

AGENDA SUPPLEMENT (3)

Meeting: Overview and Scrutiny Management Committee
Place: The Kennet Room - County Hall, Trowbridge BA14 8JN
Date: Wednesday 28 September 2022
Time: 10.00 am

The Agenda for the above meeting was published on 20 September 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 **Financial Year 2022/2023 - Quarter One Revenue Budget Monitoring (Pages 3 - 6)**
- 7 **Financial Year 2022/2023 - Quarter One Capital Budget Monitoring (Pages 7 - 8)**

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Wiltshire Council

Overview and Scrutiny Management Committee

28 September 2022

Financial Planning Task Group Update

Financial Year 2022/23 - Quarter 1 – Revenue Budget Monitoring

Purpose

1. To update Overview and Scrutiny Management Committee on the discussions of the Financial Planning Task Group on 26 September 2022 regarding Financial Year 2022/23 Quarter 1 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 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.

Quarter 1 – Revenue Budget Monitoring

The Task Group met on 26 September 2022 to discuss the reports going to Cabinet on 27 September 2022, also present were:

Cllr Nick Botterill	Cabinet Member for Finance, Development Management and Strategic Planning
Lizzie Watkin	Assistant Director Finance

Observing:

Cllr Graham Wright	Chairman, OS Management Committee
Cllr Chris Williams	Vice-Chairman, OS Management Committee

Quarter 1 – Revenue Budget Monitoring

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Staff pay award (para 13)	The staff pay award in the forecast is the offer from employers made in July 2022. This has not been agreed with the unions and these negotiations can be protracted. The overall cost is likely to increase. Some £9m has been set aside in reserves for staff pay awards. Cabinet would need to decide what happens to that reserve.
Unsociable hours payments (para 15)	The savings from changes to staff terms and conditions will be realised. However, those around unsociable hours payments are unlikely to be delivered this year. Negotiations are still ongoing. The council has taken a prudent approach to this issue in the forecast.

Living and Ageing Well (para 16, 18-19)	It is complex financing the most appropriate care for the appropriate need. The risks in adult social care centre upon price and demand. Where possible this is being actively managed. The £0.845m overspend includes unachieved savings but it is not just care costs. Forecasting in this area is complicated because of the range and variety of needs and support and real and potential behavioural change after the pandemic.
Whole Life Pathway (para 21)	The Whole Life Pathway is currently projecting a £1.572m overspend. Options are being considered to address this. It is an ongoing situation, and the council is ensuring that services are procured and provided for in an effective way.
Learning Disability and Autism Service (LDAS) (para 23)	Learning Disability and Autism Service (LDAS) overspend is £3.189m. The outstanding Continuing Health Care assessments, particularly the timing and potential value of the assessments, will have an impact on the budget and this will be set out when it is known.
Assets and commercial development (para 44)	There is an £0.749m overspend. The council will not benefit from any of the new energy price cap schemes, except with regard to schools. The current forecast position is a 'worst case' scenario.
Fees and charges (para 54)	The council continually reviews its assumptions on fees and charges income given the cost of living crisis. It will become apparent later in the year if behaviours are changing. The council is monitoring receipts.
Highways & Transport (para 57)	The paragraph references a 'managed down' reduction in service. This does not affect the extra resources recently identified for highways. It was included to show transparency about the reasons for budget underspends.
Planning (para 69)	An additional overspend on appeals cost is forecast at £0.192m. This overspend is a consequence of wider economic pressures which can lead to more appeals. Quarter 2 will give more confidence about these forecasts.

<p>Leisure Culture & Communities (para 77-81)</p>	<p>This budget has an overspend of £0.551m. Leisure centres use significant amounts of energy. Having come in-house these energy contracts and costs have been absorbed by the council and are included in FM (facilities management) forecasts.</p>
<p>Dedicated Schools Grant (DSG) (paras 97-105)</p>	<p>There is a £8.356m net overspend forecast for the DSG. Currently the council does not pick up this deficit. The Government indicates that this will continue for 2-3yrs, but with no certainty after that. The council is hoping to learn from other local authorities about how to manage the in year and cumulative deficit. This is a national issue, not just affecting Wiltshire.</p>
<p>Saving delivery (para 109)</p>	<p>In Q1 £11.331m of savings have been made. A more robust process of identifying savings has been introduced this year. It is important to focus upon those savings at risk and those that may not have started. It might be possible in Q2 to include more information in the reports that allows for greater confidence around savings.</p>

Cllr Gavin Grant, Vice-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

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Quarter 1 – Capital Budget Monitoring

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Overprogramming of capital spend (General)	There is continued overprogramming of capital spend in the financial year (£307.115m in the original budget 2022/23; £269.427m as of 30 June 2022). Capital spend is a challenge to schedule correctly. Inflation will be a significant issue for any future capital expenditure. The process of identifying deliverable projects within given timescales is being improved.

Cllr Gavin Grant, Vice-Chairman of the Financial Planning Task Group

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