

**APPENDIX to the Overview and Scrutiny Management Committee Minutes of 24
January 2023
Wiltshire Council**

Cabinet 31 January 2023

Council 21 February 2023

**Report of the Overview and Scrutiny Management Committee on the Draft Budget
2023/24 and Medium-Term Financial Strategy 2023/24 2025/26**

Purpose of report

1. To report to Full Council a summary of the main issues discussed at the meeting of the Overview and Scrutiny Management Committee held on 24 January 2023.

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 Executive with the Corporate Director of Resources and Deputy Chief Executive (S151 Officer) on the draft 2023-24 budget and Medium-Term Financial Strategy before it is considered at Cabinet on 31 January 2023 and Full Council on 21 February 2023.
3. The Cabinet Member for Finance, Councillor Nick Botterill, supported by the Corporate Director of Resources and Deputy Chief Executive (S151 Officer), Andy Brown was in attendance along with the Leader of the Council, Councillor Richard Clewer and the Chief Executive, Terence Herbert to provide clarification and answers to issues and queries raised by the Committee.
4. In addition to the Draft Budget 2023/24 and Medium-Term Financial Strategy made available on the Council's website on 23 January 2023 and other public events, a briefing had been provided for the Financial Planning Task Group on 19 January 2023, open to all elected Members, to explain the budget and for technical questions to be answered.
5. Details had included:
 - The net general fund budget of 2023/2024 was proposed as £465.372m.
 - Council Tax requirement for the Council be set at £332.187m for 2023/24 with a Band D charge of £1,719.90, an increase of £1.57 per week; which would be a 2.99% general increase plus a levy of 2% to be spent solely on Adult Social Care.
 - The Housing Revenue Account (HRA) budget for 2023/2024 was proposed as £26.401m.
 - A 7% increase for social dwelling rents and a 5% increase in all service charges related to the Housing Revenue Account (HRA) to cover costs and garage rents.

APPENDIX to the Overview and Scrutiny Management Committee Minutes of 24 January 2023

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.
7. Attached to this report is a document setting out the questions raised by each Select Committee, with written answers provided by officers.

Financial Planning Task Group

8. The report of the Financial Planning Task Group on the budget proposals was received. The report and its comments would be forwarded for attention at Cabinet and Full Council along with the report of the Overview and Scrutiny Management Committee itself.

Children's Select Committee

9. In relation to charging and academies and Council investment, it was outlined that the Council has some additional statutory duties in education welfare, which would not be funded from central government and therefore the Council would need to invest to cover demand.
10. Further information was requested around latent demand, with it clarified that the total to be drawn down from the latent demand reserve relating to children's services would be £2.8million over the years 2023/24 through to 2025/26.
11. Regarding the High Needs Block, it was noted that the Overview and Scrutiny Management had a task group on this, with a range of strategies in place to address issues including Delivering Better Value programme with the DfE. Up to £1.6million from the Council transformation reserve has been agreed to be used over 3 years to support this area as well with a government grant of an estimated £1million to be available under the DfE's Delivering Better Value (DBV) programme.
12. Clarification was sought as to whether reductions in spend, such as for Early Years support in settings and schools, represent a reduction to services and the minimum statutory service. It was noted that there has been dialogue to shift work towards early prevention in SEND and that the Council would continue to provide statutory duties but would not necessarily be able to deliver the same level with reduced spend. It would therefore be important to monitor demand. Additionally, grant funding would be used such as the supporting families grant to continue to meet targets and maximise output.
13. Clarity was provided regarding the overspend within Quarter 2 for Children Services, with it noted that SEND transport, issues identifying contractors and the cost of fuel had pushed up costs as well as having to place children into higher cost placements than required for their need due to availability.

