruments and treasury management techniques, including legality, purpose, suitability, degree of risk, cost, and the status of counterparties.
- **Managing risk**  
The management of the underlying risk associated with the Council's capital financing and surplus funds activities.
- **Managing Cash Flow**
- **Banking activities**  
The review, monitoring and tendering of the Council's main banking activities.
- **Externally Managed Cash (other than Wiltshire Pension Fund) – No cash is currently managed externally:**  
The appointment and assessment of managers, available instruments, limits, objectives and reporting, security and repayment of funds, indemnities, performance criteria, fees and documentation.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- **Leasing**

The appointment of lease brokers and/or advisors (if required, currently via treasury advisers – Capita Asset Services), the identification of potentially leasable assets procured by the Council, the setting up of lease agreements and ongoing monitoring of arrangements.

### 4.2 APPROVED INSTRUMENTS FOR INVESTMENTS

The Associate Director, Finance, Revenues & Benefits and Pensions has the delegated authority to approve the use of any investments, subject to the Annual Investment Strategy and prudential limits approved by members, annually as part of the Treasury Management Strategy Statement.

The Annual Investment Strategy sets out the parameters for the approved instruments for investments and can be accessed via the Treasury Strategy approved by full Council at its February meeting each year.

### 4.3 APPROVED TECHNIQUES

The Council will generally only enter into treasury transactions without recourse to the professional judgement of its advisers in respect of the management of its day to day cash flows. This will involve the negotiation of fixed or variable rate short-term loans and deposits through the London money market or direct dealing with individual counterparties, on an immediate settlement basis.

Occasionally it may be necessary to negotiate such transactions on a forward basis, if circumstances are such that deferring a transaction may result in operational difficulties (such as staff absences or anticipated market conditions).

For the following, it is anticipated that specialist advice will be taken:

- Euro-Sterling issues by certain Supra-national bodies listed on the London and Dublin Stock Exchanges.
- Forward dealing up to 364 days (5 years for debt free local authorities – not currently applicable to Wiltshire)
- LOBO loans – lender option, borrower option loan instruments
- The use of structured products such as callable deposits
- Raising of loans for periods in excess of 364 days
- Investment of cash for periods in excess of 364 days

### 4.4 APPROVED METHODS AND SOURCES OF RAISING CAPITAL FINANCE

Finance will only be raised in accordance with the Local Government Act 2003. Within this limit the Council has a number of approved methods and sources of raising capital finance. These are the borrowing instruments and other off balance sheet instruments that may be used to raise capital finance.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

- Overdraft or other short term/temporary borrowing from the Bank of England or an authorised institution.
- Loans from the Public Works Loan Board.
- Borrowing from other local authorities.
- Borrowing from commercial banks (including LOBOs).
- Borrowing from the money markets
- Local authority stock issues
- Internal.
- Any other borrowing instrument, subject to the approval of the Secretary of State and the consent of H.M. Treasury.
- Leasing (not operating leases).
- Government and EC Capital Grants
- Lottery monies
- PFI

The Council places no limits on borrowing sources. However, total borrowing is limited by the Authorised Limit and Operational Boundary, as approved by full Council as part of the Annual Treasury Management Strategy (also see 4.6 below).

Borrowing will only be in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Associate Director, Finance, Revenues & Benefits and Pensions has delegated powers in accordance with Financial Regulations and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

**4.5 INVESTMENT LIMITS**

The Annual Investment Strategy set outs the limits and guidelines for the use of each type of investment instrument.

**4.6 BORROWING LIMITS**

Borrowing limits are determined by the adoption of Prudential Indicators, as part of the Annual Treasury Management Strategy.



**TREASURY MANAGEMENT PRACTICES - SCHEDULES****TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES AND DEALING ARRANGEMENTS****INDEX OF SCHEDULE E**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES AND DEALING ARRANGEMENTS

#### 5.1 LIMITS TO RESPONSIBILITIES/DISCRETION AT COUNCIL/EXECUTIVE LEVEL

##### Cabinet / Council

- Full Council/Cabinet will receive and review reports on treasury management policies, practices and activities
- Full Council will approve the Council's adopted clauses and Treasury Management Strategy, including the Annual Investment Strategy, Prudential Indicators, and treasury management practices.
- The Associate Director, Finance, Revenues & Benefits and Pensions will be responsible for amendments to the Council's adopted clauses, treasury management policy statement and treasury management practices.
- Full Council/Cabinet will consider and approve the Budget.
- The Associate Director, Finance, Revenues & Benefits and Pensions will approve the segregation of responsibilities.
- Cabinet will receive and review quarterly monitoring reports and act on recommendations.
- Full Council will receive and review the annual outturn statement.
- Approving the selection of external service providers and agreeing terms of appointment will be decided by the Associate Director, Finance, Revenues & Benefits and Pensions.

#### 5.2 PRINCIPLES AND PRACTICES CONCERNING SEGREGATION OF DUTIES

Segregation of duties, as well as a system of internal checks and controls, is regarded as fundamental in the avoidance of fraud and corruption and also in minimising errors.

The following duties must be undertaken by separate officers

Dealing	Negotiation and approval of deal Receipt and checking of broker's confirmation note against loans diary Reconciliation of cash control account. Bank reconciliation
Accounting Entry	Authorisation of Journal Posting of accounting entry
Authorisation/Payment of Deal	Entry onto system Approval and payment

As a basic principle, the Council seeks to ensure the following:

- That the approval of treasury strategy and policy is separated from the execution of policy.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

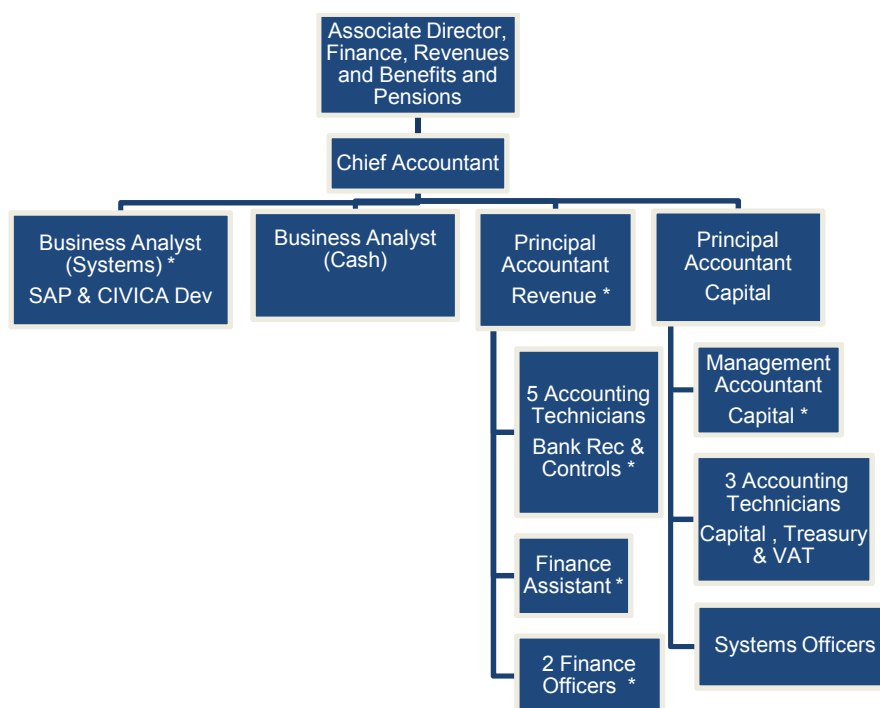
- That the initiating of treasury transactions is separated from the settlement of transactions.
- That bank reconciliation is carried out independently of the treasury function.

