

AGENDA SUPPLEMENT (1)

Meeting: Overview and Scrutiny Management Committee
Place: The Kennet Room - County Hall, Trowbridge BA14 8JN
Date: Thursday 14 July 2022
Time: 10.30 am

The Agenda for the above meeting was published on 6 July 2022. Additional documents are now available and are attached to this Agenda Supplement.

Please direct any enquiries on this Agenda to Ben Fielding, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718656 or email benjamin.fielding@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

- 6 **Year End Revenue Financial Out-turn Position 2021/2022 (Pages 3 - 6)**
- 7 **Year End Capital Investment Programme Financial Out-turn Position 2021/2022 (Pages 7 - 10)**
- 8 **Treasury Management Out-turn Report 2022/23 (Pages 11 - 14)**
- 9 **Executive Response to the Report of the Asset Transfer Policy Rapid Scrutiny Exercise (Pages 15 - 20)**

DATE OF PUBLICATION: 11 July 2022

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Wiltshire Council

Overview and Scrutiny Management Committee

14 July 2022

Financial Planning Task Group Update

Year End Revenue Financial Outturn Position 2021/22

Purpose

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 8 July 2022 regarding the Year End Revenue Financial Outturn Position 2021/22.

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 George Jeans
Cllr Gordon King
Cllr Charles McGrath
Cllr Bill Parks
Cllr Pip Ridout (Chairman)
Cllr Elizabeth Threlfall

Terms of Reference:

4. As agreed at the Overview & Scrutiny Management Committee (OSMC) on 19 May 2022 the terms of reference of the task group have been amended to clarify its responsibilities regarding financial risk, savings, capital budgets and reserves.
 1. 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.
 2. 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.

3. To undertake ongoing review of the council's financial position, including the monitoring of reserves, investments, debt, and financial risks.
4. 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.
5. To help develop the council's approach to the annual budget setting cycle, including the specific contribution of Overview and Scrutiny.
6. To bring regular reports to OS Management Committee, highlighting key financial developments and risks for further discussion.

Year End Revenue Financial Outturn Position 2021/22

The Task Group met on 8 July 2022 to discuss the reports going to Cabinet on 12 July 2022, also present were:

Cllr Richard Clewer	Leader of the Council and Cabinet Member for Finance and Procurement, MCI, Economic Development, Heritage, Arts, Tourism and Health and Wellbeing
Cllr Caroline Thomas Andy Brown	Portfolio Holder Finance & Procurement Corporate Director Resources & Deputy Chief Executive (S151 Officer)
Lizzie Watkin	Assistant Director Finance

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 Revenue Financial Outturn Position 2021/22

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Council reserves position	Historically, the Council has kept reserves low, compared to other comparable local authorities. The Council does not want to hold excessive reserves, but it is a fine balance. The General Fund Reserve is now at a position to weather unforeseen pressures. There are other reserves to cover pressures of inflation and pay awards. The Council is likely to overspend 2022/23 but it now has

	reserves to deal with those pressures. Future Government settlements may include uplifts to cover some of the financial challenges, but Council can deal with pending financial risks.
Latent demand reserve (para 9)	At the end of 2021/22 £7.895m remained set aside for latent demand. The financial position for the year is an underspend so the reserve has not been drawn upon, and demand costs have been managed. There is potential demand for services still stored up and this may work through this financial year. It is prudent to retain the reserve, however if this year is like last year, then the need to continue to set monies aside in this reserve will be reviewed. The review point will be part of the budget setting process in Q2-Q3. It was noted that services can request a drawn down of the reserve where evidence of new demand is in excess of the budget. There are some issues on the horizon for which it would be helpful to maintain the reserve, like adult social care reforms. The Cabinet can decide to refine the reserves policy in the light of emerging developments.
Learning Disabilities & Autism Support (para 26)	This had an underspend of £2.512m some of which was due to the 'over-recovery of income'. The collection of client contribution for care were correct but the budget had been set at lower level than the recovery should have been. This will be addressed in forthcoming budgets.
Flexible capital receipts (para 88)	Leisure services has had £0.717m of capital receipt freed up, this is identified in table 11, para 137. Transition costs can therefore be covered by revenue rather than capital receipts.
Designated Schools Grant (DSG) (para 119)	This deficit can only realistically be managed with the help of central government. The risk has increased, but it is a national problem, and the Council is not alone in having a deficit. The £26m cumulative deficit, does not currently affect the council's operations. The deficit is rising by about £6-8m per year and will appear as a risk in the budget in future.

Cllr Pip Ridout, Chairman of the Financial Planning Task Group

Report author: Simon Bennett, Senior Scrutiny Officer, 01225 718709
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Wiltshire Council

Overview and Scrutiny Management Committee

14 July 2022

Financial Planning Task Group Update

Year End Capital Investment Programme Financial Outturn Position 2021/22

Purpose

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 8 July 2022 regarding the Year End Capital Investment Programme Financial Outturn Position 2021/22.

