

Wiltshire Council

Cabinet

11 January 2022

Subject: Update on Medium Term Financial Strategy 2022/23

Cabinet Member: Cllr Pauline Church - Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation

Key Decision: Non-Key

Executive Summary

This report outlines to members the latest position in respect to the 2022/23 Budget and the Medium-Term Financial Strategy following the setting of the 2021/22 budget in February 2021 and the update reported to Cabinet on 14 September 2021.

It builds in the ongoing amendments that have been reported as part of the regular budget monitoring reports for the current 2021/22 financial year as well as the changes in assumptions and funding since the budget was set.

The report also sets out the announcements made as part of the Government's Provisional Local Government Finance Settlement 2022/23 announcements on 16 December 2021, announcements on Funding for Schools and key dates in the budget setting process for the 2022/23 financial year.

Proposal(s)

Cabinet is asked to note:

- a) The updated position in respect of the current estimated financial gap for 2022/23 including the Provisional Local Government Finance Settlement 2022/23.

Reason for Proposal(s)

To inform effective decision making and ensure sound financial management as part of the Councils overall control environment.

To inform Cabinet on the current position for the setting of the 2022/23 budget and continuing the focus for setting plans and providing resources that will be essential for delivering services in Wiltshire over the MTFS period.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

11 January 2022

Subject: Update on Medium Term Financial Strategy 2022/23

Cabinet Member: Cllr Pauline Church - Cabinet Member for Finance & Procurement, Commissioning, IT, Digital and Commercialisation

Key Decision: Non-Key

Purpose of Report

1. To inform Members of the latest position for the 2022/23 budget and the updating of the Medium-Term Financial Strategy (MTFS) since the budget was set back at Full Council in February 2021 and the update reported to Cabinet on 14 September 2021.
2. To inform Members of the latest financial position leading into the setting of the 2022/23 budget and the key dates in that will ultimately lead to the proposal of a balanced budget for 2022/23.

Relevance to the Council's Business Plan

3. Providing updates on the medium term financial strategy and budget for future years supports effective decision making and the alignment of resources to the Council's priorities and objectives as laid down in the Business Plan.

Background

Budget 2022/23 Approved in February 2021

4. The budget set in February 2021 balanced the current 2021/22 financial year against the backdrop of uncertainty and at the height of the third lockdown. It was acknowledged that this was based on best estimates and assumptions made at the time about what lay ahead for 2021/22 and would almost certainly need to be reviewed moving forward into 2022/23.
5. Even before the COVID-19 pandemic the Council was forecasting a significant budget gap. In February 2020 when the 2020/21 budget was balanced the Council estimated a gap of £24.5m in 2021/22 rising to £38.2m in 2022/23.
6. With the onset of COVID-19 the Council responded to the challenge of keeping services to Wiltshire residents, communities and businesses running and emergency funding from Government supported the Council during 2020/21, and with the pandemic continuing further emergency funding and support was provided to Councils in the Governments one year budget

announcement at the end of 2020. This, together with tight financial controls, will enable the Council to balance the budget for 2021/22.

7. The level of current spending on services is effectively being supported by one off Government funding of £20.3m as well as the one-off use of reserves of £8.6m in this financial year; a total of £28.9m that will no longer be available to help continue to fund services going into 2022/23. This would be offset by additional income gained through council tax, either from additional properties or an increase in price. It has been assumed at this stage for financial planning purposes that basic council tax increases would continue at the current rate with the final decision made at the February Council meeting.
8. In addition, the Council will also face additional demand for services, some of which maybe latent demand now coming through that was delayed, suppressed or is new as a result of the pandemic and therefore is greater and potentially more complex demand than was expected, as well as inflation on pay, contracts and utilities.
9. The 2022/23 estimates were originally built on the base assumptions that made up the 2021/22 budget. As we are seeing in the current financial year, these assumptions, as well as ongoing financial controls, are having a positive impact on the Councils current financial position, with a £10.776m underspend being forecast for 2021/22 as at quarter two (Q2).
10. The table below provides the MTFs position that was reported to Council in February 2021 when the budget was approved. It shows the budget gap at the time estimated at £45.5m and rising to £71.1m by the end of the MTFs period in 2024/25.