Segregation of duties is in place for the making of electronic payments via HSBCnet. The payments are initiated mainly by the nominated Accounting Technician and, in her absence, either of the two other Accounting Technicians or either of the two Business Analysts. The payments must then be authorised by one of the five Council signatories – Two Heads of Finance, two Principal Accountants and the Head of Pensions.

Bank reconciliation is carried out within the Business Services team.

**5.3 TREASURY MANAGEMENT ORGANISATION CHART**

**TREASURY MANAGEMENT STRUCTURE**



\* Not involved in Treasury function

**5.4 STATEMENT OF DUTIES/RESPONSIBILITIES**

**5.4.1. The Associate Director, Finance, Revenues & Benefits and Pensions (and S151 Officer)**

The Associate Director, Finance, Revenues & Benefits and Pensions will:

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

- Recommend clauses, treasury management policy and practices for approval, reviewing the same on a regular basis, and monitoring compliance
- Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Agree temporary variations of counterparty credit limits
- Where appropriate, recommend the appointment of external service providers in accordance with Council's Financial Regulations and Treasury Management Strategy
- If applicable, approve investment policy for external cash managers and other external service providers
- If applicable, carry out interim reviews of external cash managers' performance
- Review the performance of the treasury management function and promote best value reviews
- Establish a measurement and reporting process that highlights significant variations from expectations
- Submit regular treasury management policy reports to cabinet and to full Council.
- In setting the prudential indicators, the Associate Director, Finance, Revenues & Benefits and Pensions will be responsible for ensuring that all matters are taken into account and reported to the Council so as to ensure that the Council's financial plans are affordable, prudent and sustainable in the long term
- Make reports to the Council under S114 of the Local Government Finance Act 1988 if he/she considers the Council is likely to get into a financially unviable situation
- Submit budgets and budget variations in accordance with Financial Regulations
- Ensure the adequacy of internal audit and liaison with external audit

The Associate Director, Finance, Revenues & Benefits and Pensions has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.

The Associate Director, Finance, Revenues & Benefits and Pensions may delegate the power to borrow and invest to members of their staff. Three Accounting Technicians and two Business Analysts are the only officers who may conduct dealing transactions, or staff authorised by the Associate Director, Finance, Revenues & Benefits and Pensions to act as temporary cover for leave/sickness. All transactions must be authorised as set out within this Statement of Responsibilities.

The Associate Director, Finance, Revenues & Benefits and Pensions will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Associate Director, Finance, Revenues & Benefits and Pensions to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

regulation or the Council's Financial Regulations.

It is also the responsibility of the Associate Director, Finance, Revenues & Benefits and Pensions to ensure that the Council complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

### 5.4.2. Other Treasury Staff

Business Analysts (Cash & Treasury) will:

- Prepare Treasury Management Practices and Schedules
- Ensure that day to day activities accord with Treasury Management Practices
- Ensure compliance with policies, limitations and directions
- Maintain relationships with third parties and external service providers
- Manage the overall treasury function
- Monitor performance on a day to day basis
- Ensure appropriate divisions of duty
- Identify and recommend opportunities for improved practices

Accounting Technicians will:

- Provide cover for the execution of all transactions within agreed policy and subject to appropriate approvals
- Produce regular performance reports
- Produce cash flow forecasts on an annual and monthly basis
- Execute all transactions within agreed policy and subject to appropriate approvals

In practice, the Business Analyst is responsible for the overview of day to day treasury activities, and in making recommendations to the Associate Director, Finance, Revenues & Benefits and Pensions on the treasury strategy.

As such, the Business Analyst will be responsible for the following specific tasks:

- Preparation of the Annual Treasury Management Strategy report.
- Preparation of quarterly Treasury Management Strategy reports, including mid-year and annual outturn reports, and approval of any other regular Treasury reports.
- Recommendations on long term borrowing and investment of cash balances.
- Overview of cash flow forecasts, daily dealing, accounting and record keeping, and general implementation of the treasury strategy.
- Update of Treasury Management Practices and accompanying Schedules.
- Provide cover, as necessary, for the daily monitoring of bank balance and dealing normally carried out by the accounting technicians.
- Maintenance of treasury accounts.

The Accounting Technician will be responsible for the following tasks:

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- Preparation of cash flow forecasts
- Reconciliation of loan/deposit confirmations to Logotech
- Review and update counterparty list and limits
- Carrying out daily monitoring of bank balances and dealing as appropriate
- Maintenance of Logotech and spreadsheets
- Initiating transfers between the Council's bank accounts, as necessary
- Preparing CHAPS payments for authorisation by approved authorisers

### 5.4.3. The Monitoring Officer – The Director of Legal and Democratic Services

The Director of Legal and Democratic Services will:

- Ensure compliance by the Associate Director, Finance, Revenues & Benefits and Pensions with the treasury management policy statement and treasury management practices and that they comply with the law.
- Be satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- Give advice to the Associate Director, Finance, Revenues & Benefits and Pensions when advice is sought.

### 5.4.4. Internal Audit (SWAP)

The responsibilities of Internal Audit are to:

- Review compliance with approved policy and treasury management practices
- Review division of duties and operational practice
- Assess value for money from treasury activities
- Undertake probity audit of the treasury function

## 5.5 ABSENCE COVER ARRANGEMENTS

Cover arrangements for operational treasury activities are detailed at 5.4.2.

## 5.6 DEALING LIMITS

There are no dealing limits for individual posts, however, there are limits, which are approved as part of the Annual Investment Strategy and restrict the total amount that can be placed with counterparties when lending (where an individual counterparty is a member of a group, the limits are applied to the group as a whole).

## 5.7 LIST OF APPROVED BROKERS

A list of approved brokers is maintained within the Treasury Team and a record of all transactions recorded against them within Logotech. See TMP 11.1.2.

## **TREASURY MANAGEMENT PRACTICES - SCHEDULES**

### **5.8 POLICY ON BROKERS' SERVICES**

The Council's policy is to allocate business between brokers equitably.

However, (ideally) brokers are used to access the best rate possible for short-term money market transactions that the Council may wish to undertake.

Market conditions permitting, it is acceptable to ask only one broker to try to find or place money for a short term fixed date loan or deposit, providing it is clearly understood that the "going rate" is obtained. This is known as dealing 'firm', and should only be carried out after market rates for the day have been obtained.

In these circumstances, the deal will only be passed to another broker if the first broker cannot place the money or find a source of funds.

