

# AGENDA SUPPLEMENT (1)

**Meeting:** Overview and Scrutiny Management Committee  
**Place:** The Kennet Room - County Hall, Trowbridge BA14 8JN  
**Date:** Tuesday 28 January 2020  
**Time:** 10.30 am

---

The Agenda for the above meeting was published on 20 January 2020. Additional documents are now available and are attached to this Agenda Supplement.

Please direct any enquiries on this Agenda to Kieran Elliott, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line (01225) 718504 or email [kieran.elliott@wiltshire.gov.uk](mailto:kieran.elliott@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 Financial Plan Update 2020-2021 and Medium Term Financial Strategy 2020-2025 (Pages 3 - 8)**

Budget meeting procedure and report of the Financial Planning Task Group.

This page is intentionally left blank

**Wiltshire Council**

**Overview and Scrutiny Management Committee**

**28 January 2020**

---

## **Process for the annual budget meeting of Overview and Scrutiny Management Committee**

1. The Overview and Scrutiny Management Committee is asked to scrutinise the budget papers in accordance with previously agreed procedure and in the context of:
  - The briefing to all councillors on the budget setting process which will take place on 23 January 2020;
  - Any initial views from public consultation events;
  - Remarks from the Leader of the Council, Cabinet Member for Finance, Interim Director of Finance and any input from the Chief Executive Officers or other Cabinet Members;
  - The meeting of the Financial Planning Task Group.
  - The views of the Chairman and Vice-Chairman of the Select Committees
2. The Financial Planning Task Group will have gained knowledge throughout the year whilst undertaking budget monitoring on the issues that have caused pressures, the underlying reasons and mitigating actions. They will have taken a view on the robustness of the responses including variations made and on the overall effectiveness of budget management. It is important that this knowledge from the current year and how these matters will be addressed for 2020-21 are included in today's debate.
3. Likewise, the Select Committees, through the reviews they have undertaken in terms of policy development and service variation during the year, will have been aware of the financial implications (and commitments given or efficiencies expected) of each. The committees will have had ongoing dialogue with their respective cabinet members, portfolio holders and senior managers regarding implementation so it is important that an opportunity is given to the Chairman and Vice-Chairman of the Select Committees to comment on whether these commitments and efficiencies have been reflected in the budget proposals.
4. Having heard from those with a direct responsibility and interest, the Chairman will open out the debate to the Management Committee members to make enquiries of the Executive representatives based on the Financial Plan Update report (see next item) and what has been said.
5. As in previous years, the Committee is asked to focus on the main strategic and policy issues and not those that sit at an operational officer level.

6. The Chairman will look to gain consensus to the key points made as the meeting moves through the debate. These key points will be listed in the minutes and form a report to Cabinet on 4 February 2020 and Council on 25 February 2020.
7. An additional meeting of the Committee to scrutinise any opposition group or other amendments to the budget before Council has also been arranged for 11 February 2019.

---

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

## 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> (page and paragraphs numbers refer to the <a href="#">Budget Report</a> )	<b>Further information / Comments</b>
(Para 16) <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) <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) <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) <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) <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) <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) <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) <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) <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) <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) <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) <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)