

**EXTRACT MINUTES OF THE CABINET MEETING HELD ON 4  
FEBRUARY 2020 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA  
ROAD, TROWBRIDGE, BA14 8JN.**

**Wiltshire Council's Budget 2020/21 and Medium Term Financial Strategy  
2020/21 - 2024/25**

21 Cllr Simon Jacobs, Cabinet Member for Finance and Procurement introduced the report which proposed the 2020/2021 Budget and Medium-Term Financial Strategy 2020/2021 to 2024/2025 and set out the budget setting proposals, giving details that fed into the budget setting reports.

Colin Gale asked for clarification in relation to figures detailed in the report associated with Council Tax and Social Care Levy. A copy of his question is attached as an appendix to these minutes. The Leader indicated that a written response would be provided after the meeting.

Cllr Jacobs reported that the process undertaken to consult on the Budget was open and transparent. He confirmed that the report had been discussed in detail with the public, the Financial Planning Task Group and the Overview and Scrutiny Management Committee, prior to its consideration by the Cabinet and ultimately Council at the end of February 2020.

In presenting the report, Cllr Jacobs indicated that the Council's strategic aims and priorities drove the medium-term financial planning process, with changes in resource allocation determined in accordance with policies and priorities of the Council's 2017-2027 business plan. A key focus being to ensure a strong sustainable financial base during the current challenging times. The key changes reflect the revised forecast for the increasing demand for care for the vulnerable, including adult and children with complex care needs and special educational needs and the delay in Government determining a new fairer funding settlement.

Cllr Jacobs commented on (i) the Council's four key priorities; (ii) the growth and challenges to the Council spending; (iii) funding sources for the budget; (iv) the level of savings required for 2020/2021; and (v) budget assumptions for future years. He was confident that the Council was currently in a good position to set a strong Financial Plan for the years ahead and thanked officers for their assistance in putting the proposals together.

Councillor Graham Wright, Chair of the Overview and Scrutiny Management Committee, welcomed the positive and early engagement with Scrutiny and thanked officers for their input. He confirmed that the Overview and Scrutiny Management Committee undertook a robust and thorough consideration of the proposals, the details of which were circulated as a Supplement to the main agenda.

**Resolved: To recommend that Council**

- 1. Agrees the budget for 2020/21;**
- 2. Approves the growth and savings proposals summarised in the report to provide a net revenue budget for 2020/21 of £344.023 million;**
- 3. Agrees to:**
  - a. Set the Council's total net expenditure budget for 2020/21 at £344.023 million;**
  - b. Set a Council Tax increase of 1.99% and Social Care Levy increase of 2%;**
  - c. Delegate changes in fees and charges as set out in Section 9;**
  - d. Set a 2.7% increase for social dwelling rents (CPI plus 1%);**
  - e. Set the Housing Revenue Account (HRA) Budget for 2020/21 at £30.302 million expenditure; and**
  - f. All service charges related to the HRA being increased to recover costs, capped at increase of £5 per week for those not on housing benefits and garage rents increased by 1.7% (CPI).**
- 4. Endorse the Medium-Term Financial Strategy and receive regular updates on delivery against strategy to Cabinet; and**
- 5. Notes the budget gap of £69.527 million for MTFS period 2021/22 – 2024/25.**

*Reason for Decision:*

*To enable the Cabinet to recommend to Council to:*

- 1. Set its revenue and housing revenue accounts budgets and levels of reserves and Council Tax for the financial year 2020/21;*
- 2. Provide the Council with a strong financial plan for sustainable delivery of services in 2020/21;*

3. *Provide the Council with a Medium-Term Financial strategy to drive long term financial sustainability and delivery of the business plan; and*
4. *Meet its strategic financial objectives.*

## 22 **Capital Strategy**

Cllr Simon Jacobs, Cabinet Member for Finance and Procurement presented the report on the Capital Strategy for 2020/2021; the Capital Programme for 2020/2021 with future years projected to 2029/2030.

Cllr Jacobs in presenting the report explained that the purpose of the Capital Strategy is to set out the priorities and framework within which Wiltshire Council determines its resourcing priorities for capital investment, decides the level of borrowing, the affordability of the borrowing and sets the level of the risk appetite. He referred to the proposed Capital Programme which totalled £898.330m over the ten year period, and in particular those capital schemes already approved and pipeline scheme requiring approval.

**Resolved: To recommend that Council**

- 1. Adopts the Capital Strategy 2020/2021**
- 2. Approves the Capital Programme 2020/2021-2029/2030**
- 3. Adopts the non-financial investment indicators (paragraph 84 of the report )**

*Reason for Decision:*

*To enable the Council to agree a Capital Strategy for 2020/2021, approve the Capital Programme 2020/2021-2029/2030 and set non-financial investment indicators that comply with statutory guidance and reflect best practice.*

## 23 **Treasury Management Strategy**

Cllr Simon Jacobs, Cabinet Member for Finance and Procurement presented the report, which recommended that Council approve the Prudential and Treasury Indicators, together with the Treasury Management Strategy for 2020/21.

The report included information about:

- Prudential and Treasury Indicators for the next three years

- Debt management decisions required for 2020/2021 that do not feature within the Prudential or Treasury Indicators (paragraphs 72 to 76)
- Minimum Revenue Provision Policy 2020/2021
- Annual Investment Strategy for 2020/2021

In response to a comment from Cllr Ian Thorn about loans from the Public Loans Board, Cllr Jacobs confirmed that borrowing risks are analysed and monitored on a regular basis and that the interest rates charged were for the term of the loan.