For larger deals, longer periods, for dealing on notice, or where market conditions are difficult, it is appropriate to deal 'under reference' to ensure the best market rate is obtained. In this instance, the broker must refer back to the dealer before the transaction is confirmed.

The Council's approved lending list should be sent to the brokers whenever it is updated. The dealer must only instruct the broker to place money with counterparties on the approved lending list. If they offer names not on the list, these must not be accepted.

### **5.9 POLICY ON TAPING OF CONVERSATIONS**

The Council does not tape conversations with counterparties or brokers.

### **5.10 DIRECT DEALING PRACTICES**

The Council will consider dealing direct with counterparties if it is appropriate, the counterparty is on the credit list and the Council believes that better terms will be available. A copy of the counterparty's Standard Settlement Instructions (SSIs) is required before funds are placed. At present, most deals are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is necessary, as follows:

- Certain deposit and business reserve accounts
- Call accounts
- Money Market Funds

### **5.11 SETTLEMENT TRANSMISSION PROCEDURES**

Transmission of funds in settlement of dealing transactions is made using the Clearing Houses' Automated Payments System (CHAPS). CHAPS are currently processed via HSBCnet.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

The payments are initiated mainly by an Accounting Technician and, in their absence, by a Business Analyst. The payments must then be authorised and submitted by one of the five Council signatories – two Heads of Finance, two Principal Accountants or the Head of Pensions.

**5.12 DOCUMENTATION REQUIREMENTS**

On a daily basis a Logotech detailed report is produced showing the position for the day and all deals must be recorded on the daily dealing sheet.

All payments are currently made via HSBCnet and the completed payment template must be sent to the authoriser. The authoriser will check this payment template against the lending list and the broker or counterparty confirmation, or other relevant documentation if the payment does not relate to deposits or repayment of loans.

**5.13 ARRANGEMENTS CONCERNING THE MANAGEMENT OF THIRD PARTY FUNDS**

Wiltshire Council provides treasury management services for the Police and Crime Commissioner for Wiltshire and Swindon. It manages these funds on a segregated basis on contractual (SLA) terms.

Wiltshire Council has a contract to provide treasury management services for the Wiltshire Pension Fund. It manages these funds on a segregated basis on contractual (SLA) terms.



**TREASURY MANAGEMENT PRACTICES - SCHEDULES****TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGMENTS****INDEX OF SCHEDULE F**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

#### 6.1 ANNUAL PROGRAMME OF REPORTING

- Reporting requirements before the start of the year:
  - review of the Council's approved clauses, treasury management policy statement and practices
  - Treasury Management Strategy Statement Report on proposed treasury management activities for the year which incorporates the Annual Investment Strategy and Minimum Revenue Provision Policy Statement
- Quarterly performance reports
- Annual review report after the end of the year, before 30 September

#### 6.2 ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT

The Annual Treasury Management Strategy Statement sets out the expected treasury activities for the forthcoming financial year. This Strategy will be submitted to the Cabinet and then to the full Council for approval before the commencement of each financial year.

The formulation of the Annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

The Annual Treasury Management Strategy Statement is concerned with the following elements (where appropriate):

- Prudential and Treasury Indicators
- Current Treasury portfolio position
- Borrowing requirements
- Prospects for interest rates
- Borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- Investment Strategy
- Creditworthiness policy
- Policy on the use of external service providers
- Any extraordinary treasury issues
- The MRP strategy
- Treasury Management Practices (TMPs)

The Annual Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

published interest rate forecasts where applicable) and highlight sensitivities to different scenarios.

**6.3 THE ANNUAL INVESTMENT STRATEGY STATEMENT**

At the same time as the Council receives the Annual Treasury Management Strategy Statement it will also receive, as an appendix to the main strategy report, a report on the Annual Investment Strategy which will set out the following:

- The Council's risk appetite in respect of security, liquidity and optimum performance
- The definition of high credit quality, to determine what are specified investments as distinct from non specified investments
- Which specified and non specified instruments the Council will use
- Whether they will be used by the in house team, external managers or both (if applicable)
- The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- Which credit rating agencies the Council will use
- How the Council will deal with changes in ratings, rating watches and rating outlooks
- Limits for individual counterparties and group limits
- Country limits/minimum credit ratings
- Levels of cash balances
- Interest rate outlook
- Budget for investment earnings
- Use of a cash fund manager (if applicable)
- Policy on the use of external service providers

**6.4 THE ANNUAL MINIMUM REVENUE PROVISION STATEMENT**

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted as part of the Annual Treasury Management Strategy Statement.

**6.5 POLICY ON PRUDENTIAL AND TREASURY INDICATORS**

- The Council approves, before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
- The responsible officer will incorporate these limits into the Annual Treasury Management Strategy Statement and ensure compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Council

## **TREASURY MANAGEMENT PRACTICES - SCHEDULES**

### **6.6 QUARTERLY PERFORMANCE REPORTS/MID-YEAR REVIEW**

The Council will review its treasury management activities and strategy on a quarterly basis. This review will consider the following: -

- activities undertaken
- variations (if any) from agreed policies/practices
- quarterly performance reports, including an interim report
- regular monitoring
- monitoring of treasury management indicators for local authorities

### **6.7 ANNUAL REVIEW REPORT ON TREASURY MANAGEMENT ACTIVITY**

An annual report will be presented to Cabinet and then to full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following:

- transactions executed and their revenue (current) effects
- report on risk implications of decisions taken and transactions executed
- compliance report on agreed policies and practices, and on statutory/regulatory requirements
- performance report
- report on compliance with CIPFA Code recommendations
- monitoring of prudential and treasury management indicators

### **6.8 MANAGEMENT INFORMATION REPORTS**

Management information reports will be prepared every quarter by the Accounting Technician and will be presented to the Associate Director, Finance, Revenues & Benefits and Pensions and Chief Accountant.

These reports will contain the following information:

- a summary of transactions executed and their revenue (current effects);
- measurements of performance including effect on loan charges/investment income;
- degree of compliance with original strategy and explanation of variances.
- any non compliance with prudential limits or other treasury management limits.

### **6.9 PUBLICATION OF TREASURY MANAGEMENT REPORTS**

All Treasury Management Reports that are submitted to Cabinet and/or Council (this would exclude Management Information Reports in 6.8) are available on the Council's website and can be accessed via the minutes of the relevant meeting.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

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**TREASURY MANAGEMENT PRACTICES - SCHEDULES****TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS****7.1 STATUTORY / REGULATORY REQUIREMENTS**

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

The Council has also adopted, in full, the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

**7.2 SAMPLE BUDGETS / ACCOUNTS / PRUDENTIAL & TREASURY INDICATORS**

The Associate Director, Finance, Revenues & Benefits and Pensions will prepare a three year medium term financial plan with Prudential Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Associate Director, Finance, Revenues & Benefits and Pensions will exercise controls over this budget and monitoring of performance against Prudential Indicators, and will report upon and recommend any changes required in accordance with TMP6.

