

AGENDA SUPPLEMENT (1)

Meeting: Overview and Scrutiny Management Committee

Place: Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Tuesday 7 February 2023

Time: 10.30 am

The Agenda for the above meeting was published on 30 January 2023. 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

2 **Minutes of the Previous Meeting (Pages 3 - 10)**

7 **Wiltshire Council's Budget 2023/24: Amendments (Pages 11 - 30)**

DATE OF PUBLICATION: 6 FEBRUARY 2023

This page is intentionally left blank

Overview and Scrutiny Management Committee

MINUTES OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE MEETING HELD ON 24 JANUARY 2023 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Graham Wright (Chairman), Cllr Christopher Williams (Vice-Chairman),
Cllr Ruth Hopkinson, Cllr Jon Hubbard, Cllr Tony Jackson, Cllr Johnny Kidney,
Cllr Gordon King, Cllr Jerry Kunkler, Cllr Bill Parks, Cllr Tony Pickernell and
Cllr Tony Trotman

Also Present:

Cllr Ian Blair-Pilling, Cllr Gavin Grant, Cllr Nick Botterill, Cllr Pip Ridout, Cllr Ian Thorn,
Cllr Ernie Clark, Cllr Richard Clewer, Cllr Caroline Thomas, Cllr Helen Belcher and
Cllr Jacqui Lay.

1 **Apologies**

Apologies for absence were received from Cllr Tony Jackson and Helen Jones.

2 **Minutes of the Previous Meeting**

The minutes of the meeting held on 15 November 2022 were presented for
consideration, and it was;

Resolved:

**To approve and sign as a true and correct record of the minutes of the
meeting held on 15 November 2022.**

3 **Declarations of Interest**

There were no declarations of interest.

4 **Chairman's Announcements**

The Chairman announced that on the evening of 25 January 2023 a webinar
would take place to discuss the budget, in which Councillors and members of
the public would be welcome to join.

5 **Public Participation**

There were no questions or statements submitted by members of the public.

6 **Wiltshire Council's Budget 2023/24 and Medium Term Financial Strategy 2023/24-2025/26**

The Chairman introduced a report and appendices within the Agenda Pack which presented the administration's Budget for 2023/24 and Medium-Term Financial Strategy for 2023/24 to 2025-26. The Chairman noted that on Page 15 of the Agenda Pack there was a short report setting out a suggested process for the Committee's consideration of the budget.

The Chairman also noted that the debate that would take place during the meeting was in the context of the following meetings that were held last week:

- An open invitation to all members to attend the budget briefing provided for the Financial Planning Task Group on 19th January;
- The special budget meeting of the Financial Planning Task Group on 20th January; and
- Informal meetings of the other three select committees, where questions on the budget were submitted to their chairmen to be addressed to the Executive.

The draft Wiltshire Council Budget 2023/2034 and Medium-Term Financial Strategy 2023/24-2025/26 was presented by Cabinet Member for Finance, Councillor Nick Botterill, supported by the Deputy Chief Executive Corporate Director for Resources and Section 151 Officer, Andy Brown. In addition, Leader of the Council, Councillor Richard Clewer and the Chief Executive, Terence Herbert and other members of the Corporate Leadership Team were present to provide clarification and answers to issues and queries raised by the Committee.

The published budget papers proposed the net general fund budget for 2023/2024 to be £465.372m. as well as a 2.99% general increase to Council Tax and a levy of 2% to be spent solely on Adult Social Care. In addition, the papers included that the Housing Revenue Account (HRA) budget for 2023/2024 be £26.401m, as well as a 7% increase for social dwelling rents and a 5% increase in all service charges related to the Housing Revenue Account (HRA) to cover costs and garage rents.

Topics were raised included, but were not limited to, discussion on Latent Demand Reserve and how it would be allocated, the High Needs Block, Local Youth Network Funding, The Capital Budget and whether any savings would cause reductions in services, the impact of the budget on Shared Lives, Technology Enabled Care, staffing levels, Street Scene Contracts, Bus Services and the annual pay award, along with other topics as detailed in the appended report.

The Chairman noted that the key points of the debate that took place would form a report which would be taken to the Cabinet meeting set to take place on 31 January 2023 as well as the Full Council meeting scheduled for 21 February, along with the budget report of the Financial Planning Task Group. In addition, it was noted that an additional meeting of the Overview and Scrutiny

Management Committee to scrutinise any opposition amendments to the budget before Full Council had been arranged for Tuesday 7th February at 10.30am. The deadline for submitting budget amendments would be 5.00pm on Thursday 2nd February.