MTFS 2021/22 to 2024/25 - Total Service Spend v Funding Analysis

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Total Service Net Spend	412.561	445.468	465.760	488.564
Income / Funding -				
Council Tax Requirement	(265.850)	(274.546)	(283.520)	(292.782)
Social Care Levy	(32.415)	(32.416)	(32.416)	(32.416)
Rates Retention	(58.500)	(58.500)	(58.500)	(58.500)
Rates Retention Levy	-	-	-	-
Collection Fund (surplus) / deficit	1.250	1.250	1.250	-
Specific Grants	(36.744)	(35.744)	(34.744)	(33.744)
Hardship & Emergency Funding	(20.302)	-	-	-
Income / Funding Total	(412.561)	(399.956)	(407.930)	(417.442)
Funding GAP	(0.000)	45.512	57.830	71.122

11. In 2022/23 the table shows that the estimated net spending on services was set to increase above their current level by a further £32.9m to £445.5m, but that the overall funding available to fund those services would decrease by £12.6m to £399.9m.

12. An update to the £45.5m position was presented to Cabinet on 14 September which reflected a review that was carried out on the assumptions that the budget was based on. Updates were made where more evidence was available and assumptions differed, such as demand and inflation forecasts. The changes to the assumptions were fully explained in that report. Overall, the amendments to base budget assumptions saw the budget gap reduce from £45.5m to £40.9m at that stage.
13. A further update to the budget gap position was reported as part of the Q2 Budget Monitoring report presented to Cabinet on 30 November. The forecast budget gap for the next financial year (2022/23) at that point stood at £39.6m.
14. The table below shows a summary of the movement in the budget gap since the budget was set in February 2021 and the reviews reported to Cabinet during 2021.

Breakdown of the 2022/23 Budget Gap over 2021	Budget Set Feb 2021	Review at Sept 2021		Review at Q2 Nov 2021	
Planned Savings	-0.6		-0.6		-0.6
Demand for Services	16.8	-11.9	4.9	-2.3	2.6
Contract Inflation	7.7	0.3	8	0.8	8.8
Pay Inflation	4.3	2.1	6.4	1	7.4
Return of income streams to pre-covid levels	-3.9	0.2	-3.7	-0.8	-4.5
Removal of COVID one-off Govt funding in 2021/22	21.3	-1	20.3		20.3
Reduction in New Homes Bonus funding	0	5.7	5.7		5.7
Additional council tax (properties and price)	-8.7		-8.7		-8.7
Removal of one off use of reserves in 2021/22	8.6		8.6		8.6
Total Estimated Budget Gap for 2022/23	45.5	-4.6	40.9	-1.3	39.6

Main Considerations for the Council

Continued Base Budget 2022/23 Review

15. As we lead up to the formal budget setting process in February 2022 assumptions continue to be reviewed as more evidence becomes available on areas such as demand and inflation forecasts.
16. Since the update on the budget gap position as at Q2 in November 2021 there have been some significant changes that are detailed in the paragraphs below. These have affected not only the budget gap for the next financial year but also the gap in future years, most notable is the increase seen in inflation, which will impact the prices paid for contractual arrangements, as well as the funding allocations announced in the Provisional Local Government Finance Settlement which was published on 16 December 2021.
17. The table below provides an overall updated MTFS position. It shows the estimated budget gap now standing at £27.717m for the next financial year (2022/23) rising to £59.247m by the end of the MTFS period in 2024/25, which is a decrease from the budget gap originally reported in the February budget report and the last update in November 2021.

