

Wiltshire Council

Full Council

20 February 2024

Subject: Budget 2024/25 and Medium-Term Financial Strategy 2024/25 to 2026/27

Cabinet Member: Cllr Richard Clewer – Leader of the Council
Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

Key Decision: Key

Addendum Background

The Final Local Government Finance Settlement was announced on 5 February. As part of this final settlement additional national funding was confirmed over and above that included in the provisional settlement, for Rural Services Delivery Grant in recognition of specific cost pressures in rural areas of £15m, Social Care Grant of £500m, Services Grant of £10m and also an increase of the Minimum Funding Guarantee before any local council tax decision are made from 3% to 4%. From these national increases the council is confirmed to receive an additional £0.614m in Rural Services Delivery Grant, £3.798m Social Care Grant and £0.036m of Service Grant. To meet the Minimum Funding Guarantee the council is also receiving an additional £0.078m of Minimum Funding Guarantee Grant. This is a total increase of £4.526m compared to the provisional settlement and funding included in the budget report that was approved by Cabinet at their meeting on 6 February 2023.

An update was given at the Cabinet meeting on 6 February 2024 by both the Cabinet Member for Finance, Development Management and Strategic Planning and the Leader of the Council when the Budget 2023/24 was discussed, where it was set out that the increase in funding was proposed to be used, as follows:

- £0.100m contribution to Air Quality monitoring in 2024/25.
- £0.025m contribution towards volunteer recruitment by Libraries for residents in remote areas.
- £0.603m funding for rural play areas to enable them to continue to be used by the local community that will lead to their transfer to the local town or parish council.
- £3.798m funding for additional investment in SEND and children's services early help and prevention support.

As these changes affect the funding available to the council they affect the Net Budget Requirement and increase it by £4.526m from £485.772m to £490.298m. The Budget Report 2024/25 and Medium-Term Financial Strategy 2024/25 – 2026/27 and tables and appendices within the report have not been amended to reflect this late change in grant funding from government.

On the 5 February the Public Health Grant allocations for 2024/25 were also announced. This grant funding is ring-fenced for Public Health activity and is shown in the service budget line so does not affect the Net Budget of the council. The grant has increased from £18.718m in 2023/24 to £19.011m in 2024/25, which is an increase of £0.293m.

This addendum has the effect of amending recommendation A of the proposals included in the Budget 2024/25 report. As the funding has only been confirmed for one year the budget impact and changes affect 2024/25 only. The changes also have the effect of increasing the budget on Education and Skills, Environment, Leisure, Culture & Communities, Specific Grants and Total lines in Appendix 1 Annex 1 and Annex 2 by £4.526m and the totals in Appendix 1 Annex 6 Demand Changes and impacts several tables and the budget values in services within the report. This additional grant funding does not impact the calculations used to establish the Council Tax Requirement and therefore there is no change to the Council Tax resolution. This is because of the proposed uses of the additional funding set out in this addendum.

For transparency the recommendations are included below as amended to include the change required as a result of this addendum. Also included is the table originally set out in Appendix 1, Annex 1, Service Budget Summary 2024/25, now shown as Appendix 1 to this addendum report.

Proposals

Cabinet recommends to Council:

- a) That a net general fund budget of 2024/25 of £490.298m is approved;
- b) That the Council Tax requirement for the council be set at £351.077m for 2024/25 with a Band D charge of £1,805.73, an increase of £1.65 per week;
- c) That the Wiltshire Council element of the Council Tax be increased in 2024/25 by the following:
 - i. A 2.99% general increase;
 - ii. Plus a levy of 2% to be spent solely on Adult Social Care;
- d) That the Extended Leadership Team be required to meet the revenue budget targets for each service area as set out in Appendix 1 to this report, for the delivery of council services in 2024/25;
- e) That the Extended Leadership Team be required to deliver the revenue savings plans for each service area as set out in Appendix 1 to this report, over the MTFS period 2024/25 to 2026/27;
- f) That the changes in the fees and charges as set out in Appendix 4 are approved;
- g) That the Capital Programme 2024/25 to 2030/31 is approved;

- h) That the Capital Strategy set out in Appendix 2 is approved;
- i) That the DSG budget as approved by Schools Forum is ratified;
- j) That the Medium Term Financial Strategy, the forecast balanced budget over the 2024/25 and 2025/26 financial years and the MTFS 2024/25 to 2026/27 is endorsed.

