

Wiltshire Council

Overview and Scrutiny Management Committee

7 February 2023

Meeting of the Overview and Scrutiny Management Committee Report on Proposed Amendments for the 2023/24 Budget

Purpose of report

1. To report to the Overview and Scrutiny Management Committee the proposed amendments from Cllr Ian Thorn and Cllr Gavin Grant to the budget recommended to Cabinet on 31 January 2023 for the committee to appraise and raise any comments to Full Council.

Background

2. This meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question Cllr Ian Thorn and Cllr Gavin Grant, on the proposed amendments before the budget is considered by Full Council on 21 February 2023.
3. The Member proposal is amendment to the proposed Cabinet budget, as set out as follows:
 - To include an additional £0.350m for discretionary Council Tax Reliefs to support households in receipt of Council Tax Relief (CTR) support where there is a balance of Council Tax to be paid to apply an additional £25 discretionary relief for 2023/24 only.
 - To include an additional £0.300m revenue budget for funding additional Council Tax relief to support households with most pressed individuals and families hit by the cost of living crisis.
4. The above proposal has the following impact on the 2023/24 base budget:

Proposal	Impact £m
Additional £0.350m budget for discretionary Council Tax Reliefs applied as an additional £25 per household in receipt of CTR	0.350
Additional £0.300m budget for general discretionary Council Tax Reliefs	0.300
Total pressure of proposals	0.650
Funding Proposal of Pressure for 2023/24	

2023/24 – Use of Collection Fund Surplus received in the 2023/24 year and reduce the contribution to the Collection Fund Volatility Reserve	0.650
Funding Proposal of Pressure for future years	
2024/25 & 2025/26 – nil impact	nil

5. The proposal has the effect of adding an additional budget in the 2023/24 financial year which results in a revenue pressure, with proposals for funding this pressure set out in the table above. The impact of the funding of the proposal has the effect of reducing the contribution to the Collection Fund Volatility Reserve by £0.650m in 2023/24, the balance of which will then be forecast to be £10.169m at the end of 2023/24 financial year. This reduces the reserves available to cover the General Fund risks to 134% at the end of 2023/24.

S.151 Officer Comments

6. The proposal has been costed and this has been included in the figures above. This identifies that the amendment balances and therefore does not impact on the 2023/24 base budget proposed in the original paper to Cabinet and in doing so meets the financial test for an amendment to the budget to be considered by Full Council.
7. The Government announced on 23 December 2022 that councils would receive additional grant funding to support residents in receipt of Council Tax Relief. Wiltshire is anticipated to receive £0.676m from this grant to apply to all those residents in receipt of Local Council Tax Support (LCTS) and has committed to apply an additional £25 per household, which would leave a balance of approximately £0.280m of grant unallocated to add to the discretionary pot.
8. The amendment increases the discretionary one-off pot held by the Council which currently stands at £0.312m. The Council averages around £0.150m per financial year, which would leave a balance of £0.162m going forward into 2023/24 where the unallocated grant from Government would then be added, leaving a balance of £0.442m. Based on the average use this balance would last almost 3 financial years, but would be dependent on the number of residents that meet the criteria for discretionary relief.
9. This amendment would therefore increase the balance of this pot to £0.742m, which either provides more capacity to review the criteria of the existing discretionary policy and apply to more or extends the balance life to nearly 5 financial years.
10. The amendment proposes that £0.650m of the £8.1m surplus be utilised to fund this one off amendment in 2023/24. The current proposal in the budget is for the one off surplus to be transferred to the collection fund volatility reserve. Whilst this reserve is forecast to stand at £10.8m at the end of 2023/24, it will therefore be reduced to £10.2m if successful. The amendment should be seen in the context of reducing the

ability the council has to be able to deal with the potential financial shock and volatility that is inherent within the collection fund.

11. Given the size of the collection fund it would not take much movement to have a considerable financial impact on the council's finances. A 1% error on the collection fund equates to a £3.8m.

Monitoring Officer Comments

12. Subject to the views of the Chairman of the Council and subject to this proposal being moved in accordance with the Rules of Procedure in Part 4 of the Constitution, this is an appropriate amendment within the meaning of Rule 20.6. There are no other legal implications.

Head of Paid Service Comments

13. As Head of Paid Service, I can confirm that officers have provided independent advice. We are aware of the full details of the amendments, and they are policy amendments in nature.

Conclusion

14. Overview and Scrutiny Management Committee are asked to consider the proposed amendments to the financial plan 2023/24 and inform Full Council on 21 February 2023.