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)
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Year End Capital Investment Programme Financial Outturn Position 2021/22

The Task Group met on 8 July 2022 to discuss the reports going to Cabinet on 12 July 2022, also present were:

Cllr Richard Clewer	Leader of the Council and Cabinet Member for Finance and Procurement, MCI, Economic Development, Heritage, Arts, Tourism and Health and Wellbeing
Cllr Caroline Thomas Andy Brown	Portfolio Holder Finance & Procurement Corporate Director Resources & Deputy Chief Executive (S151 Officer)
Lizzie Watkin	Assistant Director Finance

Observing:

Cllr Graham Wright Cllr Chris Williams Cllr Jerry Kunkler	Chairman, OS Management Committee Vice-Chairman, OS Management Committee Chairman, Environment Select Committee
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Year End Capital Investment Programme Financial Outturn Position 2021/22

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Re-profiling (Table 1)	<p>The shift of capital programme funding is shown in table 1. Re-profiling year on year is not helpful.</p> <p>The Asset Gateway Group is an operational officer group which looks at disposing of assets, but this is now being expanded to look at re-profiling of funds in a more consistent way and will defer to Cabinet</p>

	regarding political decisions about scheduling or re-scheduling projects.
2021/22 Slippage (Table 3)	The Council is developing an enhanced reporting programme which means that it will be more apparent where slippages are and that there is a list of programmes that are ready to move if and when the capacity allows.
S106 agreements/contributions (Appendix B)	If S106 funds are received and not yet spent, then this will appear on the balance sheet until they are used. There are some time limits on when funds can be used. However, there is a robust assurance process, where funds are monitored, and terms are captured. This also means that specific parts of S106 are drawn down at the right time for the right purpose. CiL programmes are included in the capital reports and in budget setting.

Cllr Pip Ridout, Chairman of the Financial Planning Task Group

Report author: Simon Bennett, Senior Scrutiny Officer, 01225 718709
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Wiltshire Council

Overview and Scrutiny Management Committee

14 July 2022

Financial Planning Task Group Update

Treasury Management Outturn Report 2022/23

Purpose

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 8 July 2022 regarding the Treasury Management Outturn Report 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 George Jeans
Cllr Gordon King
Cllr Charles McGrath
Cllr Bill Parks
Cllr Pip Ridout (Chairman)
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6. To bring regular reports to OS Management Committee, highlighting key financial developments and risks for further discussion.

Treasury Management Outturn Report 2022/23

The Task Group met on 8 July 2022 to discuss the reports going to Cabinet on 12 July 2022, also present were:

Cllr Richard Clewer	Leader of the Council Leader of the Council and Cabinet Member for Finance and Procurement, MCI, Economic Development, Heritage, Arts, Tourism and Health and Wellbeing I
Cllr Caroline Thomas Andy Brown	Portfolio Holder Finance & Procurement Corporate Director Resources & Deputy Chief Executive (S151 Officer)
Lizzie Watkin	Assistant Director Finance

Observing:

Cllr Graham Wright Cllr Chris Williams Cllr Jerry Kunkler	Chairman, OS Management Committee Vice-Chairman, OS Management Committee Chairman, Environment Select Committee
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Treasury Management Outturn Report 2022/23

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Other investment vehicles e.g., local government bonds.	The process of assessing other investment vehicles is ongoing and this will be looked at with the capital strategy. It should be noted that in terms of a return on investment, Public Works Loan Board (PWLB) is still the best investment. Other investment vehicles tend not to be as competitive as PWLB. In any investment financial security has to be the primary consideration.

Cllr Pip Ridout, Chairman of the Financial Planning Task Group

Report author: Simon Bennett, Senior Scrutiny Officer, 01225 718709
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Wiltshire Council

Overview & Scrutiny Management Committee

14 July 2022

Executive Response to the Final Report of the Service Devolution Asset Transfer Policy Rapid Scrutiny Exercise

Purpose of the report

1. To present the response of the Cabinet Member for Housing, Strategic Assets, Asset Transfer to the final report of the Service Devolution Asset Transfer Policy Rapid Scrutiny Exercise.

Background

2. On 19 July 2022, the Overview & Scrutiny Management Committee (OSMC) endorsed the final report of the Task Group.
3. The Committee resolved to refer the following Rapid Scrutiny Exercise's recommendations to the relevant Cabinet member for response at the Committee's next meeting on 14 July 2022.

