

# APPENDIX to the Overview and Scrutiny Management Committee Minutes of 7 February 2022

Wiltshire Council

Full Council

21 February 2023

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## Report of the Overview and Scrutiny Management Committee on the Wiltshire Council Budget 2023/24 - Amendments

### Purpose of report

1. To provide to Full Council a summary of the main issues discussed at the meeting of the Overview and Scrutiny Management Committee held on 7 February 2022.

### Background

2. The meeting of the Overview and Scrutiny Management Committee on 7 February 2023 provided an opportunity to scrutinise amendments to the budget. The meeting on 24 January 2023 had considered the initial proposals from the Cabinet, which were subsequently agreed at Cabinet on 31 January 2023 for recommendation to Full Council on 21 February 2023.
3. Five proposed amendments were received for the meeting. One was received from Councillor Ricky Rogers, Leader of the Labour Group. Four were received from Councillors Gavin Grant and Ian Thorn on behalf of the Liberal Democrat Group.
4. All proposals were provided to the Committee with comments by the Section 151 Officer, Head of Paid Service, and the Monitoring Officer. They were confirmed as financially and legally viable, with comments included on any increased risks such as in relation to use of reserves or use of assumptions to fund additional expenditures.

### Proposed Amendments

#### Amendment A

5. The proposal from Councillor Rogers was as follows:

*To reduce the rent increase for social dwelling rents from 7% to 5%.*

6. This would have the following financial impact on the 2023/24 base budget:

Proposal	Impact £m
Reduce the rent increase for social dwelling rents from 7% to 5% - reduction in rental income for the HRA	0.519
<b>Total pressure of proposals for HRA</b>	<b>0.519</b>
<b>Funding Proposal of Pressure</b>	

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2023/24 – Decrease the contribution to the HRA reserve from £2.133m to £1.594m to offset the reduction in rental income	0.519
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Amendment B

7. This proposal from Councillors Grant and Thorn was as follows:

*To remove the income budget introduced in 2022/23 as a result of the saving included in the budget to introduce parking charges for charge Blue Badge holders of £0.040m.*

8. This would have the following financial impact on the 2023/24 base budget:

<b>Proposal</b>	<b>Impact £m</b>
Remove the income budget introduced in 2022/23 as a result of the saving included in the budget to introduce parking charges for charge Blue Badge holders	0.040
<b>Total pressure of proposals</b>	<b>0.040</b>
<b>Funding Proposal of Pressure</b>	
2023/24 – Reduce the £1m Wiltshire Towns Funding budget by £0.040m to allow for a budget surplus to fund this pressure	0.040
2024/25 – Reduce the £1m Wiltshire Towns Funding budget by £0.040m to allow for a budget surplus to fund this pressure	0.040
2025/26 - Increase in the assumption in growth in the council tax base from 1.2% to 1.25% which results in an additional £0.169m of basic council tax	0.040

Amendment C (Grant/Thorn)

9. This proposal from Councillors Grant and Thorn was as follows:

*To include an additional £0.350m for discretionary Council Tax Reliefs to support households in receipt of Council Tax Relief (CTR) support where there is a balance of Council Tax to be paid to apply an additional £25 discretionary relief for 2023/24 only.*

*To include an additional £0.300m revenue budget for funding additional Council Tax relief to support households with most pressed individuals and families hit by the cost of living crisis.*

10. This would have the following financial impact on the 2023/24 base budget:

<b>Proposal</b>	<b>Impact £m</b>
Additional £0.350m budget for discretionary Council Tax Reliefs applied as an additional £25 per household in receipt of CTR	0.350
Additional £0.300m budget for general discretionary Council Tax Reliefs	0.300
<b>Total pressure of proposals</b>	<b>0.650</b>

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<b>Funding Proposal of Pressure for 2023/24</b>	
2023/24 – Use of Collection Fund Surplus received in the 2023/24 year and reduce the contribution to the Collection Fund Volatility Reserve	0.650
<b>Funding Proposal of Pressure for future years</b>	
2024/25 & 2025/26 – nil impact	nil

Amendment D (Grant/Thorn)