MTFS 2021/22 to 2024/25 – Total Service Spend v Funding Analysis

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Total Service Net Spend	412.561	441.485	468.799	490.700
Income / Funding -				
Council Tax Requirement	(265.850)	(275.755)	(285.756)	(296.180)
Social Care Levy	(32.415)	(32.415)	(32.415)	(32.416)
Rates Retention	(58.500)	(58.500)	(58.500)	(58.500)
Rates Retention Levy	-	-	-	-
Collection Fund (surplus) / deficit	1.250	1.250	1.250	-
Specific Grants	(36.744)	(48.348)	(44.357)	(44.357)
Hardship & Emergency Funding	(20.302)	-	-	-
Income / Funding Total	(412.561)	(413.768)	(419.778)	(431.453)
Funding GAP	(0.000)	27.717	49.021	59.247

Inflation assumption update

18. The Bank of England CPI (Consumer Price Index) forecast for 2022/23 was released during November 2021, and the forecast has increased since original estimates were undertaken from 2% to 4%. All contract inflation that is indexed to CPI, or uses CPI as a basis for uplift, has therefore been reviewed and updated in light of these forecast increases and as a result contract inflation has increased by £5.5m. The forecast rate of 4% only applies to 2022/23 and returns back down to 2% from 2023/24.
19. Included in the above increase are also estimates for non CPI linked contracts as general inflationary increases are forecast to increase. This noticeably impacts on Waste contracts for MBT and Lakeside where indices have been forecast to rise from 3% to 6%, a £0.438m increase. The Landfill Tax rate was published on the 27 October and the forecast has been amended accordingly, the rate will be £98.60 per tonne, this is a 2% increase from 2021/22 an additional £0.144m.
20. In addition, changes through the Finance Bill 2021 restrict the entitlement to use red diesel and rebated biofuels from April 2022 to help meet the Governments climate change and air quality targets. For Wiltshire Council and our Waste contractors this means we will lose the red diesel rebate and we will see an increase in the cost for plant and machinery fuel. This will impact on the Council's own use of its fleet e.g. gritters and be passed onto us through the Waste contracts as it constitutes a change in law. The impact of this combined with general inflation on fuel for April 2022/23 is forecast to be £0.548m. This is included in the total increase in contract inflation referenced above.
21. As part of the contract inflation update tonnages for Waste were reviewed and aligned to Q2 plus 0.94% increase, this has meant a reduction in demand for tonnages of £0.100m in 2022/23.
22. In Adult Social Care the review of potential inflationary impacts in the light of the increase in CPI amount to a £1.544m additional pressure. This is mostly confined to placements in residential and nursing care homes, with other uplifts

mostly contractually set, and not subject to changes in the national inflation rate.

23. Funding announced in the provisional settlement to fund the reforms planned for adult social care, which include the sustainability of the adult social care market as well as the fair cost of care, can help towards increased cost in fees but will need to be used to ensure Wiltshire is ready and best placed to implement the reforms. The allocations have yet to be announced.
24. Following a review, the estimate for children's contractual inflation has increased by £1.029m, this reflects the impact of increased CPI from 2% to 4% across children in care and SEN social care placements and reflects the national position regarding the shortage of taxi drivers which is putting significant cost pressure on journeys for learners with SEN and disability.
25. A one-off pressure of £0.500m was built into the 2021/22 budget for covering costs associated with an inquest into the Novichok poisoning. This is now a Public Inquiry which will be funded by central government, however there will still be a cost to Wiltshire Council for supporting it and the MTFs has therefore been updated to allow for a budget of £0.250m going forward.

