

Wiltshire Council

Overview and Scrutiny Management Committee

21 September 2021

Financial Planning Task Group Update

Purpose

1. To update Overview and Scrutiny Management Committee on the work of the Financial Planning Task Group since July 2021.

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-chair)
- Cllr George Jeans
- Cllr Gordon King
- Cllr Charles McGrath
- Cllr Bill Parks (proposed)
- Cllr Pip Ridout (Chair)
- Cllr Elizabeth Threlfall
- Cllr Derek Walters

4. The task group proposes the addition of a further member (Cllr Parks) after a call for nominations from councillors.

Terms of Reference:

5. The task group's terms of reference have been slightly amended to better reflect the role of the task group:
 1. To review the Medium-Term Financial Strategy (4-year financial model);
 2. To review the approach and robustness of the council's capital, debt and revenue financial planning regime;
 3. To help develop the approach to the annual budget setting cycle;
 4. To review the specific contribution of overview and scrutiny in the annual budget setting cycle with a focus upon outcomes;

5. To undertake periodic budget monitoring including reviews of key midyear trends and developments and to ensure that these are considered when updating the Financial Plan;
6. To, where it materially affects the council's overall financial position, to consider the council's:
 - approach to strategic procurement
 - major or financially significant contracts
 - financial investment in, and liability to, its wholly owned subsidiaries
7. To work under the direction and guidance of the Management Committee and report regularly to the Cabinet Member, Management Committee and select committees (as appropriate) on its work and findings and to make any necessary referrals.

Recent activity

9 September 2021

Financial Year 2021/22 – Quarter One Revenue Budget Monitoring

6. The task group welcomed the report and the forecasted underspend of £1.762million and noted that the position was based upon forecasted spend rather than actual spend.
7. The task group explored a number of areas in more detail. This included the £0.348m cost pressure on Finance & Procurement regarding the Monkton Park PFI related loan repayments. The balance between maintaining service provision and controlled management of staff vacancies. The impact of the proposed National Insurance Changes on the council's staffing costs. The pressures faced by local authorities nationally from costs linked to addressing ash die back.

Financial Year 2021/2022 - Quarter One Capital Programme

8. The task group welcomed the separation of the Revenue and Capital Projects into two reports. The reprofiling of £38million of funds was noted and the task group looks forward to contributing to the autumn review of capital projects being led by the Section 151 Officer.
9. Members noted that the capital budget provided detail on much of the transformational activity being undertaken by the council and the positive impacts this can have on the revenue budget in the longer term.
10. Clarification was sought about the Community Infrastructure Levy (CIL) and the task group noted that a report was to be shortly considered by Cabinet which will in turn allow more detail to be shared within the Capital Programme.
11. Members also asked for confirmation on the proposed Depot Spend and noted that this was captured in Appendix A.

Update on the Medium-Term Financial Strategy 2022/23

12. The task group noted that when the budget was agreed that there was uncertainty relating to the longer-term impacts of the pandemic. The importance of the impending comprehensive spending review was recognised which will have an impact up on the MTFS.
13. The task group discussed the level of the reserves being held by the authority and noted the commitment to continue to follow the general reserve strategy.
14. Questions were asked about the impact of contract and pay inflation and whether the pre-determined figures were accurate. Members accepted that it was prudent to follow the government's CPI index.
15. The task group noted the revised funding gap for 2022/23 and welcomed the opportunity to review the work taking place to develop next year's revenue budget.

Evolve Programme

16. The task group considered a report on the recommendation and results of a procurement exercise to provide the council with a new Enterprise Resource Planning (ERP) system.

Proposals

- 1. To note the update on Financial Planning Task Group activity provided.**
- 2. To approve the appointment of Cllr Bill Parks to the Financial Planning Task Group.**
- 3. To note the amended terms of reference as set out at paragraph 5.**

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