11. This proposal from Councillors Grant and Thorn was as follows:

*To remove the saving included in the 2023/24 budget to implement a rental charge to Citizens Advice Wiltshire for their space in Bourne Hill of £0.018m.*

12. This would have the following financial impact on the 2023/24 base budget:

<b>Proposal</b>	<b>Impact £m</b>
Removal of the saving to implement a rental charge to Citizens Advice Wiltshire for their space in Bourne Hill (from 2024/25)	0.018
<b>Total pressure of proposals</b>	<b>0.018</b>
<b>Funding Proposal of Pressure for 2023/24</b>	
2023/24 – nil impact	-
<b>Funding Proposal of Pressure for future years</b>	
2024/25 – Increase in the assumption in growth in the council tax base from 1.2% to 1.25% which results in an additional £0.169m of basic council tax	0.018
2025/26 - Increase in the assumption in growth in the council tax base from 1.2% to 1.25% which results in an additional £0.353m of basic council tax	0.018

Amendment E (Grant/Thorn)

13. This proposal from Councillors Grant and Thorn was as follows:

*To remove the saving included in the 2023/24 budget to cease the grant funding for both the Lunch Clubs of £0.060m and Friendship Clubs of £0.046m and to allocate this money to Area Boards to provide the support to Lunch and Friendship clubs in their areas.*

14. This would have the following financial impact on the 2023/24 base budget:

<b>Proposal</b>	<b>Impact £m</b>
Removal of the saving to cease grant funding of Lunch Clubs	0.060

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Removal of the saving to cease grant funding of Friendship Clubs	0.046
<b>Total pressure of proposals</b>	<b>0.106</b>
<b>Funding Proposal of Pressure for 2023/24</b>	
2023/24 – Use of Collection Fund Surplus received in the year and reduce the contribution to the Collection Fund Volatility Reserve	0.106
<b>Funding Proposal of Pressure for future years</b>	
2024/25 – Increase in the assumption in growth in the council tax base from 1.2% to 1.25% which results in an additional £0.169m of basic council tax	0.106
2025/26 - Increase in the assumption in growth in the council tax base from 1.2% to 1.25% which results in an additional £0.353m of basic council tax	0.106

15. For each amendment the Chairman gave the opportunity for Members of the Cabinet who were present to respond if they wished, as well as opportunity for the Corporate Leadership Team to add anything further to the statutory officer comments provided with the submissions. The Section 151 Officer, Andy Brown, provided clarification on the amendments where appropriate.

**Main issues raised during questioning and debate**

Amendment A

16. Councillor Rogers introduced his amendment and explained its purpose and implications. He stated he had raised the issue of social housing rents for many years, and due the major inflationary situation the government had allowed councils and housing associations to consider a number of options, as the regular model would have led to unacceptably high increases for some of the most vulnerable in society.
17. Details were provided on the level of reserves in the Housing Revenue Account (HRA), with Councillor Rogers stating this compared favourable to some other authorities even with greater housing stock than Wiltshire Council. He felt a 7% rise was too high during the present cost of living crisis, and that due to difficulties finding tradespersons to undertake necessary work on refurbishment and repair, the planned spend for this financial year was unlikely to be fully drawn down.
18. It was confirmed that the amendment had no impact on the general fund of the budget, relating solely to the HRA. The Committee asked for clarification on the options of 3%, 5%, and 7% rises which had been considered by the Housing Board, who had by majority voted to recommend a 7% rise.
19. Queries were raised on rent rises set by Housing Associations in Wiltshire, with it noted that the council's housing stock was largely confined to the Salisbury and surrounding areas, and whether this meant social housing tenants in other areas would be subsidising a lower rate elsewhere. It was confirmed that many providers

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such as Selwood were adopting a 7% rise. Councillor Rogers stated Swindon Borough Council had set a 5% rise, and that Wiltshire Council should set what it considered to be fair and appropriate, not simply follow what might be a trend from some associations or others.

