

# AGENDA SUPPLEMENT (1)

**Meeting:** Cabinet

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

**Date:** Tuesday 4 February 2020

**Time:** 10.00 am

---

**The Agenda for the above meeting was published on 27 January 2020. Additional documents are now available and are attached to this Agenda Supplement.**

Please direct any enquiries on this Agenda to Stuart Figini, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718221 or email [stuart.figini@wiltshire.gov.uk](mailto:stuart.figini@wiltshire.gov.uk)

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

This Agenda 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)

---

6 **Wiltshire Council's Budget 2020/21 and Medium Term Financial Strategy 2020/21 - 2024/25 (Pages 3 - 10)**

The following additional papers are attached:

- Overview and Scrutiny Management Committee report from its meeting held on 28 January 2020; and
- Final report of the Financial Planning Task Group.

|                                      |
|--------------------------------------|
| DATE OF PUBLICATION: 3 February 2020 |
|--------------------------------------|

This page is intentionally left blank

## APPENDIX to the Overview and Scrutiny Management Minutes of 28 January 2020

### Wiltshire Council

### Cabinet 4 February 2020

### Council 25 February 2020

---

#### **Report of the Overview and Scrutiny Management Committee on the Draft Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-2025**

#### **Purpose of report**

1. To report to Cabinet and Full Council a summary of the main issues discussed at the meeting of the Overview and Scrutiny Management Committee (“The Committee”) held on 28 January 2020.

#### **Background**

2. The meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question the Cabinet Member with responsibility for Finance and the Chief Executives with the Interim Director of Finance on the draft 2020-21 Financial Plan and medium-term financial strategy before it is considered at Cabinet on 4 February 2020 and Full Council on 25 February 2020.
3. The Cabinet Member for Finance and Procurement, Councillor Simon Jacobs, supported by the Interim Director of Finance and Section 151 Officer, Deborah Hindson, was in attendance along with the Leader of the Council, Councillor Philip Whitehead, and the Chief Executive Officers, Alistair Cunningham and Terence Herbert, to provide clarification and answers to issues and queries raised by the Committee.
4. In addition to the draft Financial Plan update made available on the council’s website on 20 January 2020 and other public events, a briefing from the Cabinet Member open to all elected Members was held on 23 January 2020 and was attended by 44 Members.
5. Details had included:
  - Council Tax to be increased by 1.99% and a Social Care Levy of 2%;
  - Details of the £14.683m savings proposed (of which £3.849m was identified during the 2019/20 budget process, leaving £10.834m to be identified), with a total expenditure of £344.023m;
  - Increase in the level of reserves to 5% over the MTFs period;
  - A 2.7% increase for social dwelling rents
  - The Housing Revenue Account (HRA) budget for 2020/21 to be set at £30.302m expenditure and all service charges related to the HRA being increased to cover costs, capped at £5 per week for those not on housing benefits and garage rents increased by 1.7%.
  - A forecast budget gap of £69.527m for the Medium-Term Financial Strategy period 2021/22 – 2024/25

## **APPENDIX to the Overview and Scrutiny Management Minutes of 28 January 2020**

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

6. This report is divided into sections relating to each of the Select Committee areas as budget proposals and impacts on services were discussed, before opening up to general queries.

#### Financial Planning Task Group

7. The report of the Task Group on the budget proposals was received and noted. The report and its comments would be forwarded for attention at Cabinet and Full Council along with the report of the Committee itself.
8. The Committee sought details of some of the points raised in the Task Group report, including the identification of risks when seeking savings, and in particular the new Savings Delivery Group, which would be reporting directly to the Corporate Leadership Team on achieving agreed savings.
9. Business transformation, in particular digitalisation, was highlighted as increasingly important to achieve savings. It was noted that the circa £69m of savings required in the next four years was less than had been achieved in the preceding 4 years, and there was discussion of how transformation of services could allow savings not previously achievable, but also that many simple efficiencies had already been achieved.

#### Children's Select Committee

10. Clarity was sought in relation to the Dedicated Schools Grant (DSG) where as in 2019/20 there had been an increase in demand in the High Needs Block, for this year of £4.904m. It was confirmed Schools Forum had agreed a transfer of 0.7%, £2.065m, from the Schools Block to support high needs pupils, which would require approval from the Secretary of State. the Council had requested permission to transfer up to 1% of Schools Funding (up to £2.6m) to cover the remaining shortfall for the High Needs block along with £1.300m as a one-off contribution. It was confirmed that the Department for Education had approved 0.8% to contribute to the shortfall from other blocks within DSG. It was also noted by the Committee that Wiltshire remained one of the lowest funded authorities in this area.

Additional details were also sought on future budget pressures and growth in Children's and Families, where it went from £6.596m in 2020/21 to £3.870m in 2021/22, before increasing to £5.211m by 2024/25. This was explained as 20/21 effectively having double growth reinstating some 2019/20 savings.

