

**Report of the Overview and Scrutiny Management Committee on the Draft
Financial Plan Update 2018/19**

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 held on 9 February 2018.

Background

2. The meeting of the Overview and Scrutiny Management Committee provided an opportunity to scrutinise amendments to the budget that were proposed after the committee meeting on 5 February 2018, which considered the initial proposals from the Administration which were published on 26 January 2018. The only proposed amendments received were from the Liberal Democrat Group.
3. Councillor Ruth Hopkinson, Deputy Leader of the Liberal Democrat Group acknowledged the difficult financial environment the council faced and limited flexibility in meeting its budgetary requirements, and then presented the proposals to the Committee as follows:

Savings (£0.345m)

- To use the Rural Grant (£0.655m) for two years to fund the Communities investment whilst further recurring savings are identified. The balance being used to fund further the interest payments for the LED investment proposal (£0.262m)
- To recommend the number of Cabinet Portfolio Holders is reduced by 50% (£0.058m)
- To reduce councillor's travel mileage allowance to 25p a mile (£0.025m)

Investments £0.345m

- To replace in part the Administration's proposal 49 in relation to '*Communities - A review of structures and job design to identify inefficiencies and potential duplication with other service areas*' £0.245m
 - To set aside further revenue ability to fund borrowing in order to allow for more LED replacement in support of the Administration's budget proposal 27 - '*To...undertake a commercial business case review of some areas moving to usage of LED fittings to reduce costs*' £0.100m
4. The proposals had been commented upon by the Corporate Leadership Team, including the Director of Finance and the Monitoring Officer.

Main issues raised during questioning and debate

5. The Chairman gave the opportunity for the Leader of the Council and the Cabinet Member for Finance respond to the amendments, before seeking any queries or

comments from the Committee and other Members in attendance including those detailed below.

6. In relation to use of the Rural Grant it was confirmed that £0.262m would be required in the next financial year to meet the commitment. There were also questions on whether the grant could be used to supplement a programme such as streetlighting replacement, which would predominantly affect urban areas more than rural ones. In response, it was confirmed the proposals had been assessed by officers as acceptable to use the grant to partly fund the LED street lighting replacement programme.
7. In relation to expanding the LED street lighting programme it was stated that in addition to the greater efficiency of the lights meaning the programme would pay for itself over a 20 year period, it would also significantly reduce the council's carbon footprint and contribute to national targets for reducing carbon emissions. The Cabinet Member also clarified that with the Rural Grant announced after the Administration had published its own proposals, the Administration would detail its alternatives to such a use of the grant at Council on 20 February.
8. In relation to reducing the councillors' mileage allowance from 45p per to 25p per mile it was confirmed that the amount to be saved was not calculated as a full year saving, acknowledging that any change to the Members' Allowances Scheme would require consultation with an Independent Remuneration Panel before it was implemented. In response to queries it was stated the administration cost of a different rate for councillors and officers would be minimal.
9. It was further stated that councillors would be able to claim back the difference from the rate set by HM Revenue and Customs if the mileage rate were set at 25p, and that the efficiency of modern vehicles meant this rate met or exceeded average running costs. Details were sought on how the 25p rate had been calculated and whether it was up to date. In response it was stated that previous council calculations had indicated such a cost, or lower, and that the AA's figures stated this remained an accurate estimate.
10. Regarding the proposal to reduce the number of Portfolio Holders, the Leader of the Council stated she did not believe it was a proper budget proposal to condition how the executive governance arrangements of the council needed to be organised.

Conclusion

11. To note that the amendments to the Financial Plan Update 2018/19 proposed by the Liberal Democrat group have been scrutinised; and
12. To ask Full Council to take note of the comments of the Committee as detailed above.

Councillor Graham Wright Chairman of the Overview and Scrutiny Management Committee

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Report Date: 12 February 2018