Members of the Overview and Scrutiny Management Committee thanked Cllr Pip Ridout, Chairman of the Financial Planning Task Group along with its members for the opportunity to attend the briefing which was hosted as well as for the opportunity to have an earlier involvement in questioning the budget.

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the Draft Wiltshire Council budget for 2023-24 and Medium-Term Financial Strategy for 2023-24 to 2025-26 and to refer the comments of the Committee and the report of the Financial Planning Task Group to Cabinet and Full Council for consideration on 31st January and 21st February respectively.**
- 2. To support the Financial Planning Task Group's ongoing monitoring of the delivery of the budget and the development of the budget for 2024-25.**

7 Financial Year 2022/23 - Quarter Three Revenue Budget Monitoring

The Chairman introduced a report within Agenda Supplement 2, which presented the latest revenue budget update for the current financial year. The Chairman noted that there had not been the standard report produced by the Financial Planning Task Group on this financial update as the Task Group would meet on Friday 27 January 2023 to bring their comments directly to the Cabinet meeting scheduled for Tuesday 31 January.

The following comments were received from Cllr Nick Botterill, Cabinet Member for Finance including that the Quarter 3 report would forecast an underlying overspend for the year of £15.697m however, with one off mitigations in place this would result in a net overspend for the year of £5.037m. This would be met from the £8.8m inflation reserves that were prudently set aside to cover the anticipated cost of inflation during 2022/23.

The following comments were received from Andy Brown, Deputy Chief Executive Corporate Director for Resources and Section 151 Officer including that the Quarter 3 position had been important as it had provided a building block for the budget and that the overspend of £5.037m had been included within the building of the base budget for 2023/2024. A notable area within the report was identified as placement costs for Families and Children as well as

Children in Care, which has risen by £1.9m since Quarter 2 due to driver demands and cost complexities. Additionally, it was noted that income had continued to improve from Quarter 2 to Quarter 3, which had been a driver for why a stretch income target had been set.

The following comments were received by Members of the Committee, with clarity provided on how inflation had impacted on net underspend and underlying underspend and how the latter was an impact of inflation and would likely remain. Additionally, clarity was provided on the Dedicated School Grant (DSG).

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the third quarterly revenue budget monitoring forecast position for 2022/23 based on the position at the end of November 2022, updated for any known significant changes in December 2022;**
- 2. To note that the report will also be considered by the Financial Planning Task Group on 27th January before Cabinet on 31st January.**

The Chairman called the Committee to a break at 12:40pm and resumed at 12:46pm.

8 Financial Year 2022/23 - Quarter Three Capital Budget Monitoring

The Chairman introduced a report within Agenda Supplement 2, which presented the latest capital budget update for the current financial year. The Chairman noted that there had not been the standard report produced by the Financial Planning Task Group on this financial update as the Task Group would meet on Friday 27 January 2023 to bring their comments directly to the Cabinet meeting scheduled for Tuesday 31 January.

The following comments were received from Cllr Nick Botterill, Cabinet Member for Finance including that the Capital Budget had now decreased from the initial budget set for 2022/2023 as £307.115m to £172.227m. It was stated that the total expenditure as of Quarter 3 was £87.998m, which was 51% of the revised total budget and that the Programme had been likely to experience slippage and reprogramming, however processes had been put in place to improve this in the future.

The following comments were received from Brown, Deputy Chief Executive Corporate Director for Resources and Section 151 Officer including that the

Council was aiming to improve on reprofiling and that the current budget papers suggested a more realistic level of spend going forward. It was noted that the report had more of a focus on reprofiling than risks and that this would be addressed within monitoring reports.

The following comments were received by Members of the Committee including whether there would be anticipated movement for numbers which had been identified as being small relating to Early Years. It was agreed that a response would be provided in writing and 66% of actual spend to the revised budget had taken place with School Maintenance and Modernisation. Furthermore, that where possible the Council would be able to bring forward projects by spending money available.

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the Capital Programme for 2022/23 as of 31 December 2022.**
- 2. To note that the report will be considered in more detail by the Financial Planning Task Group on 27th January before Cabinet on 31st January.**

9 Treasury Management Strategy Statement 2023-24

It was agreed by the Committee that Agenda Item 9 would be pushed back with Item 10 taken beforehand.