Changes in Demand Assumptions

26. Included in the MTFs was an assessment of Income reduction for Education Transport, this has been increased by £0.071m to a total of £0.254m. This effectively removes all the income budget for Education Transport and is in response to the Government policy Public Service Vehicle Accessibility Regulations.
27. A pressure flagged in the 2021/22 Q1 budget monitoring report for £0.090m in Transport to fund additional buses requires a base budget change to accommodate the increased costs, as it cannot be managed within existing budget.
28. An increase is included for demand following a review of SEN transport leading to an increase of £0.885m. Estimates of learners taking up the Council's transport offer for 2022/23 include growth of 5.5% which, is less than previous years however, the current average unit cost includes in year price pressures.
29. An amount for additional cleaning and PPE was included in 2022/23 for complying with ongoing COVID-19 measures and ensuring Council buildings remain safe. This has been reviewed and reduced in line with the Revenue Budget Monitoring forecast position for Q2, the reduction is £(0.170)m which leaves a budget for additional cleaning and PPE of £0.130m for 2022/23.
30. Income for Car Parking and Leisure is a pressure in 2021/22, as at Q2 we have not seen the increases originally forecast and as such both are now forecasting underachievement of income. Leisure is currently forecasting at circa 65% pre COVID-19 income and car parking 75%. Within the MTFs for 2022/23 Leisure was forecast to return to 100% of pre COVID-19 levels and Car Parking to 98%. With the latest forecasts as reported at Q2 and based on data from the service, the 2022/23 income budgets have been reduced accordingly.

31. Leisure has been reduced so that overall, for 2022/23 income budgets will reflect 80% of pre COVID-19 levels, which creates an additional pressure of £1.488m. Car Parking income budgets have been reduced so that the budget remains at the same level as the 2021/22 position which is set at 90%. This results in an additional pressure of £0.700m.
32. An increase of £1.358m in demand for adults with a Learning Disability has been incorporated which reflects a change in the way the Council will budget for the transition into adult services for children with a disability. Until now this has been managed by transferring budget from Children's services to Adult services when the child moves across, but instead this will now be managed by reflecting the pressure in Adults with the corresponding reduction in the Children's service budget. The Adults pressure had, until now, not been included in previous reviews of the MTFS.

Financing the Capital Programme

33. As part of the Q2 Capital Programme Budget Monitoring report the programme was reviewed and £55.759 re-profiled into future years. The revised capital programme for 2021/22 was £166.340m and £57.178m of this was to be funded through borrowing.
34. The Capital Financing requirement, which covers the minimum revenue provision the council need to set aside for borrowing and the interest payable in 2022/23 is informed by the 2021/22 borrowing. The MTFS has now been updated to reflect this revised position. Due to the reprofiling and new completion dates of when assets will come on stream the 2022/23 growth item can be reduced by £4.852m, 2023/24 will then need to be increased by £3.516m and 2024/25 increased by £0.501m.
35. The forecast is based on a number of assumptions and any changes to profiling or the Councils' cashflow position will impact on the above figures. In terms of borrowing the forecast assumes that the Council will not need to borrow in 2021/22 and that borrowing in 2022/23 will be for 100% of the capital programme at the end of the year at a rate of 2.5%.
36. Any new additions to the capital programme will impact on 2023/24 onwards capital financing requirement, however depending on scale if significant programmes are added into 2022/23 then the Council may need to borrow earlier which will increase interest costs. The capital financing requirement will be updated once a decision on capital bids has been taken.

Council Tax Base (Number and growth in houses)

37. During November every year the draft council tax base is calculated, with the approval of the final tax base during December. The setting of the tax base includes forecasts for new homes and other aspects that are variable during the year. The final tax base for next year has been confirmed and approved at 189,964.4 Band D equivalents and is over 700 Band D equivalent households higher than forecast last year, due mainly to more new homes being built. This growth in the tax base has the impact of increasing the council tax raised locally

and equates to approximately £1.2m of additional council tax for the council in 2022/23, a further £0.075m in 2023/24 and £0.142m in 2024/25.

38. Future years tax base increases were originally estimated to increase by approximately 0.9%. In light of the overall increase seen during 2021/22 these assumptions have been updated to reflect more growth, at 1.2% which increases the income from council tax in the financial years 2023/24 and 2024/25 by £0.952m and £1.020m respectively.

