

Cabinet 6 February 2019

Council 26 February 2019

**Report of the Overview and Scrutiny Management Committee on the Draft
Financial Plan Update 2019/20**

Purpose of report

1. To report to Cabinet and Full Council a summary of the main issues discussed at the meeting of the Overview and Scrutiny Management Committee (“The Committee”) held on 31 January 2019.

Background

2. The meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question the Cabinet Member with responsibility for Finance and the Interim Director of Finance on the draft 2019/20 Financial Plan before it is considered at Cabinet on 5 February 2019 and Full Council on 26 February 2019.
3. The Cabinet Member for Finance, Procurement, ICT and Operational Assets, Councillor Philip Whitehead, supported by the Interim Director of Finance and Section 151 Officer, Becky Hellard, was in attendance along with the Leader of the Council, Councillor Baroness Scott of Bybrook OBE and other members of the Executive and the Corporate Leadership Team to provide clarification and answers to issues and queries raised by the Committee.
4. In addition to the draft Financial Plan update made available on the council’s website on 22 January 2019 and other public events, a briefing from the Cabinet Member open to all elected members was held on 24 January 2019, and was attended by 49 members.
5. Details had included:
 - Council Tax to be increased by 2.99%
 - Details of the £27.290m savings proposed including at what level decisions would be taken.
 - The stable position of future council finances with the removal of the Revenue Support Grant within the context of the medium term financial strategy, and the importance of transformation of services to meet increases in demand.
 - Delegation of the setting of discretionary fees and charges, to be assumed on average to increase by 5%

Main issues raised during questioning and debate

6. This report is divided into sections relating to each of the Select Committee areas as budget proposals and impacts on services were discussed, before opening up to general queries.

Financial Planning Task Group

7. The report of the Task Group on the budget proposals was received and noted. The report and its recommendations would be forwarded for attention at Cabinet and Full Council along with the report of the Committee itself. The Task Group thanked the Cabinet Member for the high level of engagement undertaken throughout the year to enable robust examination and discussion of the council's financial position, and the Committee sought details of some of the points raised in the Task Group report, including how to target effective care packages, the appropriate focus on needs and outcomes of vulnerable people, and on the process of the budget discussions itself.

Children's Select Committee

8. Clarity was sought in relation to the Dedicated Schools Grant (DSG) where there had been an increase in demand in the High Needs Block of £4.500m. It was confirmed the Secretary of State had increased funding by £1.128m, and that the Council had requested permission to transfer up to 1% of Schools Funding (up to £2.6m) to cover the remaining shortfall for the High Needs block along with £1.300m as a one-off contribution. It was confirmed that the Department for Education had approved 0.8% to contribute to the shortfall from other blocks within DSG.
9. Details were sought regarding proposed savings with the voluntary community sector (VCS) under children's care and children's support. It was noted that, although a small saving of only £0.005m, funding for VCCS organisations often facilitated and enabled a great deal of additional activity and that reductions to VCS funding could have knock-on impacts. It was stated that due diligence was undertaken to assess the impact of any reduction to ensure this was at an acceptable level.
10. In relation to proposed savings in the conference and reviewing service it was stated that this involved reassessing roles and delivery of the service rather than deletion of a post.
11. It was also requested, and accepted, that the Select Committee be involved where possible in discussion of the delivery of various savings including the recommissioning of service provision for vulnerable young adults and the children's outreach services expansion.
12. The need to focus where possible on preventative work, which would have longer term improvements both for service users, partners and savings, was also discussed. It was noted that the council's FACT programme, introduction of Local Area Coordinators and Pause programme were all focused on preventative work. It was noted that public health funding from Central Government had been reduced by £0.450M.
13. Clarity was sought on the £0.070m funding for a Travel Trainer during the 2019/20 financial year. This was explained as assisting young people in developing independence when using public transport, such as bus travel for reaching places of work. This would help decrease the reliance on council-funded taxi services.