The Chairman introduced a report within Agenda Supplement 2, which presented the Treasury Management Strategy Statement for 2023-24, which would also be reviewed in more detail by Financial Planning Task Group on Friday 27 January 2023.

The following comments were received from Brown, Deputy Chief Executive Corporate Director for Resources and Section 151 Officer with weight given to the importance of the report in how the Council would conduct its Treasury activity for the year ahead. The report included the current indebtedness of the Council as well as identifying potential future debts likely to occur, whilst setting limits and boundaries.

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the Treasury Management Strategy 2023/24, which will be considered in more detail by the Financial Planning Task Group on 27th January before Cabinet on 31st January.**

10 **Council Performance and Risk - Quarter Three Monitoring**

The Chairman introduced a report within Agenda Supplement 2, which provided an update on performance against the stated missions in the Council's Business Plan 2022-32, its strategic risks and proposed future developments. In addition, the Chairman noted that though the report presented the key high-level performance indicators, both the Children's and Health Select Committees were currently exploring how to conduct greater detailed scrutiny oversight of performance within their areas.

The following opening remarks were made by Cllr Richard Clewer, Leader of the Council including that Cabinet Members had attended meetings to discuss the addition of metrics as well as to identify ones which should be removed. Metrics relating to engagement were discussed. It was expected that the next version of the report would be more settled and would be closer to a fully functioning version, with vast amounts of data having been collated by each directorate and seen by the Performance and Outcomes Board.

The following comments were received from Andy Brown, Deputy Chief Executive Corporate Director for Resources and Section 151 Officer including that the report had progressed, and that Cabinet had been reviewing how to track the performance of the Council's Business Plan.

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the updates and outturns against the measures and activities ascribed against the Council's priorities and the Strategic Risk Summary.**

11 **Management Committee Task Groups**

A report was received on the Task Groups and Panels established by the Management Committee.

Swindon and Wiltshire Local Enterprise Partnership (SWLEP) Joint Scrutiny Panel

It was noted that the Panel is in abeyance until the national picture regarding LEPs is clarified. Additionally, The LEP is currently considering the future type

of scrutiny it wishes to commission, given the dramatic reduction in LEP funding being provided by Central Government.

Evolve Programme Task Group

It was noted that the task group meets quarterly and last met on 19 December 2022, with a written update provided in the report.

In addition, Cllr Jon Hubbard provided a further verbal update that the meeting in December had been productive and that a positive outcome had had been agreed that a monthly meeting with Associate Director for Transformation and Business Change, Stuart Honeyball would take place to keep the Task Group up to date. Emphasis was placed on the importance of getting the programme right to avoid a potentially significant financial impact in the future.

Financial Planning Task Group

The Chairman noted that the Task Group had met twice in the previous week and would meet again on Friday 27 January 2023 to further consider financial reports to be taken to the Cabinet meeting on Tuesday 31 January 2023.

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the update on activity provided.**

12 **Forward Work Programme**

The Committee considered the forward work programmes for each select Committee, as well as updates from the Chairman for each Select Committee.

At the conclusion of discussion, it was,

Resolved:

The Overview and Scrutiny Management Committee agreed:

- 1. To note the updates on select committee activity and approve the Overview and Scrutiny Forward Work Programme.**

13 **Date of Next Meeting**

The dates of the next meetings were confirmed as Tuesday 7th February 2023 (opposition budget amendments) and Tuesday 21st March 2023.

14 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.30 am - 1.15 pm)

The Officer who has produced these minutes is Ben Fielding of Democratic Services, direct line 01225 718656, e-mail benjamin.fielding@wiltshire.gov.uk

Press enquiries to Communications, direct line 01225 713114 or email communications@wiltshire.gov.uk

Wiltshire Council

Overview and Scrutiny Management Committee

7 February 2023

Meeting of the Overview and Scrutiny Management Committee Report on Proposed Amendments for the 2023/24 Budget

Purpose of report

1. To report to the Overview and Scrutiny Management Committee the proposed amendments from Cllr Ricky Rogers to the budget recommended to Cabinet on 31 January 2023 for the committee to appraise and raise any comments to Full Council.