**7.3 LIST OF INFORMATION REQUIREMENTS FOR EXTERNAL AUDITORS**

The following is a list of information that should be made available in audit pack format for the external auditors:

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports from Logotech
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Treasury Management Practices
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

- External fund manager(s) valuations including investment income schedules and movement in capital values, where applicable.

**7.4 MONTHLY BUDGET MONITORING REPORT**

Monthly budget monitoring reports are produced for the Associate Director, Finance, Revenues & Benefits and Pensions and reported to Cabinet on a quarterly basis. The reporting is intended to highlight any variances between budgets and actual spend in order that the Council can assess its financial position.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

## TMP 8 CASH AND CASH FLOW MANAGEMENT

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 8 CASH AND CASH FLOW MANAGEMENT

#### 8.1 ARRANGEMENTS FOR PREPARING/SUBMITTING CASH FLOW STATEMENTS

##### Preparation of cash flow forecasts

Cash flow projections are prepared annually and daily.

##### Annual

The annual cash flow forecast is undertaken each February. The forecast is initially built up from the Council's revenue and capital budget, converted to a cash basis.

This overall annual forecast position is then broken down into more detail and profiled monthly. For general creditor payments, this is estimated on the basis of previous years' cash flows. Net pay and third party deductions are explicitly calculated from estimated employee costs, whilst major cash flows such as cash advances to schools, maturing long term loans, precept and government grants are identifiable on a planned receipt or payments basis. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

##### Daily

Each day a projected balance report for the Councils main bank accounts is obtained via HSBCnet and entered into Logotech. Loans or advances maturing are automatically entered into the days cash flow forecast by the system.

The projected balance is adjusted for known payments and receipts, resulting in a daily forecast balance, on the basis of which a decision is made on what action (if any) to take.

#### 8.2 BANK STATEMENTS PROCEDURES

##### 8.2.1 Salaries, Wages and Pensions

The statements are received daily. The account is balanced at the end of each month to a nil balance. Business Services staff reconcile the bank statement balance to the general ledger at the end of each month. Each time payments are processed totals are provided to the Business Services section to enable bank transfer journals to be completed and the Treasury section for cash flow purposes and to allow permission to be sought if the payment total exceeds the Council's daily limit.

##### 8.2.2 County/General Fund

All income is credited to this account.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

The movements on the bank statements are balanced on a daily basis with the funds allocated to invoices and codes. The account balance is reconciled to GL at the end of each month.

### 8.2.3 Accounts Payable

The statements are received daily and checked for returned items. The account is balanced to nil at the end of each month. The balance on the account is reconciled to GL at the end of each month.

## 8.3 PAYMENT SCHEDULING AND AGREED TERMS OF TRADE WITH CREDITORS

The Council usually pays invoices 30 days from invoice date. This is set as the default on the Accounts Payable system.

Departments can override this default by using 'terms codes' to pay either before 30 days or at a future date beyond 30 days.

It is for the spending department to agree the terms with creditors if this is not to be 30 days.

Invoices entered into the system are paid when the due date based on invoice date and terms is reached.

## 8.4 PROCEDURES FOR BANKING OF FUNDS

All money received by an officer on behalf of the Council will without unreasonable delay be, either, where appropriate, banked by the authorised officer(s) responsible (e.g. "external" Council establishments) or passed to the Business Services Banking Team to deposit in the Council's bank account. Income received by the Council is credited to the County Fund on a daily basis. Income arrives via various methods. Departments collect sundry income and this is paid in via cash sheets. Cheques are received via the post either to credit General Ledger income codes or to pay outstanding invoices issued on the Accounts Receivable system. Income is processed via the Civica cash receipting system.

## 8.5 PRACTICES CONCERNING PREPAYMENTS TO OBTAIN BENEFITS

The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the Associate Director, Finance, Revenues & Benefits and Pensions.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 9 MONEY LAUNDERING**

**INDEX OF SCHEDULE I**

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**TREASURY MANAGEMENT PRACTICES - SCHEDULES****TMP 9 MONEY LAUNDERING****9.1 PROCEEDS OF CRIME ACT 2002**

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

**9.2 THE TERRORISM ACT 2000**

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

**9.3 THE MONEY LAUNDERING REGULATIONS 2007**

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FSA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In December 2007 the UK Government published the Money Laundering Regulations 2007, which replaced the Money Laundering Regulations 2003.

**9.4 LOCAL AUTHORITIES**

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA,

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

but are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as responsible public bodies, they should employ policies and procedures that reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly this Council will do the following:

- evaluate the prospect of laundered monies being handled by them
- determine the appropriate safeguards to be put in place
- require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- make all its staff aware of their responsibilities under POCA
- appoint a member of staff to whom they can report any suspicions. This person is the Associate Director, Finance, Revenues & Benefits and Pensions (Deputy – the Director of Legal and Democratic Services and Monitoring Officer)
- in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the Associate Director, Finance, Revenues & Benefits and Pensions (Deputy – the Director of Legal and Democratic Services and Monitoring Officer) and it shall be a requirement that all services and departments implement this corporate policy and procedures.

**9.5 PROCEDURES FOR ESTABLISHING IDENTITY / AUTHENTICITY OF LENDERS**

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

The Council does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FSA website on [www.fsa.gov.uk](http://www.fsa.gov.uk).

When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

**9.6 METHODOLOGIES FOR IDENTIFYING DEPOSIT TAKERS**

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on [www.fsa.gov.uk](http://www.fsa.gov.uk).

All transactions will be carried out by CHAPS for making deposits or repaying loans.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 10 TRAINING AND QUALIFICATIONS**

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**TREASURY MANAGEMENT PRACTICES - SCHEDULES****TMP 10 TRAINING AND QUALIFICATIONS**

The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals:

- Treasury management staff employed by the Council
- Members charged with governance of the treasury management function

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Professional Development Review (appraisal) system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Chief Accountant to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who, from time to time, cover for absences from the treasury management team.

**10.1 DETAILS OF APPROVED TRAINING COURSES**

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

**10.2 RECORDS OF TRAINING RECEIVED BY TREASURY STAFF**

Formal records of training received by treasury staff are kept by the individuals involved. All course material is retained for as long as it is deemed relevant.

**10.3 RECORD OF SECONDMENT OF SENIOR MANAGEMENT**

Records will be kept of senior management who are seconded into the treasury management section in order to gain firsthand experience of treasury management operations.

**10.4 STATEMENT OF PROFESSIONAL PRACTICE (SOPP)**

Where the Associate Director, Finance, Revenues & Benefits and Pensions is a member of CIPFA, there is a professional need for them to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.

Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.



**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**10.5 MEMBER TRAINING RECORDS**

Records will be kept of all training in treasury management provided to members.

**10.6 MEMBERS CHARGED WITH GOVERNANCE**

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 11 USE OF EXTERNAL SERVICE PROVIDERS**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

#### 11.1 DETAILS OF CONTRACTS WITH SERVICE PROVIDERS, INCLUDING BANKERS, BROKERS, CONSULTANTS, ADVISERS

This Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, the Council will ensure that it fully understands what services are being provided and that they meet its needs, especially in terms of being objective and free from conflicts of interest.

