

Wiltshire Council

Overview and Scrutiny Management Committee

15 November 2023

Financial Planning Task Group Update

Financial Year 2023/24 - Quarter Two Capital Budget Monitoring

Purpose

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 10 November 2023 regarding the Financial Year 2023/24 - Quarter Two Capital Budget Monitoring.

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 Pip Ridout (Chairman)
Cllr Ian Thorn
Cllr Ruth Hopkinson
Cllr Graham Wright
Cllr Chris Williams

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.

Financial Year 2023/24 - Quarter Two Capital Budget Monitoring

The Task Group met on 10 November 2023 to discuss the reports going to Cabinet on 14 November 2023, also present were:

Cllr Nick Botterill	Cabinet Member for Finance, Development Management and Strategic Planning
Lizzie Watkin	Director Finance & Procurement (S151 Officer)

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Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
What are the risks associated with the Stone Circle loan, particularly with the revised business plan (para 56-57)	The council has changed its approach and is beginning to set aside minimum revenue provision (MRP) for the loan value until the company presents a revised business plan that demonstrates it can make loan repayments over the original business plan period. Real risk is not about repaying the loan, as the Stone Circle properties cover the loan, the risk is about the continuing value of those properties.
Is the council's housing building programme on target and on budget? (para 71)	More will be put into the narrative in future regarding what was planned and what is expected.
What are the implications of a £50m-£60m underspend on the capital programme borrowings? (paras 110-117)	Not clear what potential underspend will be or what part of that would be MRP. Any MRP for following year (2024/25) is based upon the Q3 forecast of the previous. Would be useful in future to understand which part of borrowing is from government and which is not.

Is the Capital Investment Programme Board delivering change quickly enough, as the overall forecast spend figures 2023/24 are still not realistic? (para 127-130)	Process has been beneficial in reprofiling into later years, but impact might not be as effective as desired. The council is continuing to learn from the programme.
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Cllr Pip Ridout, Chairman of the Financial Planning Task Group

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