Reason for Proposals

To ensure that the additional grant funding that government announced as part of the Final Local Government Finance Settlement is included in the budget setting proposals to be considered by Council and to provide transparency on the proposal on the allocation of that funding and that recommendations to Council still provide a balanced revenue budget for the financial year 2024/25 and do not impact on the Council Tax setting.

Terence Herbert – Chief Executive

Andy Brown – Deputy Chief Executive & Corporate Director Resources

Lizzie Watkin – Director of Finance & Procurement (S151 Officer)

Perry Holmes – Director of Legal & Governance (Monitoring Officer)

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Budget 2024/25 and Medium-Term Financial Strategy 2024/25 to 2026/27 - Addendum

Overview and Scrutiny Engagement

1. An update was provided at the Cabinet meeting on 6 February 2024 relating to this increase in funding and the planned proposed allocation and use of this additional grant funding. Overview & Scrutiny Management Committee are considering this addendum report at their meeting on 12 February 2024.

Safeguarding Implications

2. There are no additional Safeguarding implications as a result of this addendum.

Public Health Implications

3. The public health benefits of investing in outdoor recreational facilities are well documented. There is vital importance of play for the healthy development of children, offering physical, emotional, cognitive and social benefits, in addition to the wider community benefits offered in these facilities for social connections and reduction in isolation.
4. The impact of poor air quality on the population is well known and can lead to increased risk for a number of conditions, which are usually higher in our more deprived communities. Increased air monitoring provision will enable the council to identify and mitigate these risks, improving health.

Procurement Implications

5. There are no additional Procurement implications as a result of this addendum.

Equalities Impact of the Proposal

6. There are no additional Equalities impacts as a result of this addendum.

Environmental and Climate Change Considerations

7. Poor air quality can have significant detrimental impacts on the environment as well as health. Diesel vehicles are the main contributor to poor air quality areas in Wiltshire. It impacts the environment by reducing visibility and blocking sunlight, causing acid rain, and harming forests, wildlife, and agriculture.
8. Investing in air quality monitoring will provide valuable evidence and identify particular areas of concern and will allow targeted intervention to address issues with poor air quality that impact on health, the environment and the economy.

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

9. There is a statutory requirement to set a balanced budget. This report sets out the impact of the additional funding allocated to the council as part of the Local Government Final Finance Settlement published on 5 February 2024.

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

10. There are no additional risks associated with this addendum to the Budget 2024/25 and Medium-Term Financial Strategy 2024/25 – 2026/27 report.

Financial Implications – S.151 Commentary

11. The additional £4.526m funding was confirmed by government on 6 February 2024 as part of the Local Government Final Finance Settlement. The use of the funding and the implications are set out in this addendum report.

Legal Implications

12. There are no additional Legal implications as a result of this addendum.

Workforce Implications

13. The exact details of the impact of the contribution towards volunteer recruitment by Libraries for residents in remote areas will need to be assessed once more detail on the proposal is drawn up for implementation. There are no additional Workforce implications as a result of this addendum.

Options Considered

14. There is a statutory requirement to set a balanced budget. The additional funding allocation as part of the Local Government Final Finance Settlement could have been managed within the 2024/25 financial year as part of budget monitoring however time allows for consideration and a proposal to be presented for Council consideration.

Conclusions

15. The report supports effective decision making and allows the council to set a balanced revenue budget for 2024/25 and set Council Tax levels. It also ensures that the council has an MTFs to support long-term financial sustainability and aligns the budget to the council's Business Plan.