The Council will also ensure that the skills of the in house treasury management team are maintained to a high enough level, whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will, therefore, be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

##### 11.1.1 Banking services

- The name of the supplier of the service is HSBC plc
- Regulatory status – banking institution authorised to undertake banking activities by the FSA
- The branch address is: 46 Fore Street, Trowbridge, BA14 8EL
- The contract commenced on 1 April 2006, running for three years with the option to extend for a further two years. When the Council obtained unitary status from 1 April 2009 the contract was extended and has been renewed annually by facilities letter
- Cost of service is variable, based on charge per item and individual ancillary service charges (see Agreement)
- Payments are due monthly
- The Council may terminate the Agreement at any time under the Bank's Business Banking Terms and Conditions. The Bank requires written notice, unless using an account switching service provided by a new bank, in which case the bank will accept the instruction to close the account from the new bank acting on the Council's behalf provided it appears to have been signed in accordance with the Council's bank mandate.

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### 11.1.2 Money-broking services

In addition to direct dealing, the Council will use money brokers for borrowing (temporary and long term) and investment. It will seek to give an even spread of business amongst the approved brokers, subject to availability of counterparties and rates offered. The list of brokers may be reviewed from time to time and brokers may be changed if appropriate.

Names of current brokers:

- Intercapital (Europe) Limited
- Tullett Prebon
- Tradition (UK) Limited
- RP Martin
- King and Shaxson

### 11.1.3 Consultants / Advisers services

#### Treasury Consultancy Services

The Council appointed its previous advisers, Capita Asset Services (formerly known as Sector Treasury Services Limited) (17 Rochester Row, London SW1P 1QT, Tel: 0871 664 6800), for a further three years (extendable by two further years) from 1<sup>st</sup> January 2013. Under the contract they will provide the following services as per the contract schedule:

- Strategy meetings to review the Council's financial position having regard to its objectives, strategy, current financial circumstances, investment portfolio (externally managed inclusive), assets and liabilities.
- Regular updates on economic and political changes which may impact on and require modification to the Council's borrowing and investment strategies.
- Forecasts of interest rates and advice on the formulation of suitable borrowing and investment strategies utilising the strategic options available and appropriate to the Council's financial objectives.
- Forecasts of movements in PWLB and other borrowing rates which affect the timing of funding with fixed rate debt and advice on debt management/restructuring options.
- Advice on accounting and capital finance issues (e.g. SORP and Capital Finance Regulations), including balance sheet reviews.
- Advice on investment counterparty creditworthiness, including information from the UK's leading credit rating agencies or other analysts as appropriate. Weekly reports and updates to be provided (when necessary).

## TREASURY MANAGEMENT PRACTICES - SCHEDULES

- Provide template documents and advice on:
  - Annual Investment Strategy
  - Annual Review Report
  - Treasury Strategy & Quarterly Performance Reports
  - Policy Statements & Treasury Practices
  - Adoption of CIPFA Code of Treasury Management
- Provide training to treasury management staff and members.
- Benchmarking services.

Other Consultancy services may be employed on short term contracts as and when required.

### 11.1.4 Credit rating agency

The Council receives a credit rating service from Capita Asset Services, the cost of which is included in the annual fee.

## 11.2 PROCEDURES AND FREQUENCY FOR TENDERING SERVICES

See TMP 2

**TREASURY MANAGEMENT PRACTICES - SCHEDULES**

**TMP 12 CORPORATE GOVERNANCE**

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## TREASURY MANAGEMENT PRACTICES - SCHEDULES

### TMP 12 CORPORATE GOVERNANCE

#### 12.1 LIST OF DOCUMENTS TO BE MADE AVAILABLE FOR PUBLIC INSPECTION

The Council is committed to the principle of openness and transparency in all of its functions, including the treasury management function.

It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

The Council will endeavour to meet any demand to inspect documents relevant to the delivery of the treasury management function, within the normal constraints of commercial confidentiality.

A sample of documents it may expect to make available is listed as follows:

- Treasury Management Policy Statement
- Treasury Management Strategy Statement
- Annual Treasury Report
- Annual Statement of Accounts
- Annual budget
- Reports to Council and Cabinet
- Minutes from Council/Cabinet/committee meetings
- All documentation including advisory reports supporting decisions taken
- General ledger posting reports
- Prime vouchers supporting GL posting entries
- Interest rate notifications
- Final accounts working papers and schedules
- 3 year capital plan
- Minutes of Council / Cabinet / committee meetings
- Where appropriate, a schedule of all external funds managed by the Council on behalf of others and the basis of attributing interest earned and costs of these investments

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## Wiltshire Council

### Council

25 February 2014

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### Parish / Community Governance Review (CGR)

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#### Purpose

1. To ask council to agree appointments to a working party for a governance review of parish boundaries and electoral arrangements, and to approve the terms of reference for the working group.

#### Background

2. A community governance review is a review of the whole or part of the area of a principal council for the purpose of making recommendations with regard to:
  - creating, merging, amending or abolishing parishes;
  - the naming of parishes;
  - the electoral arrangements for parishes; and
  - grouping arrangements for parishes.
3. In November 2013, Council decided:
  - to set up a cross party working group to undertake the necessary preparatory work for a community governance review under the Local Government and Public Involvement in Health Act 2007;
  - to request members to come forward with any known outstanding community governance issues.
  - to receive a further report with recommended terms of reference for the review in the New Year.
4. The last council meeting received a list of areas for which there had been a request for a review. Appendix A shows the updated list, i.e. correct at the date of this report.

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

5. The 2007 Act places a duty on principal authorities to have regard to the need to secure that any community governance for the area under review reflects the identities and interests of the local community in that area, and that it is effective and resilient communities.

#### Main Considerations for the Council

6. Before undertaking a review the council is required to draw up terms of reference for the review. The terms of reference may be considered as the council's policies in the review and must specify the area under review. It is for the council to decide the terms of reference, and as soon as practicable after doing so it must publish them. Draft Terms of Reference are appended at B for members to consider.
7. The council's unitary divisions cannot be altered by the council in a community governance order. However, comments can be made to the Local Government Boundary Committee (LGBCE) of the Electoral Commission as to what related alterations should be made to the boundaries of the council's unitary divisions, and the Commission may by order give effect to these recommendations.
8. The LGBCE have indicated that Wiltshire is not included in their programme of reviews for 2015/16, so would have to consider any consequential division

changes arising from our CGR on a case by case basis alongside a five year forecast of electoral numbers. Where divisional electorate figures exceed certain tolerances when compared to the average for the authority, they trigger the possibility of a review. In the case of Wiltshire this is most unlikely to be before 2016/17.