Background

2. This meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question Cllr Ricky Rogers, on the proposed amendment before the budget is considered by Full Council on 21 February 2023.
3. The Member proposal is amendment to the proposed Cabinet budget, as set out as follows:
 - To reduce the rent increase for social dwelling rents from 7% to 5%.
4. The above proposal has the following 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
Total pressure of proposals for HRA	0.519
Funding Proposal of Pressure	
2023/24 – Decrease the contribution to the HRA reserve from £2.133m to £1.594m to offset the reduction in rental income	0.519

5. The proposal has the effect of reducing the rental income budget for the HRA in the 2023/24 financial year which results in a revenue pressure for the HRA of £0.519m, with proposals for funding this pressure set out in the table above. The impact of the funding of the proposal has the effect of reducing the amount that would be transferred to the HRA reserve by £0.519m with a forecast balance at the end of the 2023/24 financial year of £4.155m.

S.151 Officer Comments

6. The amendment does not impact on the General Fund proposals for the budget as they relate to the Housing Revenue Account (HRA) proposals.
7. It should be noted that the Housing Board, that includes representation from tenants, voted 5 to 3 in majority for the proposed 7% increase in rent to be taken forward. HRA rent increases are normally prescribed to be CPI plus 1%. This would have been an increase of over 11%, however in the current cost of living crisis the Government mandated that these should be capped at 7%.
8. The Housing Board considered 3 options, before the Governments mandate was known, on 3%, 5% & 7%. The 7% option provided the greatest assurance on the continuation to deliver on the HRAs 30 year business plan, the significant level of capital investment and the greatest sustainability of the HRAs finances in respect of the level of reserves. It also reduces the gap in the level of rental income in comparison to the costs of delivering services, with greater confidence in the viability in the HRA Business Plan over the longer term.
9. The amendment will see a reduction in the planned contribution to HRA reserves and will also see a greater risk in the current economic factors impacting construction and maintenance work contracts facing the HRA. Although the amendment will not see a direct reduction in the planned capital programme, it increases the risk and therefore likelihood that this may have to happen in future.
10. In addition, it should be noted that around two thirds of HRA tenants are in receipt of Housing Benefit to meet in full or in part the cost of rent. Housing Benefit will be increased by 10.1% from April 2023, therefore the majority of tenants will actually be covered from April 2023 even with a 7% increase in rents. It is only the remaining third of tenants who will be directly affected by the amendment.

Monitoring Officer Comments

11. Subject to the views of the Chairman of the Council and subject to this proposal being moved in accordance with the Rules of Procedure in Part 4 of the Constitution, this is an appropriate amendment within the meaning of Rule 20.6. There are no other legal implications.

Head of Paid Service Comments

12. As Head of Paid Service, I can confirm that officers have provided independent advice. We are aware of the full details of the amendments, and they are policy amendments in nature.

Conclusion

13. Overview and Scrutiny Management Committee are asked to consider the proposed amendments to the financial plan 2023/24 and inform Full Council on 21 February 2023.

This page is intentionally left blank

**Meeting of the Overview and Scrutiny Management Committee
Report on Proposed Amendments for the 2023/24 Budget**

Purpose of report

1. To report to the Overview and Scrutiny Management Committee the proposed amendments from Cllr Ian Thorn and Cllr Gavin Grant to the budget recommended to Cabinet on 31 January 2023 for the committee to appraise and raise any comments to Full Council.

Background

2. This meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question Cllr Ian Thorn and Cllr Gavin Grant, on the proposed amendments before the budget is considered by Full Council on 21 February 2023.
3. The Member proposal is amendment to the proposed Cabinet budget, as set out 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.
4. The above proposal has the following impact on the 2023/24 base budget:

Proposal	Impact £m
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
Total pressure of proposals	0.040
Funding Proposal of Pressure	
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

5. The proposal has the effect of reducing the income budget for car parking in the 2023/24 financial year which results in a revenue pressure in every year of the MTFs, with proposals for funding this pressure set out in the table above. The impact of the funding of the proposal has the effect of reducing the £1m Towns Funding by £0.040m to £0.960m in 2023/24 and 2024/25.
6. The proposal is to also increase the growth assumption on the increase in Council Tax Base in 2024/25 and 2025/26 from 1.2% to 1.25% for both 2024/25 and 2025/26, which is slightly lower than the average increase over the last 6 years (1.39%) and lower than the average over the last 2 years (1.49%) to support the funding of the amendment proposal in years 2024/25 and 2025/26. The balance of the increase in funding is proposed to be transferred to the Collection Fund Volatility Reserve in financial years 2024/25 and 2025/26.

