

Wiltshire Council

Overview and Scrutiny Management Committee

15 July 2021

Financial Planning Task Group Update

Purpose

1. To update Overview and Scrutiny Management Committee on the work of the Financial Planning Task Group since May 2021.

Background

2. The Financial Planning Task Group (FPTG) is a standing task group reporting to the Overview and Scrutiny Management Committee.

Membership

3. The membership of the task group from June 2021 is as follows:

Cllr Gavin Grant
Cllr George Jeans
Cllr Gordon King
Cllr Charles McGrath
Cllr Pip Ridout (Chairman)
Cllr Elizabeth Threlfall
Cllr Derek Walters

4. Cllr Pip Ridout was elected Chairman by the task group at its meeting on 25 June 2021.

Terms of Reference:

- a) To understand and review the Medium Term Financial Strategy (4 year financial model)
- b) To understand and review the approach and robustness of the financial planning regime within the Council
- c) To understand and help develop the approach to the annual budget setting cycle
- d) To review the specific contribution of overview and scrutiny in the annual budget setting cycle with a focus on outcomes
- e) To undertake periodic budget monitoring including reviews of key midyear trends and developments and to ensure that these are taken into account when updating the Financial Plan

- f) To work under the direction and guidance of the Management Committee and report regularly to the Cabinet Member, Management Committee and select committees (as appropriate) on its work and findings and to make any necessary referrals
- g) To review the council's Performance and Risk monitoring reports and the Corporate Performance Framework.

Recent activity

25 June 2021

Financial Year 2020/21 – Provisional Outturn Position

- 5. The task group were updated on the underspends in Q3 and Q4 (£33m) and their transfer to reserves. The government has provided funding over the period of the pandemic (£34m) supporting the council. These funds were in addition to £260m of government funding passported out to external organisations via the council.
- 6. Reserves now stand at £94m and the task group was given more detail on why they were forecast to be £27m by 31 March 2022. Emerging from the pandemic, reserves are likely to be drawn upon considerably, particularly arising from latent demand, in 2021/22.
- 7. The task group was updated on the Collection Fund i.e. council tax and business rates. Government grants have covered shortfalls in business rates however, forecasts are pessimistic on future receipts. The task group will therefore be monitoring Collection Fund forecasts through 2021/22.
- 8. During 2021/22, the intention is for the budget to be flexed meaning revising the budget on a quarterly basis with the latest known data. This will recognise movements in the budget and redistribute funds to areas of actual need, not just estimates of need. The task group will in future be monitoring the use of flexing the budget.

7 July 2021

Financial Year 2020/21 – Final Outturn / Treasury Management Outturn 2020/21

- 9. The task group were updated on the borrowing for capital projects. Some projects, due to the pandemic, have been deferred or delayed. The appropriate profiling of that spend will be important. The task group would like to consider capital borrowing and spend in more detail in future.

Forward Work Plan

- 10. The Task Group is working with the Cabinet Member for Finance, Procurement, Commissioning, IT, Digital and Commercialisation and the Corporate Director Resources & Deputy Chief Executive (S.151 Officer) to further develop the task group's forward work plan. Potential work future areas include the council's

Stone Circle wholly-owned companies (once a planned governance review has been completed) and creating a better understanding of strategic procurement and capital borrowing and spend.

Proposals

- 1. To note the update on Financial Planning Task Group activity provided.**
- 2. To note that the following councillors have been appointed to the Financial Planning Task Group:**
 - Cllr Gavin Grant**
 - Cllr George Jeans**
 - Cllr Gordon King**
 - Cllr Charles McGrath**
 - Cllr Pip Ridout (Chairman)**
 - Cllr Elizabeth Threlfall**
 - Cllr Derek Walters**

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