Contribution to Reserves

39. The budget monitoring forecast for the current financial year (2021/22) is a favourable position and additional funding is being set aside in reserves as part of the Cabinet approved reserves strategy, to provide more financial resilience. Future years budgets include a contribution to the General Fund Reserve of £1.4m to continue to build financial resilience and to ensure there is robust mitigation of the financial risks that the council faces. Due to the favourable current year financial forecast an additional £1.4m will be transferred to the General Fund Reserve during the year which allows for the removal of this contribution in 2022/23. This has a beneficial impact on the budget for that year, reducing the gap by £1.4m.

Provisional Local Government Finance Settlement 2022/23

40. The Secretary of State for Levelling Up, Housing and Communities published the provisional Local Government Finance Settlement for 2022/23 on 16 December 2021 which set out the intentions of the detail of the funding available for local government for 2022/23. This provisional settlement confirmed the continuation of some existing grants, additional funding within other grant arrangements and a new grant to support service delivery in local government.
41. The following paragraphs set out elements of the budget that are relevant to the funding for local government, at a national level and the individual allocations for the council. It confirms that an additional £12.5m of Government grant is now included in the Council's budget for 2022/23.
42. Some grants have been confirmed as continuing at the same level of funding as 2021/22, and these grants include the Lower Service Tier grant, confirmed at £0.498m and Rural Services Delivery Grant confirmed to continue with the same quantum and basis of allocation, which for the council is £3.480m.
43. £636m has been announced nationally as additional funding for social care, with £556m paid as additional social care social grant, and £80m to equalise the Adult Social Care precept flexibilities. The council is set to receive £4.226m from the additional social care grant allocation but does not receive any funding from the Adult Social Care equalisation.
44. The approach for New Homes Bonus grant set out as part of the 2021/22 financial settlement confirmed that no additional funding would be provided with only legacy payments being made. The provisional settlement confirmed that year 12 payments would now be made so alongside the legacy payment

of £2.407m an additional £4.271m of grant funding is to be paid, allocating a total of £6.678m to the council overall for this grant.

45. Additional one-off funding of £822m has been made available nationally for a new Services Grants. The allocation for the council has been confirmed as £3.991m, which is new funding for the council and was not previously included in the MTFS.
46. Funding for Adult Social Care reforms was also announced with £162m being made nationally for Councils with social care responsibility. Allocations have yet to be confirmed but for the budget and MTFS it is expected that the cost of the implementation of reforms during 2022/23 and the cost of the actual reforms in the latter part of the MTFS will be cost neutral, however this represents a significant risk to the Council given Wiltshire's high proportion of self-funders in care settings.
47. The provisional settlement confirmed that those Councils with Adult Social Care responsibilities could also levy an additional 1% per annum on Council Tax for the next three years to help pay for the rising demand and costs within Adult Social Care. The referendum level for core Council Tax rises remained set at 2% but will be reviewed and confirmed annually by the Secretary of State.

Business Rates

48. The Councils assumptions with respect to retention of business rates remains unchanged from previous forecasts and still represents an area of concern and uncertainty given the impact on various sectors of the economy and future funding reforms.
49. Government have announced that councils will be compensated for the loss in inflationary increases from Business Rates as the multiplier on which the rates charges are based is being frozen at 2021/22 levels. As part of the MTFS an assumption is made that this grant will be in the region of £1.2m, this has yet to be confirmed.

Summary

50. Overall, these amendments to base budget assumptions have seen the budget gap decrease from £39.6m to £27.7m and this revised budget gap is summarised in the table below.