Environment Select Committee

14. Details were sought in relation to the growth in economic development and planning. It was stated that progression of local plans included significant costs on the local authority, but were a strategic priority.
15. Questions were raised regarding the predicted £0.300m saving from the LED Street Lighting Saving. The Select Committee had been informed at their 6 November 2018 meeting that this scheme was expected to deliver savings of at least £1.312m annually. It was stated in response that this was likely to be a result of first year implementation, meaning lesser savings compared with the overall annualised figure that would be achieved as the programme was on track, but that this would be checked.
16. It was also confirmed that the cost of a year of free Sunday parking had been included within the budget proposals, but that no decision had been made regarding its continuation. There was no proposal for free Bank Holiday parking.
17. Other issues raised included the increase to waste and environment's budget, which listed funds set aside for the delayed implementation of the waste contracts and that the reference to a pothole spotter in the budget papers was a holdover from the last budget and there were no associated costs for this year. It was highlighted that the Committee had been told at their 6 Nov 2018 meeting that the Council had received around £7.5m from Government, to spend on repairing potholes.

Health Select Committee

18. There was significant focus on the ongoing adult social care transformation programme, which was expected in the budget to deliver 58% of the overall savings for the entire budget, £16.068m, and assurance was sought that this was deliverable. In response it was stated that every saving, high and low, was tested rigorously on its deliverability and that as a long-term process many of the savings had been identified for some time or changes had already been enacted. It was also noted that these savings were expected to be achieved against significant growth in demand for the services.
19. Many of the savings were expected to come from the focus on reablement, to support people returning from hospital to their homes as soon as possible and increase their independence for both their benefit and improved savings, and the position regarding recruitment to that team was raised. It was stated that there had been good progress but not yet full recruitment across all areas, however the savings of £2.375m were felt to be achievable.
20. In relation to savings within the Learning Disabilities service, it was noted that this was a sensitive service area, and that any savings proposed must be realistic and handled very carefully.
21. In response to queries around adult social care provision it was stated that a new joint service had worked with local providers to create an alliance framework to shape the market for providing Help to Live at Home services, which went live in October 2018 and that the latest figures showed that 75% of care packages were purchased under contract and only 25% remain as "spot purchase".

General Enquiries and Observations

22. It was raised that the level of savings required for 2019/20 was £12m higher than the figure projected within the 2018-19 Financial Update, and the deliverability of the current projections. In response it was stated that no forecast would be completely correct as factors changed, and that proposed savings had been listed in greater detail to ensure as much as possible these were achievable and these would be continually assessed throughout the year to ensure any significant variance was identified and addressed.
23. The capital programme profile was raised, with lower figures listed in the budget report from 2019/20. In response it was stated that the capital spends for 2019/20 had seen a significant increase to £172.935m for 2019/20 and that the profile was an indication of confirmed projects, and that the actual spend would therefore increase as further projects were confirmed during the course of the year. The figures would also be affected by release of cyclical funds from central government, and it was stated the Future Prosperity Fund would be released from 2021 which would likely see to an increase on the listed figures.
24. Cross-cutting savings were explained as savings delivered by or effecting multiple services, but savings would be listed under specific services whenever possible.
25. There was discussion of the level of council reserves at 4% of the net spend. It was confirmed that in future years opportunity would be taken if possible to increase the reserves by £1-2m, but that the current level had been assessed as adequate by external auditors, and a larger increase was not considered appropriate as it would prevent allocation of resources for projects such as transformation changes which would deliver service improvements and further savings.
26. Business rates were also discussed, and it was confirmed the level collected for the present year had increased. After several years delay the government had indicated the review of the reallocation of business rates to local authorities would be progressing in the next financial year. It was not considered that this would lead to immediate and significant changes in the level Wiltshire received, although it was considered that the situation should be an improvement given the efforts of councils to highlight the significant pressures faced by authorities with larger numbers of older people.
27. The Committee also encouraged continued work to investigate best practice of other authorities and partners where appropriate and implement that best practice in Wiltshire.

Conclusion

28. To note the Financial Plan Update 2019/20 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 5 and 26 February respectively.
29. To welcome the Executive's early and positive engagement with the Financial Planning Task Group in the budget development process.
30. To recommend that future annual budget reports and councillor budget briefings describe the development process budget proposals go through in order to be consider robust.

31. To continue to support the Financial Planning Task Group's focus on supporting the development of robust council budgets.

Councillor Graham Wright

Chairman of the Overview and Scrutiny Management Committee

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4 February 2019