20. The issue of planned maintenance and improvements, and effect on the business plan for use of the HRA, was discussed, with lower rents resulting in less money brought in for that future maintenance. The risks of lowering the level of reserves were noted.
21. Councillor Rogers stated that the council provided excellent housing management, but reiterated that there was a shortfall in skilled workers to deliver repairs, maintenance and the long term improvement programme. He maintained that the proposal, affecting one year only, would not impact that long term delivery, but provide support at an urgent time for tenants.
22. The Committee sought details from officers on the numbers of tenants on housing benefits, which would increase by 10.1% in line with inflation, above that of the proposed rent rise, and therefore how many would be most affected by the rise. They also asked whether there was any information on the average incomes for the people impacted by the rent rise. There are 5,276 HRA tenants with 1,677 in receipt of rent support through Housing Benefit and 1,842 through Universal Credit, a total of 3,519 (67% of tenants).
23. Comments were also made on build-up of latent demand arising from shortages of contractors undertaking work, and the need for reserves to cover the amount, the comparison with private rental rent levels and rises, and the extent of the increase alongside other precept increases.

### Amendments B, D, E

24. Each of these amendments were wholly or partly to be funded in future years by increasing the assumption in growth in the council tax base from 1.20% to 1.25%, which would result in an additional £0.169m of basic council tax for 2024/25, and £0.353m for 2025/26. If this transpired it would fund each of the amendments above the required amount, with the balance of the increase to be transferred to the Collection Fund Volatility Reserve.
25. Councillors Grant and Thorn highlighted the information set out in the report and the statutory officer comments. They stated the 6-year average per year increase in the council tax base was 1.39%, and in the last 2 years it was 1.49%. Although there were variations across the period, they considered the trend was clear an increase in the assumption by 0.05% was not a significant level of increased risk.
26. The Committee discussed the proposed variation in the growth assumption. It was commented that of taking a 3 or 5 year average the average increase in council tax base was considerably lower, with the proposers asked how confident they could be about their proposed increased in assumption. It was responded that there had been a year of negative growth due to the impacts from Covid-19 which disproportionately

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affected the averages, and that the overall trend remained indicative that it would be able to fund the proposed amendments.

27. It was also stated that if the assumption was not borne out, the totality of the amount funded was a very minimal amount within the overall budget. Attention was drawn to an announcement made by the Cabinet Member for Finance advising that the government had increased the level of council funding by £0.500m, of which £0.350m was proposed to be allocated to reserves to cover business plan priorities. Therefore, even if the assumption was not delivered, which the proposers did not believe it would be, there would be minimal impact on the medium term financial strategy.
28. There were also questions about assumptions on the level of house building if the economy entered a downturn, with concomitant effect on the council tax base increase.
29. Other points raised were specific to each amendment, and are set out below.

### Amendment B

30. Councillor Grant and Thorn presented the amendment, whose purpose was to reverse a decision taken for 2022/23 to introduce parking charges for those using Blue Badges. It was confirmed this would have the result of reducing income and therefore any funding of the amendment required consideration of future financial pressures arising from that reduction in income. The first two years it was proposed would be funded from a reduction in the Wiltshire Towns Funding budget, with the third year funded by an increase in the assumption in growth in the council tax base as detailed above.
31. Queries were raised on the level of income which was being reduced and how this was quantified, as when someone used a parking machine it was not possible to determine whether that person had a Blue Badge. It was clarified that officers from Parking Services had provided an estimate which had been used when setting the original saving associated with these charges. It was asked whether there had been any work undertaken to assess how much the charges had raised since implementation. Officers can confirm that it is not possible to evidence the actual income received from Blue Badge holders as people paying for parking do not state if they are Blue Badge holders when they pay.
32. The reduction to the Wiltshire Towns Funding budget was discussed. It was asked what the impact would be, with it noted this resulted in a reduction from £1m to £0.960m. Officers stated plans were being worked up on use of the fund to deliver initiatives for high streets, with any reduction potentially impacting those plans, however no tangible examples could be provided at this stage.
33. The Committee discussed whether there was felt to be a need to fund Blue Badge free parking on the basis of affordability, with some holders able to afford an increase but more impacted by placement and design of machines. It was noted that several towns and parishes had precepted to fund additional free parking for Blue Badge holders. It was raised that those with Blue Badges would in general face higher living

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costs, and that those with disabilities were less likely to travel, and whether the existing charge added barriers to that.

