

APPENDIX to the Overview and Scrutiny Management Minutes of 28 January 2020

Wiltshire Council

Cabinet 4 February 2020

Council 25 February 2020

Report of the Overview and Scrutiny Management Committee on the Draft Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-2025

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 28 January 2020.

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 Chief Executives with the Interim Director of Finance on the draft 2020-21 Financial Plan and medium-term financial strategy before it is considered at Cabinet on 4 February 2020 and Full Council on 25 February 2020.
3. The Cabinet Member for Finance and Procurement, Councillor Simon Jacobs, supported by the Interim Director of Finance and Section 151 Officer, Deborah Hindson, was in attendance along with the Leader of the Council, Councillor Philip Whitehead, and the Chief Executive Officers, Alistair Cunningham and Terence Herbert, 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 20 January 2020 and other public events, a briefing from the Cabinet Member open to all elected Members was held on 23 January 2020 and was attended by 44 Members.
5. Details had included:
 - Council Tax to be increased by 1.99% and a Social Care Levy of 2%;
 - Details of the £14.683m savings proposed (of which £3.849m was identified during the 2019/20 budget process, leaving £10.834m to be identified), with a total expenditure of £344.023m;
 - Increase in the level of reserves to 5% over the MTFs period;
 - A 2.7% increase for social dwelling rents
 - The Housing Revenue Account (HRA) budget for 2020/21 to be set at £30.302m expenditure and all service charges related to the HRA being increased to cover costs, capped at £5 per week for those not on housing benefits and garage rents increased by 1.7%.
 - A forecast budget gap of £69.527m for the Medium-Term Financial Strategy period 2021/22 – 2024/25

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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 comments would be forwarded for attention at Cabinet and Full Council along with the report of the Committee itself.
8. The Committee sought details of some of the points raised in the Task Group report, including the identification of risks when seeking savings, and in particular the new Savings Delivery Group, which would be reporting directly to the Corporate Leadership Team on achieving agreed savings.
9. Business transformation, in particular digitalisation, was highlighted as increasingly important to achieve savings. It was noted that the circa £69m of savings required in the next four years was less than had been achieved in the preceding 4 years, and there was discussion of how transformation of services could allow savings not previously achievable, but also that many simple efficiencies had already been achieved.

Children's Select Committee

10. Clarity was sought in relation to the Dedicated Schools Grant (DSG) where as in 2019/20 there had been an increase in demand in the High Needs Block, for this year of £4.904m. It was confirmed Schools Forum had agreed a transfer of 0.7%, £2.065m, from the Schools Block to support high needs pupils, which would require approval from the Secretary of State. 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. It was also noted by the Committee that Wiltshire remained one of the lowest funded authorities in this area.

Additional details were also sought on future budget pressures and growth in Children's and Families, where it went from £6.596m in 2020/21 to £3.870m in 2021/22, before increasing to £5.211m by 2024/25. This was explained as 20/21 effectively having double growth reinstating some 2019/20 savings.

11. Pressures on cost of providing children's transport of £1.221m was raised, and it was stated this could decrease when arrangements for the expanded school at Rowdeford were in place.
12. The level of savings required from children and education within the bloc which included corporate services and Human Resources was also queried, as well as the £0.675m funding for the Families and Children's transformation programme.

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13. Further queries were made on Special Educational Need (SEN) funding contributions from academies, impacts on services from increases in the living wage, and that circa £4m of the overall £73m savings required in the next 4 years had already been identified, hence the overall figure of circa £69m still to identify.

Environment Select Committee

14. Details were sought in relation to waste contract delivery, as delays had resulted in significant costs in the previous financial year. In response it was stated the council was confident the new household waste and recycling collections would be operational from sometime in March 2002.
15. It was confirmed in response to queries that there were no current plans to end charging for green waste collection, and no government proposals on the subject at present.
16. It was also confirmed that free Sunday parking costs had not been included within the budget proposals.
17. Details were sought on the development of a climate change team within the proposals, and it was highlighted that the team would bring through projects like Carbon reduction funded by capital investment or savings, and that the budget cost was for staffing.
18. Other issues raised included pressures on the libraries service, and it was stated no savings were required, one off growth had been given, but there was a focus on increasing volunteering further and looking at making the service more efficient.

Health Select Committee

19. It was confirmed that the Social Care Levy was able to be included in the budget because central government had not finalised its fairer funding formula which would revise allocations for local authorities, and therefore the amount could change in future once that was resolved, and was for 2020/21 only. It was confirmed the levy was for adult social care.
20. It was stated that approximately 62p out of every pound the council spent was on Adult Social Care and Looked After Children, and as such transformation within Adult Social Care had been responsible for significant savings in previous years and would in future years. The Committee was also interested in monitoring private sector social care for any implications for the council. It also requested a breakdown of how much of the spend was statutory, and how much was discretionary, with a discussion on the preventative effect of discretionary spending.
21. It was noted that there was continued uncertainty as to proposals from central government regarding social care, and that there could be significant changes which could impact upon council proposals, positively and negatively. It was also confirmed in response to queries that the council was in frequent contact with the Clinical Commission Group to discuss operations and financial matters.

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Conclusion

22. To note the Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-25 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 4 and 25 February 2020 respectively.
23. To welcome the Executive's positive engagement with the Financial Planning Task Group in the budget development and monitoring process.
24. To support the Financial Planning Task Group's continued focus on monitoring the delivery of the savings and efficiencies proposed in this Financial Plan Update (and of any further savings proposed throughout the year).

Councillor Graham Wright

Chairman of the Overview and Scrutiny Management Committee

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30 January 2020

Annex – Report of the Financial Planning Task Group for 28 January 2020