In response to a question from Cllr Pauline Church about investments in environmentally responsible assets, Cllr Jacobs confirmed that the Council received specialist advice from treasury advisors for the day to day investments made with banks and other investment organisations.

**Resolved: To recommend that Council**

- 1. Adopts the Minimum Revenue Provision Policy (paragraph 32 – 34 of the report)**
- 2. Adopts the Prudential and Treasury Indicators (paragraphs 24 – 31, 40 – 48 and Appendix A of the report)**
- 3. Adopts the Annual Investment Strategy (paragraph 77 onwards of the report)**
- 4. Delegates to the Director of Finance and Procurement the authority to vary the amount of borrowing and other long-term liabilities within the Treasury Indicators for the Authorised Limit and the Operational Boundary**
- 5. Authorises the Director of Finance and Procurement to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long-term portfolio**
- 6. Agrees that short term cash surpluses and deficits continue to be managed through temporary loans, deposits and money market funds**
- 7. Agrees that any surplus cash balances not required to cover borrowing are placed in the most appropriate specified or non-specified investments, particularly where this is more cost effective than short term deposits and delegate to the Director of Finance and Procurement the authority to select such funds**
- 8. Adopts the Third Party Loans Policy (paragraph 93 and Appendix F of the report)**

*Reason for Decision:*

*To enable the Council to agree a Treasury Management Strategy for 2020/2021 and set Prudential Indicators that comply with statutory guidance and reflect best practice.*

**Wiltshire Council**

**Cabinet**

**4 February 2020**

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**Questions from Colin Gale**

**Agenda Item 6 – Wiltshire Council’s Budget 2020/21 and Medium Term Financial Strategy 2020/21 – 2024/25**

**To Councillor Simon Jacobs – Cabinet Member for Finance and Procurement**

**Question 1**

I attended the WC finance brief at Devizes on 16th January and the budget presentation identified that the total budget funding needed for 2020/21 was £332.4m. The Cabinet report identifies that this was the opening amount and the amount now needed is £344.023m?

**Response**

The £332.4m is the 2019/20 budget before the movements as shown below are applied to reach the 2020/21 budget of £344.0m:

| MTFS Financial Model     | 2019-2020<br>Approved<br>Financial<br>Plan | Movement<br>2020-2021 | 2020-<br>2021    |
|--------------------------|--|-----------------------|------------------|
|                          | £m   | £m                    | £m               |
| <b>Income / Funding</b>  |  |                       |                  |
| <b>Recurring Funding</b> |  |                       |                  |
| Council Tax Requirement  | (252.580)                                  | (8.250)               | (260.830)        |
| Social Care Levy         | (18.417)                                   | (5.476)               | (23.893)         |
| <b>Total Council Tax</b> | <b>(270.997)</b>                           | <b>(13.726)</b>       | <b>(284.723)</b> |
| Rates Retention          | (58.500)                                   | 1.900                 | (56.600)         |
| Collection Fund          | (2.881)                                    | 0.181                 | (2.700)          |
| <b>Total Funding</b>     | <b>(332.378)</b>                           | <b>(11.645)</b>       | <b>(344.023)</b> |

## Question 2

Similarly, with a council tax increase of 1.99% the Council Tax Requirement identified on 16th Jan was £252.580m. The cabinet report, Section 5, now identifies the 'Amount funded through Council Tax to be £260.830m' and yet the percentage increase has not changed. On page 46 of the report the £8.250m increase is identified as funding movement but there is no clear explanation in the report on how the funding movement is achieved. At the Devizes meeting £2.8m was identified as additional council tax from new homes but this will not in isolation explain the funding movement.

## Response

The £252.580m is the 2019/20 budget before movements as shown above. The £260.830m is the 20/21 requirement. It is not simply 1.99% of the base because of the additional properties and growth in the base number of properties as well as the increased %. Thus, the breakdown of council tax growth is as follows

|   |                |
|---|----------------|
| <b>Overall Council Tax Base 2019/20</b> | <b>270.997</b> |
| Base increase 1.0336%                   | 2.801          |
| <b>New base 2020/21</b>                 | <b>273.798</b> |
| Increase Ctax 1.99%                     | 5.449          |
| Increase Social Care levy 2%            | 5.476          |
| <b>Council Tax Funding 2020/21</b>      | <b>284.723</b> |

The overall Council tax increase is the base increase of 1.036% and the Council 1.99% tax increase (2.801m + 5.449m= 8.250m)

## Question 3

Again, at the Devizes meeting it was stated that there would be a 2% increase to the social care levy which would generate an additional £18.4m. The cabinet report, Section 5, identifies the amount now as £23.893m again without any percentage increase.

## Response

The £18.4 m is the existing social care levy is 2019/20, to which £5.476 m growth is added to reach £23.893 m for 2020/21.

**Question 4**

The report, page 46, identifies a funding movement of £5.476m from the original amount but there is no clear explanation on how this is achieved. Please can you explain how these funding movements are achieved if the percentage increases stay the same?

**Response**

As above. The growth of 2% is on the overall council tax base of £273.798 m after including the new properties.