34. Comments were also made regarding whether consideration had been given to seeking upgrades to machinery to be more accessible. It was noted this would be a much more significant capital cost as opposed to the level of revenue cost set out in the amendment. In respect of means testing Blue Badge holders, it was suggested in debate this might cost more to implement than it would save.
35. The Committee also raised whether there had been any record of individual complaints made from Blue Badge holders using car parks.

### Amendment C

36. The amendment was presented, detailing the use of the Collection Fund Volatility Reserve to fund £0.650m to apply additional £25 per household in receipt of council tax reliefs, and increase the budget for general discretionary council tax reliefs. Attention was drawn to the statutory officer comments, in particular that the current allocation for council tax relief would last almost three financial years at present, dependent on who met the criteria, and that the amendment would extend the predicted life of that allocation to five years.
37. It was argued by the proposers that if the amendment were not approved the council would in any case in three years have to either find funding for the allocation, or cease to provide the relief.
38. Details were sought on the numbers of those in receipt of council tax relief (CTR), and the number of those defaulting on their council tax. The number of households in receipt of CTR has been confirmed by officers to be approximately 25,700, with approximately 11,500 of those being entitled to 100% CTR. It is estimated that with the additional relief applied from the additional government funding for 2023/24 there will be approximately 13,500 – 14,000 households to receive an additional relief through this proposed amendment, which equates to £350k.
39. The level of reserves if the amendment were approved, forecast to be £10.169m, was noted. The reserves available to cover the General Fund risks would be 134% at the end of 2023/24.

### Amendment D

40. The amendment was presented, proposing not to implement a rental charge for Citizens Advice Wiltshire for the space used at the council Hub at Bourne Hill. This amounted to £0.018m. The proposers highlighted the pressure on Citizens Advice, who the council directed people to for support, and the significant increase in those in need of support.
41. The Committee noted that many organisations did or were planning to rent office space from the council, and whether there was a risk in those organisations querying why they were being charged but not others, if the amendment were approved.

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Councillor Grant responded that the proposed rental charge was new, not current, and other organisations such as the police had their own funding and precepting ability. Officers confirmed the council's third party policy on leasing officer space had been updated, and the council was looking to charge market rates.

42. Officers confirmed the council's third party policy on leasing officer space had been updated, and the council was looking to charge market rates.

43. Details were also sought on the level of grant awarded to Citizen's Advice in Wiltshire. This has been confirmed for 2022/23 to be £343k for the Core Services Grant and £170k for additional services.

### Amendment E

44. The amendment was presented, proposing to remove the saving included in the 2023/24 budget to cease the grant funding for both the Lunch Clubs and Friendship Clubs, at a total cost per annum of £0.106m. This was proposed to be funded through the Collection Fund Volatility Reserve in the first year, and by the proposed increase in the assumption in growth in the council tax base as set out earlier in this report.

45. It was noted that there had been a Rapid Scrutiny Exercise by the Health Select Committee following the change in funding methodology after the approval of the 2022/23 budget, as the existing system had been a holdover from district council systems and some areas had been excluded. The proposers argued the new approach resulted in a number of the existing clubs being unable to qualify for funding and so not putting in applications, but that a restoration of the principle of funding would be on the basis of it being available universally across the council area.

46. Details were sought on how clubs were financed, with some more successful than others with fundraising. The pressures on all voluntary organisations during the cost of living crisis was noted.

47. The Committee noted not all areas had such clubs established, and if the funding would therefore not be available for them. It was suggested that if the amendment were passed the Cabinet Member in conjunction with the relevant Director would establish a framework for administering the amount, whether it would be an expansion of Health and Wellbeing funding for all area boards, or a specifically allocated pot.

### **Conclusion**

48. Cllrs Rogers, Thorn and Grant were thanked for submitting their budget proposals to the Committee, and it was noted that they have been scrutinised.

49. To ask Full Council to take note of the comments of the Committee, as presented in this report.

**Councillor Graham Wright**

**Chairman of the Overview and Scrutiny Management Committee**

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