Revised Budget Gap as at Dec 2021	£m
Budget Gap reported at Q2 Nov 2021	39.6
Inflation assumption increases (CPI at 4% for 2022/23)	5.5
Changes in demand assumptions	3.8
Capital Financing - Q2 capital programme slippage	-4.9
Council Taxbase growth	-1.2
Remove Contribution to General Fund Reserve in 2022/23	-1.4
Compensation for NNDR multiplier freeze	-1.2
Provisional Settlement	-12.5
Estimated Budget Gap for 2022/23 as at Dec 2021	27.7

Schools Funding 2022/23

51. Funding for schools, high needs pupils with SEN & disability and early years childcare is funded outside the local authority revenue budget via the dedicated schools budget (DSG.) In the Autumn Budget 2021, additional funding was announced for early years and schools. Nationally, by 2024-25 additional funding has been announced, as follows:

- Schools £4.7bn
- 16-19 Funding £1.6bn
- T Levels £1.6bn

52. In addition, the DfE have a number of consultations to change the schools formula: sparsity funding where sparsity distances are now based on road distances, instead of straight-line distances, and a sparsity distance taper has been introduced, in addition to the existing year group size taper. This will increase the number of Wiltshire schools that are eligible for sparsity funding, subject to schools forum budget setting decisions in January 2022. A separate consultation was around school funding, completing DfE reforms to the National Funding Formula (NFF.) The Wiltshire formula aligns closely to the NFF and the potential impact is minimal for schools. A November consultation, to reduce a £0.471m grant for school improvement, is proposing to remove the grant, transfer additional costs onto schools or force local authorities to reduce levels of support for maintained schools. Wiltshire Schools Forum are issuing a response and asking all heads and governing bodies to respond to the DfE. The outcome and impact of this is awaited.

53. Childcare, to increase the hourly rate to be paid to early years providers, to deliver the government's early years entitlement hours offers national increases of:

- 2022/23 £160m
- 2023/24 £180m
- 2024/25 £170m

54. The national actual hourly rates increase have been advised (below) these increases will help alleviate rising CPI, energy prices, implementing the minimum wage and national living wage cost pressures for early years providers.

- Disability Access Fund - an increase of £185 to £800 per annum per eligible child
- Early Years Pupil Premium - an increase of £40 to £342 (maximum) per annum per eligible child
- 2 year old disadvantaged funding, in Wiltshire we have traditionally protected the increases to support this group of children and so it is likely the increase will be fully passported to settings. An increase of 0.21p per hour so rates rising to £5.69 per hour per eligible child.

- 3&4 year old universal & working parents funding - the DfE final increase is yet to be confirmed but estimated at 17p and with a minimum funding floor - until the Wiltshire allocation is received it is impossible to confirm however, it is anticipated this would be in the region of 16p per hour per eligible child so perhaps rising to £4.41 per hour per eligible child.
- Settings have been advised not to make any planning decisions on this information until the allocations for Wiltshire have been received later this month. The DfE will announce the initial early years block allocations alongside the dedicated schools grant (DSG) allocations for 2022/23 next month and final increases will be confirmed at Schools Forum in January 2022.

55. There was no mention in the government's budget of additional revenue funding specifically for high needs pupils; those with SEN & disability however, it has been announced that the long-awaited SEN Review will take place in the first three months of 2022. Following investment in SEN school places in recent years, a new national allocation of SEN Capital – (2022-23 to 2024-25) £2.6bn has been announced and this will continue to be used to expand and enhance specialist provision across the County in line with the SEN Strategy.

Next Steps and Key Dates

56. The Council's Capital Programme is being reviewed and we await the announcements of the levels of funding from Government on Capital investment that will form part of the different departments' announcements over the next month. The Council can then begin to align the capital investment required to deliver on its priorities and will present this as part of the proposed budget.

57. This report sets out the progress of the MTFs and updates on the current budget gap. It sets out the outcome of the Provisional Finance Settlement for 2022/23, noting that we still await the Final Settlement announcements and allocations due over the next month. At present there are no new saving proposals that have been factored into the Council's budget and MTFs. Cabinet have been formulating proposals around how the budget gap will be bridged and ultimately closed. This will look at all avenues open to the Council and will evaluate the service the Council provides from a statutory and discretionary level as well as the costs that fall within those services involving most notably third party spend and staffing.