S.151 Officer Comments

7. The proposal has been costed and this has been included in the figures above. This identifies that the amendment balances and therefore does not impact on the 2023/24 base budget proposed in the original paper to Cabinet and in doing so meets the financial test for an amendment to the budget to be considered by Full Council.
8. The amendment looks to reverse the decision that was made in last years budget. It reduces the income in the base budget and reduces the base budget held for supporting Wiltshire's High Streets by the compensating amount for the first two years. In year three of the MTFs it then looks to adjust the assumption on the increase in council tax base, the number of new properties built, to fund the amendment.
9. From a purely financial perspective the proposal would reduce the risk to the Council. Income sources are subject to potential fluctuations in demand, although these had been factored into the budget, the replacement of this income source with a reduction in a cost budget, which will mean that cost will not materialise, therefore reduces risk. Equally though any upside from an increase in demand for parking that will outstrip the budget estimate will not be made.
10. However this changes in year 3 when the funding switches to a change in the assumption of growth in the council tax base. Before covering off the risk on amending the tax base growth assumption it should be noted that the change in assumption, if accepted and of course if it materialises, would see additional funding to the Council over and above that required to fund the amendment. It is proposed that this balance would be transferred to the collection fund volatility reserve, which would result in a greater balance on the fund than is currently estimated. Members should note though that other amendments also look to draw from the same proposal and should therefore be mindful of any cumulative impact.
11. The key risk is the uplift in tax base growth. The 1.2% in the MTFs is my professional advice to the Council. The table below details out the actual taxbase

growth over the last six years, with four out of the six years having seen higher growth while two years have been below the amendments 1.25% and the proposed MTFS assumption of 1.20%.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
taxbase	182,705.43	186,013.00	187,935.69	187,517.35	189,964.37	193,142.94
Band D increase	4,900.35	3,307.57	1,922.69	- 418.34	2,447.02	3,178.57
% increase	2.76%	1.81%	1.03%	-0.22%	1.30%	1.67%

12. When setting an assumption on growth consideration should be given to the fact that any deficit arising on the collection fund must be made good in the following years budget. Therefore if the amendment was approved but the actual taxbase growth was as per the proposed budget of 1.2%, there would be a £0.169m pressure in 2024/25 as a result of this amendment that would have to be found from additional savings in that financial year.
13. Given the size of the collection fund it would not take much movement to have a considerable financial impact on the Councils finances. A 1% error on the collection fund equates to a £3.4m.
14. The assumption, in my professional judgement, reflects the reality of house building growth as the key determinant in tax base growth, while carefully balancing prudence in not overestimating the amount of growth and potentially exposing the Council to a future financial risk that then has to be immediately made good, potentially at the cost of service delivery.
15. In setting the assumption I also took into account the forecasts and commentary on the economy, in particular the impact of rising interest rates on the housing market, and more importantly house building. Whilst these vary a number of research studies were citing significant falls in the number of housing starts and completions during 2023.
16. Whilst a 0.05% increase in the tax base growth assumption maybe small in the overall context of the collection fund and the Councils budget, it would go against my advice and should be considered against the context I have set out in my commentary above.

Monitoring Officer Comments

17. Subject to the views of the Chairman of the Council and subject to this proposal being moved in accordance with the Rules of Procedure in Part 4 of the Constitution, this is an appropriate amendment within the meaning of Rule 20.6. There are no other legal implications.

Head of Paid Service Comments

18. As Head of Paid Service, I can confirm that officers have provided independent advice. We are aware of the full details of the amendments, and they are policy amendments in nature.

Conclusion

19. Overview and Scrutiny Management Committee are asked to consider the proposed amendments to the financial plan 2023/24 and inform Full Council on 21 February 2023.

**Meeting of the Overview and Scrutiny Management Committee
Report on Proposed Amendments for the 2023/24 Budget**

Purpose of report

1. To report to the Overview and Scrutiny Management Committee the proposed amendments from Cllr Ian Thorn and Cllr Gavin Grant to the budget recommended to Cabinet on 31 January 2023 for the committee to appraise and raise any comments to Full Council.

Background

2. This meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question Cllr Ian Thorn and Cllr Gavin Grant, on the proposed amendments before the budget is considered by Full Council on 21 February 2023.
3. The Member proposal is amendment to the proposed Cabinet budget, as set out 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.
4. The above proposal has the following impact on the 2023/24 base budget:

Proposal	Impact £m
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
Total pressure of proposals	0.650
Funding Proposal of Pressure for 2023/24	

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
Funding Proposal of Pressure for future years	
2024/25 & 2025/26 – nil impact	nil

5. The proposal has the effect of adding an additional budget in the 2023/24 financial year which results in a revenue pressure, with proposals for funding this pressure set out in the table above. The impact of the funding of the proposal has the effect of reducing the contribution to the Collection Fund Volatility Reserve by £0.650m in 2023/24, the balance of which will then be forecast to be £10.169m at the end of 2023/24 financial year. This reduces the reserves available to cover the General Fund risks to 134% at the end of 2023/24.