11. Pressures on cost of providing children's transport of £1.221m was raised, and it was stated this could decrease when arrangements for the expanded school at Rowdeford were in place.
12. The level of savings required from children and education within the bloc which included corporate services and Human Resources was also queried, as well as the £0.675m funding for the Families and Children's transformation programme.

## **APPENDIX to the Overview and Scrutiny Management Minutes of 28 January 2020**

13. Further queries were made on Special Educational Need (SEN) funding contributions from academies, impacts on services from increases in the living wage, and that circa £4m of the overall £73m savings required in the next 4 years had already been identified, hence the overall figure of circa £69m still to identify.

### Environment Select Committee

14. Details were sought in relation to waste contract delivery, as delays had resulted in significant costs in the previous financial year. In response it was stated the council was confident the new household waste and recycling collections would be operational from sometime in March 2002.
15. It was confirmed in response to queries that there were no current plans to end charging for green waste collection, and no government proposals on the subject at present.
16. It was also confirmed that free Sunday parking costs had not been included within the budget proposals.
17. Details were sought on the development of a climate change team within the proposals, and it was highlighted that the team would bring through projects like Carbon reduction funded by capital investment or savings, and that the budget cost was for staffing.
18. Other issues raised included pressures on the libraries service, and it was stated no savings were required, one off growth had been given, but there was a focus on increasing volunteering further and looking at making the service more efficient.

### Health Select Committee

19. It was confirmed that the Social Care Levy was able to be included in the budget because central government had not finalised its fairer funding formula which would revise allocations for local authorities, and therefore the amount could change in future once that was resolved, and was for 2020/21 only. It was confirmed the levy was for adult social care.
20. It was stated that approximately 62p out of every pound the council spent was on Adult Social Care and Looked After Children, and as such transformation within Adult Social Care had been responsible for significant savings in previous years and would in future years. The Committee was also interested in monitoring private sector social care for any implications for the council. It also requested a breakdown of how much of the spend was statutory, and how much was discretionary, with a discussion on the preventative effect of discretionary spending.
21. It was noted that there was continued uncertainty as to proposals from central government regarding social care, and that there could be significant changes which could impact upon council proposals, positively and negatively. It was also confirmed in response to queries that the council was in frequent contact with the Clinical Commission Group to discuss operations and financial matters.

## **APPENDIX to the Overview and Scrutiny Management Minutes of 28 January 2020**

### **Conclusion**

22. To note the Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-25 and to refer the comments of the Committee and the report of the Financial Planning Task Group to Cabinet and Full Council for consideration on 4 and 25 February 2020 respectively.
23. To welcome the Executive's positive engagement with the Financial Planning Task Group in the budget development and monitoring process.
24. To support the Financial Planning Task Group's continued focus on monitoring the delivery of the savings and efficiencies proposed in this Financial Plan Update (and of any further savings proposed throughout the year).

**Councillor Graham Wright**

**Chairman of the Overview and Scrutiny Management Committee**

---

Report Author: Kieran Elliott, Senior Democratic Services Officer, 01225 718504,  
[kieran.elliott@wiltshire.gov.uk](mailto:kieran.elliott@wiltshire.gov.uk)

30 January 2020

Annex – Report of the Financial Planning Task Group for 28 January 2020

## Wiltshire Council

### Overview and Scrutiny Management Committee

28 January 2020

---

#### Report of the Financial Planning Task Group:

#### Wiltshire Council Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020/21-2024/25

The Task Group met with the following to discuss the reports on 23 January 2020:

|                       |  |
|-----------------------|--|
| Cllr Philip Whitehead | Leader of the Council                                |
| Cllr Simon Jacobs     | Cabinet Member for Finance and Procurement           |
| Alistair Cunningham   | Chief Executive Officer (Place)                      |
| Terence Herbert       | Chief Executive Officer (People)                     |
| Deborah Hindson       | Interim Director for Finance and Section 151 Officer |
| Matthew Tiller        | Chief Accountant                                     |
| Lizzie Watkin         | Head of Corporate Finance and Deputy S151 Officer    |

Observing:

|                    |   |
|--------------------|---|
| Cllr Graham Wright | Chairman, OS Management Committee           |
| Cllr Bob Jones MBE | Vice-chairman, Environment Select Committee |
| Paul Kelly         | Head of Democracy                           |

| <b>Issue</b><br>(page and paragraphs numbers refer to the <a href="#">Budget Report</a> ) | <b>Further information / Comments</b>   |
|---|---|
| (Para 16)<br><b>Social Care Levy</b>  | It is assumed that local authorities' ability to collect the Social Care Levy (rising by 2% in 2020-21 only) will remain until Central Government provides an alternative model that makes social care funding sustainable. |
| (Para 28 table)<br><b>Climate Change Team</b>   | This is a £350k investment to meet the staffing costs of a climate change team, remaining static in subsequent years.   |
| (Para 28 table)<br><b>External footpaths and cycle paths</b>                              | The £100k budgeted is to fund staff for identifying and progressing footpaths and cycle paths so that the council can take advantage of Central Government funding expected this year.                                      |

