

## **Wiltshire Council**

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

**26 September 2023**

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

##### **Financial Year 2023/24 - Quarter One Revenue Budget Monitoring**

#### **Purpose**

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 8 September 2023 regarding the Financial Year 2023/24 - Quarter One Revenue Budget Monitoring.

#### **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

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

4. 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.

### Financial Year 2023/24 - Quarter One Revenue Budget Monitoring

The Task Group met on 8 September 2023 to discuss the reports going to Cabinet on 12 September 2023, also present were:

Cllr Nick Botterill	Cabinet Member for Finance, Development Management and Strategic Planning
Cllr Rich Rogers	Portfolio Holder for Contracts Procurement and Commissioning
Andy Brown	Corporate Director Resources & Deputy Chief Executive (S151 Officer)
Lizzie Watkin	Director Finance
Sarah Rose	Head of Finance Adults & Health

#### Observing:

Cllr Graham Wright	Chairman, OS Management Committee
Cllr Chris Williams	Vice-Chairman, OS Management Committee
Cllr Jerry Kunkler	Chairman, Environment Select Committee

### Treasury Management Outturn Report 2022/23

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
<b>Risk of equal pay claims</b>	Each year when the accounts are developed there is an assessment of the council's liabilities. There are no issues around equal pay within the council. However, any future legal decisions on equal pay may have an impact but there are no concerns at the moment. Other councils do have these issues, but they are historical.
<b>Impact of continuing high inflation, particularly staff pay</b>	The staff pay assumptions were based on a forecast for inflation of 3%-4%. If inflation stays high the base budget can be uplifted. Actual staff pay costs will be clearer in the autumn.

	<p>This year, and based upon the employers offer, there are enough funds to deal with the award. Next year if inflation stays high then there could be an overspend position which has to be addressed in some other way i.e., savings or increasing income.</p>
<b>Inflation assumptions</b>	<p>It is likely that inflation will begin to come down. The wholesale price of gas in October and the energy price cap will have a role to play in that decrease. It therefore cannot be predicted with any certainty; the council is looking to the experts when making future assumptions.</p>
<b>Impact of inflation on planned savings</b>	<p>There might be pressure where savings are related to maintaining a contract price, but some of this is outside of the control of the council. Any slip in targets will be addressed through mitigations.</p>
<b>Use of agency staff</b>	<p>Where possible the council is moving agency staff into permanent positions. In some areas, like social work, this has been relatively successful. This has though not resolved capacity issues. Still use of agency staff, but these costs are monitored and managed.</p>
<b>Additional funding for market sustainability (para 22)</b>	<p>A further £570 million of ringfenced funding has been given across 2023/24 and 2024/25 to local authorities to improve and increase adult social care provision, with a particular focus on workforce pay. This additional funding will support more workforce and capacity within the adult social care sector. There are ongoing discussions about how this will be allocated.</p>

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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)