APPENDIX to the Overview and Scrutiny Management Committee Minutes of 24 January 2023

14. It was clarified that the capital budget had not been reduced in comparison to previous years, and external factors were impacting on capital spend such as the availability of contractors and confidence of delivery.
15. It was questioned whether revenue would be freed up within the budget due to the anticipated reduction in capital spend, to which it was stated that re-profiling had taken place to reflect delivery and costs and the revenue impact also reprofiled.
16. In relation to year 2 of the MTFs, it was questioned why there would be extra costs involved in the budget when there would be less work taking place, to which it was clarified that the timing of borrowing is an important factor with borrowing assumed to take place at the end of financial years and any slippage having an impact in future years.
17. It was highlighted that there had not been a reduction to the maintenance budget of schools and that this would be spent within this year's allocated budget.
18. It was questioned whether a Council joined up approach to the cost of living would provide savings, with it noted that the Council would be utilising existing Council owned spaces as well existing staff and this was joined up.
19. It was questioned whether the Dedicated Schools Grant would always come from the government, with it noted that the Department for Education would likely move away from local authority and school forum control and that the grant would be unlikely to move to local authority control.
20. Regarding Whole Life Pathway, it was stated that the Council was looking to make savings based on different commissioning strategies as well as looking to move away from using higher cost placements.
21. Clarity was sought on the "badging" of grants, with it noted that the grants for supporting families, unaccompanied asylum seeking children and domestic abuse grants were being used differently. The Council has used the grants to help fund staffing in line with grant conditions.
22. Regarding staffing and caseloads, it was clarified that there would be a drive on decreasing vacancy rates and ensuring that those on roll were permanent rather than agency staff, which costs more.
23. The sale of Hayburn Wyke was clarified, with the Council needing a smaller and more conventional property to meet needs, with Stonecircle identified as a potential option and saving for the Council.
24. Clarification was provided around the increased cost of SGOs as there was a planned inflation increase of 4.5%.

APPENDIX to the Overview and Scrutiny Management Committee Minutes of 24 January 2023

25. Clarity was provided in relation to children's homes, with it noted that the budget would include the purchase of two properties and the refurbishment of a third property.

Health Select Committee

26. Clarity was sought regarding care savings, with it noted that the Care Act allows the Council to consider the best value as a local authority when considering individuals care and support needs. Needs assessments take place with individuals and their families to identify what care can be provided with the resources available. Additionally, the Council is looking to make savings through reduced reliance on traditional care homes and domiciliary care type provision.
27. It was noted that the £1million saving identified through client contributions happens each year and was not a change but rather a result of inflationary changes.
28. Regarding savings that had been identified as undeliverable in Quarters 1 and 2, it was stated that though the social care market was volatile, savings could potentially be made as part of a transformation programme, which would focus on diversifying the care market and collaborating more with voluntary and community provisions for greater sustainability. It was suggested that savings would be developed through efficiencies in processes, such as maximising block contracts.
29. It was stated that Shared Lives would have capacity for better value and that where the Council uses Shared Lives more than other provisions, it is a lower cost. It was stated that the service had some recent investment and was sufficient at this time to increase capacity so therefore recruitment was looking to take place with a view to Shared Lives supporting other functions such as hospital discharge.
30. Regarding Adult Care Transformation, it was stated that total savings from the programme would be investigated within the coming weeks.
31. It was questioned whether there was confidence that there would be a Social Care Reform following the Social Care Levy after the next 2 financial years, to which it was stated that this was unlikely. It was stated we are working towards reforms taking place in 2025 as indicated by government.
32. Regarding joint funding policy implementation with the ICB, it was suggested that such savings would be dependent on further work.
33. It was questioned where there would be a production of a new and improved Better Care Plan, to which it was stated that the Better Care Plan is being reviewed and as several schemes had been commissioned 5-years ago and after the pandemic the use of that funding had changed and there would now be a need to refocus to maintain individuals living in their homes as much as possible.
34. Questions were raised regarding technology-enabled care (TEC), recruitment, and assumptions of how TEC will contribute to savings. It was clarified that this was a new

APPENDIX to the Overview and Scrutiny Management Committee Minutes of 24 January 2023

area for the Council and that there had been some success recruiting to key posts and that savings assumptions had been made based on the evaluation of using tech in small packages of care.