### **Safeguarding Implications**

9. There are no safeguarding implications.

### **Public Health Implications**

10. There are no public health implications.

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

11. There are no environmental or climate change considerations.

### **Equalities Impact of the Proposal**

12. There are no equality impact issues arising from the proposals in this report.

### **Risk Assessment**

13. The LGBCE will not be undertaking a unitary review within the anticipated timescale of any parish governance review. It is quite likely, therefore, that any parish boundary changes will result in:

- a) boundaries which are no longer co-terminous with unitary divisions; and
- b) the creation of a number of very small parish wards where a small number of electors move from one parish to another, and the “receiving” parish is in a separate division until divisions are reviewed. The LGBCE would not advocate fewer than 100 electors being transferred in this way, as a new parish ward would have to be created, and any such parish ward must have at least one parish councilor. This may render some proposals unworkable.

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

14. Failure to undertake a community governance review may result in legal challenge and costs. A number of the town councils have requested a formal review of their areas and arrangements, and the council is therefore obliged to undertake at least a partial review of its area.

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

15. There is a risk that the exercise could “snowball”, and this can be minimized by adopting clear and precise terms of reference to contain the exercise.

### **Financial Implications**

16. The resource implications are mainly restricted to staff time to sort and assess responses from parishes and other stakeholders, at a time of other key projects

## **Legal Implications**

17. The legislative framework for community governance reviews is as follows:

- Local Government & Public Involvement in Health Act 2007 – Part 4, Chapter 3 (Sections 79 – 102);
- Guidance on community governance reviews, issued jointly by DCLG & EC (April 2008 and 2010);
- Local Government Act 1972 (as amended);
- Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008 625);
- Local Government Finance (New Parishes) Regulations 2008(SI2008 626);

## **Conclusion and recommendations**

26. The Council is recommended to

- a) approve the appended Terms of Reference for a Community Governance Review
- b) approve the membership of the Community Governance Review Working Group, to consist of one member nominated by each Group Leader (with substitute), with provision for the local member(s) to attend for any specific item under consideration
- c) undertake a Community Governance Review, starting on 1 April 2014

**Dr Carlton Brand**  
**Corporate Director**

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Report Author: John Watling

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Tel: 01249 706599 (internal ext 21599)

10 February 2014.

Background

Papers None

Appendices

- A. Summary of present requests and queries (updated to 7 February 2014)
- B. Draft Terms of Reference for the Working Party
- C. General Principles to be Applied in the Review

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## Present cases (7 February 2014)

Ref	Description	Current position	CGR to cover
	Salisbury	Request from City Council	Internal and external boundaries of Salisbury and neighbouring parishes and associated seating arrangements
17	Bishopdown / Laverstock / Ford / Salisbury	Long standing request	Internal and external boundaries of Salisbury and neighbouring parishes and associated seating arrangements
13	Trowbridge – letter received requesting formal review, due to population / residential growth	Request from Town Council	Internal and external boundaries of Trowbridge and neighbouring parishes and associated seating arrangements
13	Chippenham – letter received requesting formal review, due to population / residential growth	Request from Town Council	Internal and external boundaries of Chippenham and neighbouring parishes and associated seating arrangements
19	Hilperton - Query about how to commence a governance review for the parish boundary		Status of request unsure, but would be a parish included in the review of the Trowbridge area
14	Devizes – letter received requesting formal review, due to population / residential growth	Request from Town Council	Internal and external boundaries of Devizes and neighbouring parishes and associated seating arrangements
15	Calne – letter received requesting formal review, due to population / residential growth	Request from Town Council	Internal and external boundaries of Calne and neighbouring parishes and associated seating arrangements
15	Corsham – letter received requesting formal review, due to population / residential growth	Request from Town Council	Internal and external boundaries of Corsham and neighbouring parishes and associated seating arrangements
12	A request to review Ward boundaries around Melksham and Melksham Without as they have “have become lost under new residential development”	Request from Town Council	Internal and external boundaries of Melksham and Melksham Without and associated seating arrangements
2	Lyneham, Cliff Pypard, Bushton, Thickthorn – approx 12 houses.	No detailed evidence of need for change presented yet	The possible move of Preston from Lyneham to Clyffe Pypard parish
3	Bishopstrow River Wyle – Barrow House and cottages	Long standing request	The adjustment of the boundary between Bishopstrow and Warminster in the Bishopstrow Road / River Wylde area

Ref	Description	Current position	CGR to cover
9	Bishop Cannings parish ward seat ratio – Bishop Cannings ward has 726 electors and 6 seats; Cannings Hill ward has 820 electors and 5 seats		Internal parish ward boundaries and seats
10	The village of Nomansland is currently a Ward of Redlynch Parish Council and it is suggested that instead it be a ward of Landford Parish Council.		Internal and external boundaries of Redlynch and Landford, and associated seating arrangements
11	Compton Chamberlayne has asked about the policy, protocol and procedure for Compton Chamberlayne to be 'absorbed' into one of the neighbouring parishes; if indeed such a thing would be possible.	No detailed evidence of need for change presented yet. Unsure whether this is just for working practices or for a boundary change	To consider the possible merger of Compton Chamberlayne with another parish or parish council if further evidence of need is forthcoming
	Horningsham and the Deverills		To consider amalgamating Horningsham with Longbridge Deverill, and both amalgamating with Upper Deverills
23	All areas	To make recommendations on any requests for the combination of parishes to form joint parish councils, provided no alterations to parish boundaries are proposed	The grouping of parishes to form joint parish councils
4	Combination of Tisbury parish with West Tisbury.	No detailed evidence of need for change presented yet	The possible combination of the parishes of Tisbury and West Tisbury
7	Durrington Town Council is considering changing the name of the parish to Durrington and Larkhill. Secondly a request has been received that we should consider a separate identity for Larkhill in view of its planned growth		To consider the naming proposal if further details are forthcoming. Secondly to consider the most appropriate governance arrangements for the area covered by the parish.
8	Sutton Mandeville Parish Council agreed to investigate whether or not the PC name could be amended to become; The Parish Council of Sutton Mandeville with Lower Chicksgrove.		To consider the proposal if further details are forthcoming

Ref	Description	Current position	CGR to cover
5	Grafton – tentative request for information about how to add an additional parish councillor.	No detailed evidence of need for change presented yet	No further action unless further details are forthcoming in which case the CGR will be limited to the number of seats only
6	Idmiston – casual enquiry to Salisbury office re number of seats	No detailed evidence of need for change presented yet	No further action unless further details are forthcoming in which case the CGR will be limited to the number of seats only
22	Urchfont	Tentative query re altering the number of seats on the parish council	No further action unless further details are forthcoming in which case the CGR will be limited to the number of seats only
18	Chippenham Without	Previous clerk wanted to change the name to Allington	No further action unless further details are forthcoming in which case the CGR will be limited to the name of the parish only
1	Somerford PC	Request withdrawn	N/A

**Known unitary council requests**

Page 259	Parishes in the Alderbury & Whiteparish and Winterslow divisions	To consider a request that Clarendon should be part of the Alderbury and Whiteparish division, rather than the present Winterslow division, with East Grimstead moving the other way	To consider options for a future review of the parishes in the Alderbury & Whiteparish and Winterslow divisions
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**WILTSHIRE COUNCIL**  
**COMMUNITY GOVERNANCE REVIEW**  
**DRAFT TERMS OF REFERENCE FOR THE WORKING PARTY**