S.151 Officer Comments

6. The proposal has been costed and this has been included in the figures above. This identifies that the amendment balances and therefore does not impact on the 2023/24 base budget proposed in the original paper to Cabinet and in doing so meets the financial test for an amendment to the budget to be considered by Full Council.
7. The Government announced on 23 December 2022 that councils would receive additional grant funding to support residents in receipt of Council Tax Relief. Wiltshire is anticipated to receive £0.676m from this grant to apply to all those residents in receipt of Local Council Tax Support (LCTS) and has committed to apply an additional £25 per household, which would leave a balance of approximately £0.280m of grant unallocated to add to the discretionary pot.
8. The amendment increases the discretionary one-off pot held by the Council which currently stands at £0.312m. The Council averages around £0.150m per financial year, which would leave a balance of £0.162m going forward into 2023/24 where the unallocated grant from Government would then be added, leaving a balance of £0.442m. Based on the average use this balance would last almost 3 financial years, but would be dependent on the number of residents that meet the criteria for discretionary relief.
9. This amendment would therefore increase the balance of this pot to £0.742m, which either provides more capacity to review the criteria of the existing discretionary policy and apply to more or extends the balance life to nearly 5 financial years.
10. The amendment proposes that £0.650m of the £8.1m surplus be utilised to fund this one off amendment in 2023/24. The current proposal in the budget is for the one off surplus to be transferred to the collection fund volatility reserve. Whilst this reserve is forecast to stand at £10.8m at the end of 2023/24, it will therefore be reduced to £10.2m if successful. The amendment should be seen in the context of reducing the

ability the council has to be able to deal with the potential financial shock and volatility that is inherent within the collection fund.

11. Given the size of the collection fund it would not take much movement to have a considerable financial impact on the council's finances. A 1% error on the collection fund equates to a £3.8m.

Monitoring Officer Comments

12. Subject to the views of the Chairman of the Council and subject to this proposal being moved in accordance with the Rules of Procedure in Part 4 of the Constitution, this is an appropriate amendment within the meaning of Rule 20.6. There are no other legal implications.

Head of Paid Service Comments

13. As Head of Paid Service, I can confirm that officers have provided independent advice. We are aware of the full details of the amendments, and they are policy amendments in nature.

Conclusion

14. Overview and Scrutiny Management Committee are asked to consider the proposed amendments to the financial plan 2023/24 and inform Full Council on 21 February 2023.

This page is intentionally left blank

**Meeting of the Overview and Scrutiny Management Committee
Report on Proposed Amendments for the 2023/24 Budget**

Purpose of report

1. To report to the Overview and Scrutiny Management Committee the proposed amendments from Cllr Ian Thorn and Cllr Gavin Grant to the budget recommended to Cabinet on 31 January 2023 for the committee to appraise and raise any comments to Full Council.

Background

2. This meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question Cllr Ian Thorn and Cllr Gavin Grant, on the proposed amendments before the budget is considered by Full Council on 21 February 2023.
3. The Member proposal is amendment to the proposed Cabinet budget, as set out 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.
4. The above proposal has no impact on the 2023/24 base budget but has the following impact on future years of the MTFS and budget:

Proposal	Impact £m
Removal of the saving to implement a rental charge to Citizens Advice Wiltshire for their space in Bourne Hill (from 2024/25)	0.018
Total pressure of proposals	0.018
Funding Proposal of Pressure for 2023/24	
2023/24 – nil impact	-
Funding Proposal of Pressure for future years	
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
---	-------

5. The proposal has the effect of reducing the income budget for Assets and Commercial in the 2024/25 financial year which results in a revenue pressure from this year onwards of the MTFS, with proposals for funding this pressure set out in the table above.
6. The proposal is to also increase the growth assumption on the increase in Council Tax Base in 2024/25 and 2025/26 from 1.2% to 1.25% for both 2024/25 and 2025/26, which is slightly lower than the average increase over the last 6 years (1.39%) and lower than the average over the last 2 years (1.49%) to support the funding of the amendment proposal in years 2024/25 and 2025/26. The balance of the increase in funding is proposed to be transferred to the Collection Fund Volatility Reserve in financial years 2024/25 and 2025/26.