35. Clarity was sought regarding pay increases and inflation, with it noted that for 2022/23 the pay award had been an average of 6.6% increase in overall pay and that in 2023/24 the pay award increase in budget is estimated 4.5% increase on pay, with the following 2 years after being 2.5%. It was outlined that the Bank of England November 2022 monetary policy report had been used to estimate contractual inflation linked to CPI, with inflation set to decline over the calendar year of 2023 to be at 2% in December 2023, having dropped from its current level of 10.5%.

Environment Select Committee

36. Clarity was sought on whether the leisure income growth, which had been set at £1.55m over the MTFs period, could be achieved; to which it was clarified that a stretch target had been set for place services, which had been noted within the risk assessment. The base budget had been stretched to meet a further demand and income target as well as a growth in fees, charges and usage. Reference was made to a current case with Chelmsford Borough Council, which if successful would see a VAT gain received by the Council.
37. Regarding changes to household recycling centre opening times, it had been identified that attendance during the final hour of operation had been minimal and that there would be an increase in the budget for fly-tipping prevention work.
38. Regarding inflationary pressures factored into the Street Scene contract awarded in March 2022, it was clarified that though this contract had been awarded prior to inflation, standard NEC4 contract terms had been applied to use standard indices to calculate inflation which would then be automatically applied on an annual basis.
39. In relation to reductions to Street Scene provision to “statutory levels”, it was clarified that the following four key areas for savings had been identified: Reductions in litter bin emptying, statutory responding to street cleansing and litter complaints, play areas would continue under current delegation to Parish and Town Councils, reducing the frequency of grass cutting moving to a reactionary service driven on reports.
40. Clarification was sought in relation to savings proposals for re-patterning and reducing bus services, to which clarity was provided that all routes across networks would be assessed and any cessation would be based on usage and alternatives available.

General Queries

41. Clarity was sought on whether savings would be achieved through the implementation of the Evolve Programme (Oracle system) and if this had not been included within the budget, how would current difficulties affect the MTFs. It was stated that no savings had been predicated on the implementation of the Oracle System, though conversations had taken place with core services and directors to discuss the required

APPENDIX to the Overview and Scrutiny Management Committee Minutes of 24 January 2023

structures needed. Additionally, such services had identified savings, but these would not be realised until the specification had been signed off and the benefits mapped out before being crystallised into the budget. A decision had been made not to include any potential Evolve Programme savings in the budget until further clarity and delivery confidence had been gained.

42. It was questioned where in the budget was the money allocated from supporting Ukrainian refugees and whether any unspent amount would be liable for return to central government. It was clarified that this had not been included as part of the net-based budget as it is funded by grant from government. The Council was looking to utilise the grant to acquire homes to house Ukrainian families and any unspent grant is assumed to be returnable to government.
43. It was questioned how the Council would be maintaining staff motivation and retention, to which it was clarified that from a transformation perspective a reserve had been established to undertake such projects without using existing budgets. The example of the Evolve Programme was cited, where staff had been moved with their roles backfilled whilst they then gained expertise of a new system with plans for knowledge transfers to take place to develop others. Savings would be made through the removal of vacant posts, with work also having been undertaken by HR to benchmark salaries and ensure that the Council is competitive with neighbouring organisations. Health and Wellbeing had also been identified as a top priority for the Council, with activity taking place such as staff health checks.
44. A further question was asked in relation to staffing, with concern raised that the removal of posts could lead to front line workers potentially having to conduct back-office tasks to keep services running. It was clarified that assessments had been undertaken by Heads of Services and Directors when setting proposals to identify the right vacant posts to be removed and how this would impact on service delivery. The total number of removed posts in the context of all the proposed savings and the overall workforce would be minimal.

Conclusion

45. To note the Draft Wiltshire Council budget for 2023-24 and Medium-Term Financial Strategy for 2023-24 to 2025-26 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 31st January and 21st February respectively.
46. To support the Financial Planning Task Group's ongoing monitoring of the delivery of the budget and the development of the budget for 2024-25.

Councillor Graham Wright Chairman of the Overview and Scrutiny Management Committee

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