|  |  |
|--|--|
| <p>(Para 32)<br/><b>Savings Delivery Group</b></p>           | <p>Once established, this will be an officer group to ensure the delivery of savings. An operational group will look at savings delivery plans while a senior board will exercise further challenge. The group will look at business plans behind proposed operational changes to ensure that they are deliverable and will monitor previous year undelivered savings and future years' savings. Delivery of headline savings will continue to be reported via the budget monitoring reports brought to Cabinet and the Task Group, with deliverability RAG-rated.</p> <p>The task group queried whether the group could also be proactive in terms of identifying additional savings opportunities.</p> |
| <p>(Para 42)<br/><b>Designated School Grant (DSG)</b></p>    | <p>Following the Special Educational Needs (SEN) restructure in November 2019, a challenging recovery plan was approved by Schools Forum on 16 January 2020. Schools Forum also agreed a transfer of 0.7% (£2.065m) of grant from the schools block of funding to support high needs pupils. A formal disapplication request has now been submitted to the Secretary of State to permit this, with approval anticipated. Schools Forum is working with officers on a wide range of plans to reduce the commitment on the high needs block and national lobbying on funding continues.</p> <p>Paragraph 42 will be amended to reflect situation after approval by Schools Forum.</p>                      |
| <p>(Para 57)<br/><b>Topping up General Fund Reserves</b></p> | <p>It was confirmed that the recommendation to adopt General Fund Scenario 3 (representing the largest injection of cash into General Fund Reserves) represents the advice of the Section 151 officer and is intended to retain the council's reserves at the 5% of budget total (currently 4.4%). Wiltshire's reserves are low compared with most comparator authorities, but it remains policy to operate at 'minimum reserves' to maximise the funds available for investment.</p>  |
| <p>(Para 66)<br/><b>Business Transformation</b></p>          | <p>The SAP improvement programme presents enormous opportunities for broad efficiencies, to be fully implemented by 2022.</p> <p>An Head of Organisational Design and People Change has been appointed to ensure that all</p>  |



|   |   |
|---|---|
|   | <p>transformation programmes have a strong people focus in order to achieve the necessary cultural change. There may be a benefit in members becoming more aware of how the council successfully drives culture change as part of all service transformations.</p> <p>There will also be more consistent performance management with people held to account for delivery of their objectives.</p>   |
| (Appendix A)<br><b>Rates Retention</b>                  | The level has reduced in 2020-21 (£56.6m) due to a technical adjustment. The council has to pay Central Government back a certain percentage if it collects more business rates than originally projected.  |
| (Appendix B)<br><b>Capital Costs</b>                    | <p>A breakdown of capital cost projections is set out in paragraph 28 (table).</p> <p>The council expects to invest around £800M in capital programmes across the next 10 years.</p>  |
| (Appendix F para 13)<br><b>Government funding</b>       | An update from Central Government on the Fair Funding Review is not expected prior to the council's 2020-21 budget being adopted. However, announcements are expected later in the year. In deciding the outcomes of the review Central Government will need to consider the potential impact on high need/low rate collecting local authority areas if there was a significant shift towards greater rate retention by collecting authorities. |
| (Appendix F para 13-15)<br><b>Business Rates Review</b> | <p>The task group requested more detail about the potential changes to income collections and a sector by sector split of rateable values.</p> <p>There is some risk with projecting business rate receipts from the Ministry of Defence (MOD) because there can be delays to the assessments of MOD assets' rateable values due to security access requirements for assessors</p>  |
| (Appendix F para 17)<br><b>Interest</b>                 | In general, Central Government wants to encourage local authorities to invest, but there is no certainty at present in terms of possible changes to local authority borrowing rates.  |

|                                   |   |
|-----------------------------------|---|
| <b>Police ICT</b>                 | Following Wiltshire Police’s decision to withdraw from the council’s ICT system (due to national security requirements for police ICT) both parties are negotiating how the expense of the change will be shared. The change will mean a reduction of income to the council, but also a reduction in its costs.   |
| <b>Addressing the funding gap</b> | <p>The 2020-21 budget presents those savings proposals that have already been submitted (by budget holders),challenged and approved. The other savings proposals submitted will continue to be assessed by the Savings Delivery Groups, with bigger savings areas considered by the relevant programme boards.</p> <p>Although it may appear to be the headline figure, the £69M budget gap over four years is significantly less than the total amount of savings achieved over the last four years and is deliverable</p> |

---

**Cllr Ian Thorn, Chairman of the Financial Planning Task Group**

Report authors:

Simon Bennett, Senior Scrutiny Officer, 01225 718709,  
simon.bennett@wiltshire.gov.uk

Henry Powell, Scrutiny Lead, 01225 718052, [henry.powell@wiltshire.gov.uk](mailto:henry.powell@wiltshire.gov.uk)