S.151 Officer Comments

7. The proposal has been costed and this has been included in the figures above. The amendment doesn't impact 2023/24 as it identifies savings proposed for 2024/25. As the amendment balances and therefore does not impact on the 2023/24 base budget it meets the financial test for an amendment to the budget to be considered by Full Council.
8. The amendment proposes a change to the assumptions over the increase in the council tax base, the number of new properties built, to fund the amendment in future years.
9. Before covering off the risk on amending the tax base growth assumption it should be noted that the change in assumption, if accepted and of course if it materialises, would see additional funding to the Council over and above that required to fund the amendment. It is proposed that this balance would be transferred to the collection fund volatility reserve, which would result in a greater balance on the fund than is currently estimated. Members should note though that other amendments also look to draw from the same proposal and should therefore be mindful of any cumulative impact.
10. The key risk is the uplift in tax base growth. The 1.2% in the MTFS is my professional advice to the Council. The table below details out the actual taxbase growth over the last six years, with four out of the six years having seen higher growth while two years have been below the amendments 1.25% and the proposed MTFS assumption of 1.20%.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
taxbase	182,705.43	186,013.00	187,935.69	187,517.35	189,964.37	193,142.94
Band D increase	4,900.35	3,307.57	1,922.69	- 418.34	2,447.02	3,178.57
% increase	2.76%	1.81%	1.03%	-0.22%	1.30%	1.67%

11. When setting an assumption on growth consideration should be given to the fact that any deficit arising on the collection fund must be made good in the following years budget. Therefore if the amendment was approved but the actual taxbase growth was as per the proposed budget of 1.2%, there would be a £0.169m pressure in 2024/25 as a result of this amendment that would have to be found from additional savings in that financial year.
12. Given the size of the collection fund it would not take much movement to have a considerable financial impact on the Councils finances. A 1% error on the collection fund equates to a £3.8m.
13. The assumption, in my professional judgement, reflects the reality of house building growth as the key determinant in tax base growth, while carefully balancing prudence in not overestimating the amount of growth and potentially exposing the Council to a future financial risk that then has to be immediately made good, potentially at the cost of service delivery.
14. In setting the assumption I also took into account the forecasts and commentary on the economy, in particular the impact of rising interest rates on the housing market, and more importantly house building. Whilst these vary a number of research studies were citing significant falls in the number of housing starts and completions during 2023.
15. Whilst a 0.05% increase in the tax base growth assumption maybe small in the overall context of the collection fund and the Councils budget, it would go against my advice and should be considered against the context I have set out in my commentary above.

Monitoring Officer Comments

16. Subject to the views of the Chairman of the Council and subject to this proposal being moved in accordance with the Rules of Procedure in Part 4 of the Constitution, this is an appropriate amendment within the meaning of Rule 20.6. There are no other legal implications.

Head of Paid Service Comments

17. As Head of Paid Service, I can confirm that officers have provided independent advice. We are aware of the full details of the amendments, and they are policy amendments in nature.

Conclusion

18. Overview and Scrutiny Management Committee are asked to consider the proposed amendments to the financial plan 2023/24 and inform Full Council on 21 February 2023.

This page is intentionally left blank

**Meeting of the Overview and Scrutiny Management Committee
Report on Proposed Amendments for the 2023/24 Budget**

Purpose of report

1. To report to the Overview and Scrutiny Management Committee the proposed amendments from Cllr Ian Thorn and Cllr Gavin Grant to the budget recommended to Cabinet on 31 January 2023 for the committee to appraise and raise any comments to Full Council.

Background

2. This meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question Cllr Ian Thorn and Cllr Gavin Grant, on the proposed amendments before the budget is considered by Full Council on 21 February 2023.
3. The Member proposal is amendment to the proposed Cabinet budget, as set out 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.
4. The above proposal has the following impact on the 2023/24 base budget:

Proposal	Impact £m
Removal of the saving to cease grant funding of Lunch Clubs	0.060
Removal of the saving to cease grant funding of Friendship Clubs	0.046
Total pressure of proposals	0.106
Funding Proposal of Pressure for 2023/24	
2023/24 – Use of Collection Fund Surplus received in the year and reduce the contribution to the Collection Fund Volatility Reserve	0.106
Funding Proposal of Pressure for future years	