Introduction

Wiltshire Council at its meeting on 25 February 2014 resolved to undertake a Community Governance Review of the following:-

<b>Description</b>	<b>CGR to cover</b>
Salisbury	Internal and external boundaries of Salisbury and neighbouring parishes and associated seating arrangements
Bishopdown / Laverstock / Ford / Salisbury	Internal and external boundaries of Salisbury and neighbouring parishes and associated seating arrangements
Trowbridge	Internal and external boundaries of Trowbridge and neighbouring parishes and associated seating arrangements
Chippenham	Internal and external boundaries of Chippenham and neighbouring parishes and associated seating arrangements
Hilperton	Status of request unsure, but would be a parish included in the review of the Trowbridge area
Devizes	Internal and external boundaries of Devizes and neighbouring parishes and associated seating arrangements
Calne	Internal and external boundaries of Calne and neighbouring parishes and associated seating arrangements
Corsham	Internal and external boundaries of Corsham and neighbouring parishes and associated seating arrangements
Melksham and Melksham Without	Internal and external boundaries of Melksham and Melksham Without and associated seating arrangements
Lyneham, Cliff Pypard, Bushton, Thickthorn – approx 12 houses.	The possible move of Preston from Lyneham to Clyffe Pypard parish
Bishopstrow River Wyle – Barrow House and cottages	The adjustment of the boundary between Bishopstrow and Warminster in the Bishopstrow Road / River Wylfe area
Bishop Cannings parish	Internal parish ward boundaries and seats
Nomansland, Redlynch and Landford	Internal and external boundaries of Redlynch and Landford, and associated seating arrangements
Compton Chamberlayne	To consider the possible merger of Compton Chamberlayne with another parish or parish council if further evidence of need is forthcoming

Horningsham and the Deverills	To consider amalgamating Horningsham with Longbridge Deverill, and both amalgamating with Upper Deverills
All areas	The grouping of parishes to form joint parish councils
Tisbury and West Tisbury.	The possible combination of the parishes of Tisbury and West Tisbury
Durrington	To consider the naming proposal if further details are forthcoming. Secondly to consider the most appropriate governance arrangements for the area covered by the parish.
Sutton Mandeville	To consider a name change for the parish / parish council
Grafton	Number of seats, unless further details are forthcoming in which case the CGR will be limited to the number of seats only
Idmiston	Number of seats, unless further details are forthcoming in which case the CGR will be limited to the number of seats only
Urchfont	Number of seats, unless further details are forthcoming in which case the CGR will be limited to the number of seats only
Chippenham Without	Number of seats, unless further details are forthcoming in which case the CGR will be limited to the name of the parish only

#### Known unitary council requests

Parishes in the Alderbury & Whiteparish and Winterslow divisions	To consider options for a review of the parishes in the Alderbury & Whiteparish and Winterslow divisions
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A Community Governance Review is a review of the whole or part of the Council's area to consider one or more of the following:-

- Creating, merging, altering or abolishing parishes
- The naming of parishes and styles of new parishes
- The electoral arrangements of parishes (including the number of councillors to be elected to the council and parish warding)
- Grouping or de-grouping parishes

This Review is being carried out by the Council under the powers in Part 4 of the Local Government and Public Involvement in Health Act 2007 ('the Act') and will be undertaken in accordance with the legislative requirements of that Act and any relevant regulations made thereunder. It will also have regard to the Guidance on Community Governance Reviews published by the DCLG.

The Council has appointed a Working Group to carry out this Review and to make recommendations to the Council in due course. The Working Group will comprise a representative from each group of the Council (with a substitute permitted to attend). Other

members may also attend where an item specifically affects their electoral division. This document sets out the terms of reference of the Working Group.

The Review will have particular regard for the need to secure that the community governance arrangements within the areas under review

- reflect the identities and interests of the communities concerned and
- are effective and convenient to local people

When carrying out the community governance review the Council will also take into account other existing or potential community governance arrangements (other than those relating to parishes) in determining what parish arrangements to recommend.

### Consultation

The Act requires the Council to consult both the local government electors for the areas under review and any other person or body who appears to have an interest in the review. The Working Group will identify relevant consultees and will determine the most appropriate and effective methods of communication and consultation. In particular, the Working Group will look to make effective use of the Council's website and to involve relevant parish councils in the consultation process. The aim will be to allow the maximum opportunity for members of the communities affected by the Review to be involved in the development of any proposals for community governance arrangements in their local area and for them to be consulted on those proposals which are submitted before any final recommendations are made.

Any representations that are received as a result of this consultation process will be considered by the Working Group and will be taken into account in formulating recommendations to the Council.

There will be a further consultation process on the draft recommendations, before they are submitted to the Council for final approval.

Following the conclusion of the second consultation stage of the review the Working Group will make recommendations to Council as to:

- Whether or not to establish new parishes, the name of any new or existing parish and the styling (i.e. parish, community, neighbourhood or village) of any new parish;
- The retention, abolition or alteration of the area of any affected parishes;
- The electoral arrangements of parishes (including the number of councillors to be elected to the council and parish warding) and
- Whether or not any new or existing parish should have a parish council (subject to the particular restrictions on recommendations in this area set out in s.94 of the 2007 Act) and the electoral arrangements of any new or existing parish council – including ordinary year of election, warding and number of councillors.

The Working Group may also, on conclusion of the review process, make any recommendations arising from the review on:

- Whether or not to introduce any new community governance arrangements other than those relating to parishes and parish councils.

- The grouping (under a common parish council) of parishes.

In carrying out the review and in making any recommendations, the Working Group will have regard to the general principles set out in Appendix 1 to these Terms of Reference.

### Timetable

The Review must be completed within 12 months of the date on which it commences. The Review is to commence on 1 April 2014.

The proposed timetable for the Review is as follows. This is subject to variation by the Working Party, subject to the overall prescribed time limit:-

Stage	Action	Timescale	Dates
Commencement			1/4/14
Preliminary stage	Meetings of Working Group to consider consultation arrangements	One month	1/4/14 to 30/4/14
Stage one	Initial submissions invited	Three months	1/5/14 to 31/7/14
Stage two	Consideration of submissions received. Draft recommendations prepared	Two months	1/8/14 to 30/9/14
Stage three	Draft recommendations published and consulted on	Three months	1/10/14 to 31/12/14
Stage four	Consideration of submissions received. Final recommendations prepared	Two months	1/1/15 to 28/2/15
	Recommendations submitted to Council for approval	One month	1/3/15 to 31/3/15

### Contact

The main contact for any queries regarding this review will be John Watling, Head of Electoral Services, Wiltshire Council, County Hall, Bythesea Road, Trowbridge, Wiltshire BA14 8JN. [John.watling@wiltshire.gov.uk](mailto:John.watling@wiltshire.gov.uk)

Date: 10 February 2014

### **General Principles to be Applied in the Review**

#### **Demographic Trends**

In considering the electoral arrangements of the parishes in its area, the Council will take into account any change in the number or distribution of the electors that has occurred or which is likely to occur in the period of five years beginning with the day when the review starts. The Working Group will take into account any such changes in the number of electors in the areas under review, including those arising from new residential developments.

