

**Wiltshire Council**

**Overview and Scrutiny Management Committee**

**26 July 2023**

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## **Financial Planning Task Group Update**

### **Year End Capital Investment Programme Financial Outturn Position 2022/23**

#### **Purpose**

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 7 July 2023 regarding the Year End Capital Investment Programme Financial Outturn Position 2022/23.

#### **Background**

2. The Financial Planning Task Group (FPTG) is a standing task group reporting to the Overview and Scrutiny Management Committee.

#### **Membership**

3. The membership of the task group is as follows:

Cllr Gavin Grant (Vice-chairman)  
Cllr Gordon King  
Cllr Charles McGrath  
Cllr Richard Britton  
Cllr Pip Ridout (Chairman)  
Cllr Ian Thorn  
Cllr Elizabeth Threlfall  
Cllr Mark Verbinnen

#### **Terms of Reference:**

4. The terms of reference of the task group are:
  - a) To review the council's draft Financial Plan, Medium-Term Financial Strategy (4-year financial model) and Treasury Management Strategy, reporting its findings to OS Management Committee.
  - b) To undertake regular monitoring of the council's capital and revenue budgets (including the delivery of savings), ensuring that mid-year trends and developments are considered when the council's Financial Plan is updated.

- c) To undertake ongoing review of the council's financial position, including the monitoring of reserves, investments, debt, and financial risks.
- d) Where they materially affect the council's overall financial position, to consider the council's:
  - i. approach to strategic procurement
  - ii. major contracts
  - iii. financial investment in, and liability to, its wholly owned subsidiaries.
- e) To help develop the council's approach to the annual budget setting cycle, including the specific contribution of Overview and Scrutiny.
- f) To bring regular reports to OS Management Committee, highlighting key financial developments and risks for further discussion.

### **Year End Capital Investment Programme Financial Outturn Position 2022/23**

The Task Group met on 7 July 2023 to discuss the reports going to Cabinet on 11 July 2023, also present were:

Lizzie Watkin	Director of Finance
Leanne Sykes	Head of Finance Growth Investment & Place

#### **Observing:**

Cllr Graham Wright	Chairman, OS Management Committee
Cllr Chris Williams	Vice-Chairman, OS Management Committee
Cllr Jerry Kunkler	Chairman, Environment Select Committee

### **Year End Capital Investment Programme Financial Outturn Position 2022/23**

<b>Issue</b> (Page and paragraphs numbers refer to the reports)	<b>Further information / Comments</b>
<b>Subsidy to Stone Circle</b> (para 49-53)	There is no subsidy. Stone Circle assets would revert to the council if the company were dissolved. Any loan value would be covered by the assets but any decline in property values may have an adverse effect. Therefore, the council needs to retain confidence in the overall asset value.
<b>Stone Circle loans</b> (Para 102)	In 2022/23 it was agreed that interest rate for the council loans would be 3%. Stone Circle has estimated 5%-7% future interest rates in their current business plan. This will be reviewed next year.

<b>Treatment of housing assets in the housing programme</b>	Not a simple picture as it depends upon individual decisions. Stone Circle items are loans so are shown as a loan in the capital account. Capital loans are anticipated to be repaid in future. The Government might change financial regulations around loans to subsidiaries. Housing Revenue Account (HRA) activity will appear in the HRA account. In future it will be clearly set out in the reporting where the spend is and where the money comes from.
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**Cllr Pip Ridout, Chairman of the Financial Planning Task Group**

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