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

5. The proposal has the effect of reducing the amount of savings to be delivered in the 2023/24 financial year which results in a revenue pressure in every year of the MTFs, with proposals for funding this pressure set out in the table above.
6. The impact of the funding of the proposal has the effect of reducing the contribution to the Collection Fund Volatility Reserve by £0.106m in 2023/24, the balance of which will then be forecast to be £10.713m at the end of 2023/24 financial year. This reduces the reserves available to cover the General Fund risks to 135% at the end of 2023/24.
7. The proposal is to also increase the growth assumption on the increase in Council Tax Base in 2024/25 and 2025/26 from 1.2% to 1.25% for both 2024/25 and 2025/26, which is slightly lower than the average increase over the last 6 years (1.39%) and lower than the average over the last 2 years (1.49%) to support the funding of the amendment proposal in years 2024/25 and 2025/26. The balance of the increase in funding is proposed to be transferred to the Collection Fund Volatility Reserve in financial years 2024/25 and 2025/26.

S.151 Officer Comments

8. The proposal has been costed and this has been included in the figures above. This identifies that the amendment balances and therefore does not impact on the 2023/24 base budget proposed in the original paper to Cabinet and in doing so meets the financial test for an amendment to the budget to be considered by Full Council.
9. This is the second year impact of the decision that was made in last years budget to reduce the grants to luncheon and friendship clubs over the course of two financial years.
10. Although the amendment proposes the use of the collection fund surplus to fund an ongoing pressure in the first year, fundamentally the amendment is to then amend the assumptions over the increase in the council tax base, the number of new properties built, to fund the amendment going forward.
11. Before covering off the risk on amending the tax base growth assumption it should be noted that the change in assumption, if accepted and of course if it materialises, would see additional funding to the Council over and above that required to fund the amendment. It is proposed that this balance would be transferred to the collection fund volatility reserve, which would result in a greater balance on the fund than is currently estimated. Members should note though that other amendments also look

to draw from the same proposal and should therefore be mindful of any cumulative impact.

12. The key risk is the uplift in tax base growth. The 1.2% in the MTFS is my professional advice to the Council. The table below details out the actual taxbase growth over the last six years, with four out of the six years having seen higher growth while two years have been below the amendments 1.25% and the proposed MTFS assumption of 1.20%.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
taxbase	182,705.43	186,013.00	187,935.69	187,517.35	189,964.37	193,142.94
Band D increase	4,900.35	3,307.57	1,922.69	- 418.34	2,447.02	3,178.57
% increase	2.76%	1.81%	1.03%	-0.22%	1.30%	1.67%

13. When setting an assumption on growth consideration should be given to the fact that any deficit arising on the collection fund must be made good in the following years budget. Therefore if the amendment was approved but the actual taxbase growth was as per the proposed budget of 1.2%, there would be a £0.169m pressure in 2024/25 as a result of this amendment that would have to be found from additional savings in that financial year.
14. Given the size of the collection fund it would not take much movement to have a considerable financial impact on the Councils finances. A 1% error on the collection fund equates to a £3.8m.
15. The assumption, in my professional judgement, reflects the reality of house building growth as the key determinant in tax base growth, while carefully balancing prudence in not overestimating the amount of growth and potentially exposing the Council to a future financial risk that then has to be immediately made good, potentially at the cost of service delivery.
16. In setting the assumption I also took into account the forecasts and commentary on the economy, in particular the impact of rising interest rates on the housing market, and more importantly house building. Whilst these vary a number of research studies were citing significant falls in the number of housing starts and completions during 2023.
17. Whilst a 0.05% increase in the tax base growth assumption maybe small in the overall context of the collection fund and the Councils budget, but it would go against my advice and should be considered against the context I have set out in my commentary above.

Monitoring Officer Comments

18. Subject to the views of the Chairman of the Council and subject to this proposal being moved in accordance with the Rules of Procedure in Part 4 of the Constitution, this is an appropriate amendment within the meaning of Rule 20.6. There are no other legal implications.

Head of Paid Service Comments

19. As Head of Paid Service, I can confirm that officers have provided independent advice. We are aware of the full details of the amendments, and they are policy amendments in nature. Officers' view is that commissioned provision outcomes are preferable to grant payments.

Conclusion

20. Overview and Scrutiny Management Committee are asked to consider the proposed amendments to the financial plan 2023/24 and inform Full Council on 21 February 2023.