#### **Parish Identity**

The Council believes that electors should be able to identify clearly with the parish in which they are resident as this sense of identify and community lends strength and legitimacy to the parish structure, creates a common interest in parish affairs, encourages participation in elections to the parish council, leads to representative and accountable government and generates a strong, inclusive community with a sense of civic values, responsibility and pride.

The Council considers that parishes should reflect distinctive and recognisable communities of interest, with their own sense of identity; the feeling of local community and the wishes of local inhabitants are primary considerations in this Review;

The Council would wish to balance carefully the considerations of changes that have happened over time, through population shifts or additional development for example, and that have led to a different community identity with the historic traditions in its area.

#### **Parish Boundaries**

The Council considers that the boundaries between parishes will normally reflect the “no-man’s land” between communities represented by areas of low population or pronounced physical barriers. These barriers will be either natural or man-made: they might include, rivers, and hills or man-made features such as parks, canals, railways, major roads and motorways – those barriers that oblige the residents of an affected area to have little in common with the remainder of the parish to which they may have been allotted. “Natural” settlements or settlements as they are defined in the Local Development Framework should not in normal circumstances be partitioned by parish boundaries. The Council will endeavour to select boundaries that are and are likely to remain easily identifiable.

#### **Viability**

The Council believes that parishes should be viable and should possess a precept that enables them to actively and effectively promote the well-being of their residents and to contribute to the real provision of services in their areas in an economic and efficient manner. Some parishes are anxious to take on the new power of well-being provided in the Local Government and Public Involvement in Health Act 2007; others hold Quality Parish status, while others are anxious to enter into arrangements with principal councils for the provision of local services. The Council sees these initiatives as important measures of effective and convenient local government and will respect them in this review.

## **NAMES AND STYLES**

### **The naming of parishes**

With regard to the naming of parishes, the Council will endeavour to reflect existing local or historic place-names, and will give a strong presumption in favour of names proposed by local interested parties. The Council notes that Government considers that composite names of parishes are rarely in the interests of effective and convenient local government and encourages avoidance of composite names other than in exceptional circumstances where the demands of history, local connections or the preservation of local ties make a pressing case for the retention of distinctive traditional names. The Council will consider this when making any proposals regarding naming of parishes. The 'name' of a parish refers to the geographical name of the area concerned, whereas its status or 'style' allows for that area to be known as a town, community, neighbourhood or village, rather than as a parish. The status or style of the parish will be reflected in the name of any council of the parish. So, for example, the council of a parish which has the style "town" will be known as the 'town council' and its councillors as the 'town councillors', etc.

There are legal requirements (as defined in Section 76 of the Local Government Act 1972), particularly with regard to subsequent notification, with regard to the naming of parishes, and the Council will be mindful of these.

### **Alternative styles**

The Local Government and Public Involvement Act 2007 has introduced 'alternative styles' for parishes. If adopted, the 'alternative style' would replace the style "parish". However, only one of these three prescribed styles can be adopted:- "community", "neighbourhood" or "village". A parish shall cease to have an alternative style if the parish begins to have the status of a town. Where new parishes are created, the Council will make recommendations as to the geographical names of the new parishes and as to whether or not it should have one of the alternative styles.

### **Electoral Arrangements**

An important part of the Council's review will comprise giving consideration to "Electoral Arrangements". The term covers the way in which a council is constituted for the parish. It covers:

- The ordinary year in which elections are held;
- The number of councillors to be elected to the council;
- The division (or not) of the parish into wards for the purpose of electing councillors;
- The number and boundaries of any such wards;
- The number of councillors to be elected for any such ward
- The name of any such ward

### **Ordinary year of election**

The Local Government Act 1972 states that ordinary election of parish councillors shall take place in 1976, 1979 and every fourth year thereafter (i.e. 2007, 2011, 2015 etc.) However, the Government has indicated that it would want the parish electoral cycle to coincide with the cycle for the relevant principal council, so that the costs of elections can be shared. If the review finds that it will be appropriate to hold an election for parish councillors, for example to a newly formed parish, at an earlier or later date than the next scheduled ordinary elections, the terms of office of any newly elected parish councillors will be so reduced as to enable the electoral cycle to revert to the normal cycle in the

borough at the next ordinary elections. From 2009 the ordinary year of parish elections was deferred by two years to bring them in to line with unitary council elections every four years.

### **The number of parish councillors**

The Government has advised, and this Council concurs that “it is an important democratic principle that each person’s vote should be of equal weight so far as possible, having regard to other legitimated competing factors, when it comes to the election of councillors”. Likewise, the Council notes that the number of parish councillors for each parish council shall be not less than five. There is no maximum number.

The government’s guidance is that “each area should be considered on its own merits, having regard to its population, geography and pattern of communities”. The Council is prepared to pay particular attention to its existing levels of representation, the broad pattern of existing council sizes, which have stood the test of time and the take up of seats at elections in its consideration of the matter. It is recognised that the conduct of parish council business does not usually require a large body of councillors. The Council in this review will have regard to the following factors when considering the number of councillors to be elected for the parish:

- The number of local government electors for the parish;
- Any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

The Council will also take into account the following considerations:

- To ensure that the allocation of councillors to parishes is equitable across the county, while acknowledging that local circumstances may occasionally merit variation.
- To appreciate that there are different demands and consequently different levels of representation are appropriate between urban and more rural parishes in the County.

The Council also acknowledges that there may be exceptions to the above, where some weight will be given to the following considerations in forming the proposals;

- A high precept and high levels of service provision;
- Where representation may be required to meet the challenges of population sparsity;
- Supporting a warding arrangement in a particular parish and achieving a good parity of representation between wards.

### **Parish Warding**

The Act requires that in considering whether a parish should be divided into wards for the purposes of elections for the parish council the Council should consider the following:

- Whether the number, or distribution, of the local government electors for the parish council would make a single election of councillors impracticable or inconvenient;
- Whether it is desirable that any areas of the parish should be separately represented on the council.

The government’s guidance is that “the warding of parishes in largely rural areas that are based predominantly on a single centrally located village may not be justified. Conversely, warding may be appropriate where the parish encompasses a number of villages with separate identities, a village with a large rural hinterland or where, on the edges of towns, there has been some urban overspill into the parish”. With regard to urban parishes, the government has suggested, “there is likely to be a stronger case for the warding of urban

parishes ....". In urban area community identity tends to focus on a locality, whether this be a housing estate, a shopping centre or community facilities. Each locality is likely to have its own sense of identify".

The Review will be mindful of this guidance, noting further that "each case should be considered on its merits and on the basis of the information and evidence provided during the course of this review."

The Council believes that warding arrangements should be clearly and readily understood by, and should have relevance for, the electorate in a parish; they should reflect clear physical and social differences within a parish: one parish but comprising different parts. Furthermore, ward elections should have merit; not only should they meet the two tests laid down in the Act, but they should also be in the interests of effective and convenient local government. They should not be wasteful of a parish's resources.