

Overview and Scrutiny Management Committee

5 February 2018

**Report of the Financial Planning Task Group – 1 February 2018:
Financial Plan Update 2018/19**

Issue (page and paragraphs numbers refer to the Budget Papers)	Further information / Comments
Revenue Budget Monitoring 2017/18	
Overall the period 9 report identifies potential cost pressures of £2.276 million. However, action has been identified to address the Period 9 forecast and it is expected that the budget will be delivered balanced by 31 March 2018.	The Task Group will scrutinise the final outturn figures once available.
Specific budget areas 2018/19	
(page 21, para 6.3) Central Government Grant reductions	2019/20 will be the final year the council will receive any Revenue Support Grant (RSG)*. Although this reduction has presented significant challenges, it also now provides the opportunity of becoming financially independent from central government, giving the council the ability to manage growth within Wiltshire locally. *The Business Rates Retention Grant remains, pending the conclusion of National Non Domestic Rates Reform (NNDR).
(page 18) Commercial (saving 34, page 63)	The projected savings/income of £7.580M from 'Commercial' includes a variety of savings areas and income streams. Some are simple to implement and low risk, such as increasing fees for garden waste collections (£0.410M) (though a reduction of take-up has been accounted for).

<p>(saving 48, page 66)</p> <p>(savings 14, 28 and 32)</p> <p>(saving 69, page 69 and page 117)</p>	<p>A smaller proportion require new approaches, such as generating greater income from advertising and sponsorship (£0.150M). Therefore the income is profiled to increase in later years.</p> <p>Just over £1M come from procurement savings, such as on SEND Transport and major waste and environment contracts.</p> <p>£3M comes from a commercial review of debt management, reducing the council's Minimum Revenue Contribution from 4% to 2% (see below).</p>
<p>(page 69, Appendix 1C, saving 69)</p> <p>Minimum Revenue Provision</p>	<p>In previous years the Council has selected an MRP rate of 4%. However, in line with CIPFA rules, the Council is seeking in 2018/19 to reduce its MRP rate from 4% to 2%. This will reduce the annual financial calculation of debt repayment levels, releasing £3M of revenue funds in 2018/19.</p> <p>It is expected that the council will return the MRP rate to 4% in future years as it becomes able to re-profile debt. Although prudent in the short term, the decrease to the MRP needs to be temporary in order to avoid shifting excessive debt to future years.</p>
<p>(from page 60, Appendix 1C)</p> <p>Reviews of structures and job design</p>	<p>Some services will be able to achieve their savings through deleting vacant posts. Others will restructure teams, having identified potential inefficiencies and duplication. The savings projected take account of the timescales within which savings can be identified and delivered.</p>
<p>(page 60, Appendix 1C, saving 1)</p> <p>Transformation of Adult Social Care</p>	<p>The savings target of £6.600M is significant, but only represents approximately 5% of the overall adult social care budget.</p>
<p>(page 67, Appendix 1C, saving 52)</p> <p>Review Youth Area grants to ensure a focus on health and prevention of poor health, and fund from Public Health</p>	<p>This £0.200M saving does not represent a decrease in spend, but a new way of funding youth area grants through the ringfenced Public Health grant. Area Boards can therefore award these funds, taking account of JSA data, to address local young</p>

	people's health needs, reducing future costs to the health and care system.
(page 69, Appendix 1C, saving 70) Additional 1% staff vacancy factor	The council's current overall vacancy factor is above 6%. Services will be asked to review their structures (as a result of budget savings proposals or transformation), then produce a 4 year operational workforce plan within that envelope. Services demonstrating effective management and transformation will be rewarded with reduced vacancy factors.
Future scrutiny of the Financial Plan 2018/19	
Tracking delivery of savings and income generation	Undertaken by the task group, focusing on the key savings/income areas and monitoring how any slippage is balanced elsewhere.
Monitoring impacts on services and outcomes for residents	Undertaken by the select committees, with the focus recommended as being on areas of significant transformation and savings.

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