58. The key date above all else is the Full Council Meeting on 15 February 2022, and prior to that the Cabinet meeting on 1 February 2022 which will set out the Cabinet's final budget proposals in order to set a balanced budget. Papers will be made available on 12 January to allow the statutory budget consultations as well as overview and scrutiny to take place during January.

Budget 2022/23 Key Timescales:

Activity / Meeting	Date
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Cabinet – Draft Budget Proposals published	12 January 2022
Financial Planning Task Group	18 & 21 January 2022
Overview & Scrutiny Management Committee	25 January 2022
Statutory consultation with Businesses	January 2022
Cabinet – Final Budget Proposals	1 February 2022
Overview & Scrutiny Management Committee	8 February 2022
Full Council Budget & Council Tax setting	15 February 2022

Overview and Scrutiny Engagement

53. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position. The draft budget will be considered by Financial Planning Task Group during January 2022.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

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

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

59. There is a statutory requirement to set a balanced budget. This update provides further visibility on the base assumptions on which the budget will be built and provides the budget gap that must be addressed to deliver a balanced budget.

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

60. The risks around the financial implications of COVID-19 on the Council have been well documented and reported on a regularly basis and this will continue throughout the recovery.
61. This report continues to report the process of setting the next financial year budget, part of that process will set out the risks facing the Council, quantify

them financially and then also advise on the level of reserves that should be held to deal with those risks.

62. Risks associated with service delivery will be raised when proposals are brought forward.

Financial Implications

63. The financial implications are set out and implicit throughout the report.

Legal Implications

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

Workforce Implications

65. Proposals around how the budget gap will be bridged and ultimately closed will be formulated over the coming months. These proposals will look at all avenues open to the Council and will inevitably look at the service the Council provides from a statutory and discretionary level as well as the costs that fall within those services most notably third party spend and staffing. Changes to workforce will be minimised in so far as they can be with mitigations such as holding vacancies where possible. Any impact on the workforce will follow the council policies and will include union consultation when appropriate.

Options Considered

66. There is a statutory requirement to set a balanced budget. This report is an update report that outlines to members the latest position in respect to the Budget 2022/23 and the Medium Term Financial Strategy following the setting of the 2021/22 budget in February 2021.

Conclusions

63. The report supports effective decision making and ensures that members are informed and updated on the latest position for the budget for 2022/23 and the times table for the next steps in approving the 2022/23 budget.

Andy Brown (Deputy Chief Executive and Corporate Director - Resources),
andy.brown@wiltshire.gov.uk

Report Authors:

Andy Brown, Lizzie Watkin, Assistant Director of Finance and Deputy S151 Officer, andy.brown@wiltshire.gov.uk, lizzie.watkin@wiltshire.gov.uk

Leanne Sykes, Head of Finance, Growth, Investment & Place

Marie Taylor, Head of Finance, Children & Education

Neil Haddock, Head of Finance, Adults

30/12/2021

Background Papers

Wiltshire Council's Financial Plan Update 2021/22, Medium Term Financial Strategy 2025/26 and Capital Programme and Strategy – 23 February 2021 Full Council - [Agenda for Council on Tuesday 23 February 2021, 10.30 am | Wiltshire Council](#)

Update on the Medium Term Financial Strategy 2022/23 – 14 September 2021 Cabinet - [Agenda for Cabinet on Tuesday 14 September 2021, 10.00 am | Wiltshire Council](#)

Financial Year 2021/22 Quarter Two Revenue Budget Monitoring – 30 November 2021 Cabinet - [Agenda for Cabinet on Tuesday 30 November 2021, 10.00 am | Wiltshire Council](#)