Executive response to the Task Group's recommendations

Recommendation No.1	The successful delivery of a new Asset Transfer and Service Devolution Policy is made a priority by the Cabinet.		
Executive response	July 2022	ACCEPTED	The review of the existing policy is on the Cabinet Forward Workplan for September 2022, where the Cabinet will approve any revisions to the policy and formally re-start the programme and negotiations with Councils who have indicated an interest following the Town & Parish conference at the end May.
Recommendation No.2	Implementation of the policy is fully resourced.		
Executive response	July 2022	AMENDED	Resourcing the service devolution and asset transfer policy in 2022/23 will be within existing resources and as such will be limited. The policy and programme for 2023/24 onwards and resourcing will be subject to the budget setting process for forthcoming years and a clear business case to justify

			additional investment from Wiltshire Council.
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Recommendation No.3	The council investigates using its reserves, as an 'invest to save' initiative, to fund the programme of asset transfer / service devolution.		
Executive response	July 2022	AMENDED	It would not be appropriate to use reserves to fund the programme going forward. The Cabinet have at their discretion earmarked reserves for Business Plan Priorities could utilise that funding, equally the transformation reserve could be utilised to forward fund resource where a business case demonstrates savings.

Recommendation No.4	The new policy is developed, delivered, and owned jointly with town and parish councils, and includes shared: <ul style="list-style-type: none"> a) aims and objectives b) glossary of definitions e.g., devolution and delegation c) outcomes d) measures of success 		
Executive response	July 2022	AMENDED	The conference with Town and Parish Councils held on the 27th May enabled the Council to share and engage on the review of the policy that will be considered formally by Cabinet in September.

Recommendation No.5	The council reviews which assets are appropriate for transfer and publicises a revised list.		
Executive response	July 2022	ACCEPTED	The Council regularly reviews the list of assets it holds, and this will be included in the report to Cabinet as part of the consideration of the new policy, with specific reference to which assets are available for transfer and equally those which are not. The conference set out the current review was looking to set a minimum level of assets to be transferred in any future arrangements.

Recommendation No.6	The council should review whether to open asset transfer to other bodies i.e., charities, community groups.		
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Executive response	July 2022	ACCEPTED	The new policy will include consideration of transfer of some assets to charities or community groups so as to allow them to seek funding to address capital liabilities. However, the policy will require those groups to provide a form of security that could be provided by a Town and Parish Council.
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Recommendation No.7	The council should create an overall timetable for asset transfer / service devolution for each town and parish wishing to proceed.		
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Executive response	July 2022	ACCEPTED	Following the Town and Parish council conference Wiltshire Council has received an indication of the appetite of town and parish councils and that will be used to inform the development and resourcing of a programme.
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Recommendation No.8	A project management approach should be taken with each transfer.		
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Executive response	July 2022	ACCEPTED	The programme will project manage the transfers once agreed and negotiated.
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Recommendation No.9	A review, including all partners, is undertaken after each transfer to develop and improve the transfer process.		
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Executive response	July 2022	AMENDED	A review will be undertaken where appropriate and proportionate.
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Recommendation No.10	All information on the potential financial liabilities and responsibilities attached to an asset are made available to the town or parish council in a timely manner during the negotiation period.		
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Executive response	July 2022	ACCEPTED	All information will be made available to inform asset transfer and service devolution
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Recommendation No.11	The council confirms the opportunity for town and parish councils who wish to pursue asset transfer / service devolution to procure services through the council's Streetscene / Grounds and Highway contracts.		
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Executive response	July 2022	AMENDED	The opportunity will exist but service devolution will also encourage towns and parishes to investigate the most cost effective way of delivering services.
Recommendation No.12	Overview & Scrutiny Management Committee (OSMC) receives a report of the outcomes of the town and parish council conference (27 May 2022) and how it will inform the new policy.		
Executive response	July 2022	AMENDED	The outcome from the conference will be reported to cabinet to inform the review of the policy and any subsequent recommendations on the programme.
Recommendation No.13	Overview & Scrutiny Management Committee (OSMC) receives the final draft of the policy and updates on the implementation of the new policy (once approved), every 6 months.		
Executive response	July 2022	ACCEPTED	Subject to the policy review and consideration by Cabinet the progress on the revised policy and programme will be reported to OSMC every six months.

4. The Town and Parish Conference was held on 27th May 2022, during that conference an update was provided by the Corporate Director Resources and Deputy Chief Executive on the review of the existing Service Devolution and Asset Transfer policy.
5. The review is looking to simplify the process and to clarify the assets and services that can be considered for either transfer and/or devolution to inform Town and Parish Councils on the position and expediate any negotiations.
6. The key action point and target date on the next steps in all the above recommendations is the Cabinet report scheduled to go in September 2022. This report will approve the revised policy and set out the plans for engagement with those Councils who have expressed an indication to hold discussions on potential transfers or devolution.
7. The report will also set out the resources and investment required to restart the programme and hold the negotiations and conclude agreements and subsequent transfer and/or devolution.

Proposal

8. To note the executive response to the Final Report of the **Service Devolution Asset Transfer Policy Rapid Scrutiny Exercise**.

Cllr Phil Alford, Cabinet Member for Cabinet Member for Housing, Strategic Assets, Asset Transfer.

Officer contact: Simon Bennett, Senior Scrutiny Officer, 01225 718709,
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