**Andy Brown (Deputy Chief Executive & Corporate Director of Resources),
Lizzie Watkin (Director of Finance & Procurement – S151 Officer)**

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8 February 2024

Appendices

Appendix 1 - Service Budget Summary 2024/25

Background Papers

None

Appendix 1 – Service Budget Summary 2024/25

Analysis of Movement in the 2023-24 Budget to the Proposed 2024-25 Budget

Service	2023/24 Budget £m	Funding Changes £m	Technical Adjustments £m	Pay Award £m	Prior Year Pressures £m	Contractual Inflation £m	Demand £m	2024/25 Savings Proposals £m	2024/25 Budget £m	Change in Budget £m
Adults Services total	180.537	-	(7.042)	1.464	3.572	9.226	1.402	(9.721)	179.437	(1.100)
Public Health Total	-	-	-	-	-	-	-	-	-	-
Education & Skills Total	29.278	-	-	0.993	1.498	0.452	7.367	(0.687)	38.901	9.623
Families & Children Services Total	64.224	-	-	1.339	3.499	1.688	1.367	(1.264)	70.852	6.628
Commissioning Total	2.799	-	-	0.174	1.372	0.008	0.014	(0.060)	4.306	1.507
Corporate Director People Total	276.838	-	(7.042)	3.970	9.940	11.374	10.149	(11.733)	293.496	16.659
Finance Total	6.458	-	-	0.391	0.469	0.018	0.335	(0.049)	7.622	1.164
Assets Total	17.767	-	-	0.207	(0.042)	1.433	(0.711)	(0.457)	18.197	0.430
Information Services Total	11.903	-	-	0.174	0.036	0.179	0.586	(0.495)	12.383	0.480
HR & OD Total	4.101	-	-	0.247	0.061	-	0.051	(0.167)	4.293	0.193
Transformation & Business Change Total	0.560	-	-	0.106	0.374	-	-	(1.040)	-	(0.560)
Corporate Director Resources Total	40.789	-	-	1.125	0.898	1.631	0.261	(2.209)	42.495	1.706
Highways & Transport Total	40.177	-	-	0.502	(0.468)	1.372	1.718	(0.238)	43.063	2.887
Economy & Regeneration Total	2.520	-	-	0.069	0.015	-	0.130	(0.209)	2.526	0.006
Planning Total	3.396	-	-	0.398	0.065	-	0.296	(1.347)	2.808	(0.588)
Environment Total	48.485	-	-	0.266	(0.317)	2.139	0.186	(1.125)	49.634	1.148
Leisure Culture & Communities Total	6.580	-	-	0.838	(1.348)	0.027	0.628	(0.793)	5.932	(0.648)
Corporate Director Place Total	101.158	-	-	2.073	(2.053)	3.538	2.958	(3.711)	103.963	2.805
Legal & Governance Total	10.168	-	-	0.513	0.400	0.008	(0.117)	(0.593)	10.380	0.212
Corporate Directors & Members Total	3.147	-	-	0.132	0.014	-	-	-	3.292	0.146
Chief Executive Directorates Total	13.315	-	-	0.645	0.414	0.008	(0.117)	(0.593)	13.672	0.358
Movement on Reserves Total	2.457	1.453	-	-	-	-	-	-	3.910	1.453
Finance & Investment Income & Expense	24.945	-	-	-	0.198	0.054	0.589	-	25.786	0.841
Corporate Costs Total	5.434	-	-	-	(0.036)	0.061	(0.620)	(1.428)	3.411	(2.023)
Corporate Levies Total	4.093	-	-	-	(0.095)	0.066	(0.500)	-	3.564	(0.529)
Corporate Total	36.929	1.453	-	-	0.067	0.182	(0.531)	(1.428)	36.671	(0.258)
Grand Total	469.029	1.453	(7.042)	7.812	9.266	16.732	12.720	(19.673)	490.298	21.269
Council Tax Requirement	(290.422)	(12.201)	-	-	-	-	-	-	(302.623)	(12.201)
Social Care Levy	(41.765)	(6.687)	-	-	-	-	-	-	(48.453)	(6.687)
Rates Retention	(49.444)	(7.016)	-	-	-	-	-	-	(56.460)	(7.016)
Collection Fund (surplus) / deficit	(6.850)	8.353	-	-	-	-	-	-	1.503	8.353
Specific Grants	(80.548)	(10.760)	7.042	-	-	-	-	-	(84.266)	(3.718)
Income/Funding Total	(469.029)	(28.311)	7.042	-	-	-	-	-	(490.298)	(21.269)
Funding GAP									(0.000)	