

## **Wiltshire Council**

### **Overview and Scrutiny Management Committee**

**23 July 2024**

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#### **Financial Planning Task Group Update**

##### **Purpose**

1. To update Overview and Scrutiny Management Committee on the activity of the Financial Planning Task Group and its discussions regarding:
  - Financial Year 2023/24 - Revenue Outturn Position
  - Year End Capital Investment Programme Financial Outturn Position 2023/24
  - Treasury Management Outturn Position 2023/24

##### **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 Chris Williams  
Cllr Graham Wright  
Cllr Philip Whitehead

4. On 9 July 2024 Cllr Pip Ridout and Cllr Gavin Grant were elected Chairman and Vice-Chairman of the task group for the year 2024/25.

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

5. 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.

6. The Task Group met on 9 July 2023 to discuss the financial reports going to Cabinet on 15 July 2023, also present were:

Cllr Richard Clewer	Leader of the Council, Cabinet Member for Military-Civilian Integration, Health and Wellbeing, Economic Development, Heritage, Arts, and Tourism
Andy Brown	Corporate Director Resources & Deputy Chief Executive
Marie Taylor	Head of Finance – Children’s & Education
Leanne Kendrick	Principal Accountant - Children’s & Education
Liz Williams	HNB Sustainability Finance Lead

**Observing:**

Cllr Jerry Kunkler	Chairman, Environment Select Committee
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**Financial Year 2023/24 - Outturn Revenue Budget Monitoring**

<b>Issue</b> (Page and paragraphs numbers refer to the reports)	<b>Further information / Comments</b>
<b>Executive Summary</b>	The underspend position was clarified. The total underspend was £14.371m of which £8.66m has been set aside for the High Needs reserve. This leaves a final underspend of £5.705m.
<b>Table 3 Outturn Position 2023/24 Corporate Director Resources</b>	Includes Transformation resources broken down into gross and income. The gross £2.202m is how the team is funded. Income (£1.642m) is either from

	transformation reserves or capital costs. There is government guidance as to what capital receipts can be used for transformation.
<b>Table 4 Transformation Reserve Summary</b>	Breaks down the reserves in all the transformation programmes. Some of the outcomes from transformation have already been captured, but linked savings are difficult to report at the moment. This is the next piece of improvement work.
<b>Section 151 Officer Commentary</b> (para 145)	It was noted that the council is now hitting nearly 90% of its savings targets.
<b>Section 151 Officer Commentary</b> (para 147)	Further funds are required for High Needs (para 147) but financially comfortable that the programme is manageable, and that the deficit can be managed down. This will still leave a residual deficit by 2029 of approx. £70m. Reserves are being set aside to meet the deficit. A balance will be struck with all the other programmes that the council delivers. The focus upon prevention may have a significant impact on future costs. This is a high-risk area which is being focused upon. It affects a significant majority of local authorities, and a change of government may see a greater focus on the issue.

### Year End Capital Investment Programme Financial Outturn Position 2023/24

<b>Issue</b> (Page and paragraphs numbers refer to the reports)	<b>Further information / Comments</b>
<b>Spend profile</b> (Executive summary)	The final position for the year is a total spend of £163.421m, only £5.522m different from the quarter three forecast. In some areas there has been an accelerating spend profile, not going over the approved amounts but spending brought forward (£20.937m). Though there is a variance of £26.930m across the programmes it is going in the right direction.
<b>General</b>	Funds are held back against improvement work and snagging, in relations to capital contracts. These are considered a liability and are accruals.
<b>Area Board Grants</b> (para 12)	The removal of £0.028m from the Area Boards Grants was funding which had not been spent.

## Treasury Management Strategy Statement 2023/24

<b>Issue</b> (Page and paragraphs numbers refer to the reports)	<b>Further information / Comments</b>
<b>Public Works Loan Board (PWLB) interest rates</b> (para 39, table)	PWLB is the first call for borrowing and these rates are likely to fall, but this is already 'priced in'. There are other sources of borrowing, but PWLB is the preferred option. However, always adhering to the investment strategy which is based upon several factors including risk. The council has lent to other local authorities e.g., Croydon for a return. Local authorities are backed by government which acts as security. Local authority security is not asset based and defaulting would close off funding from other local authorities.
<b>The Bank of England Bank Rate and SONIA rates for 2023/24</b> (para 32)	Rates for overnight investment are generally being achieved and are around the level of market interest rates. The internally managed funds earned an average rate of 5.17%. The comparable performance indicator is the 90 day backward looking SONIA rate, which was 4.84%.

### Proposals

1. To note the update on the Task Group activity provided.
2. To note the Financial Planning Task Group's forward work plan (Appendix 1)

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**Cllr Pip Ridout, Chairman of the Financial Planning Task Group**

Report author: Simon Bennett, Senior Scrutiny Officer, 01225 718709  
[simon.bennett@wiltshire.gov.uk](mailto:simon.bennett@wiltshire.gov.uk)

## Appendix 1 - Financial Planning Task Group (FPTG) Forward Work Plan 2024

Date	Item	Details	Officers	Cabinet Member
<b>13 September 2024</b>	Financial Year 2024/25 Q1 Revenue Budget Monitoring (tbc)  Financial Year 2024/25 Q1 Capital Budget Monitoring (tbc)	Cabinet 17 September	Lizzie Watkin Director of Finance & Procurement (S151 Officer)	Cllr Nick Botterill Cabinet Member for Finance, Development Management and Strategic Planning
<b>2 October 2024</b>	<i>tbc – meeting may be cancelled dependent upon whether there are agenda items.</i>	Cabinet 8 October		
<b>6 November 2024</b>	Financial Year 2024/25 Q2 Revenue Budget Monitoring (tbc)  Financial Year 2024/25 Q2 Capital Budget Monitoring (tbc)	Cabinet 12 November	Lizzie Watkin Director of Finance & Procurement (S151 Officer)	Cllr Nick Botterill Cabinet Member for Finance, Development Management and Strategic Planning
<b>4 December 2024</b>	<i>tbc – meeting may be cancelled dependent upon whether there are agenda items.</i>	Cabinet 10 December	Lizzie Watkin Director of Finance & Procurement (S151 Officer)	Cllr Nick Botterill Cabinet Member for Finance, Development Management and Strategic Planning

**Training:** Housing Revenue Account (HRA) 10 September 2024

**Training requirements:** Treasury Management Strategy (TMS), Designated Schools Grant (DSG)