

Wiltshire Council

Overview and Scrutiny Management Committee

27 November 2024

Financial Planning Task Group Update

Purpose

1. To update Overview and Scrutiny Management Committee on the activity of the Financial Planning Task Group and its discussions regarding:
 - Financial Year 2024/25 - Quarter Two Revenue Budget Monitoring
 - Financial Year 2024/25 - Quarter Two Capital Budget Monitoring
 - Treasury Management Strategy 2024/25 Half Year ended 30 September 2024

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 is as follows:

Cllr Gavin Grant (Vice-chairman)
Cllr Gordon King
Cllr Charles McGrath
Cllr Pip Ridout (Chairman)
Cllr Ian Thorn
Cllr Ruth Hopkinson
Cllr Chris Williams
Cllr Graham Wright
Cllr Philip Whitehead

Terms of Reference:

4. The terms of reference of the task group are:
 - a) To review the council's draft Financial Plan, Medium-Term Financial Strategy (4-year financial model) and Treasury Management Strategy, reporting its findings to OS Management Committee.
 - b) To undertake regular monitoring of the council's capital and revenue budgets (including the delivery of savings), ensuring that mid-year trends and developments are considered when the council's Financial Plan is updated.

- c) To undertake ongoing review of the council's financial position, including the monitoring of reserves, investments, debt, and financial risks.
 - d) Where they materially affect the council's overall financial position, to consider the council's:
 - i. approach to strategic procurement
 - ii. major contracts
 - iii. financial investment in, and liability to, its wholly owned subsidiaries.
 - e) To help develop the council's approach to the annual budget setting cycle, including the specific contribution of Overview and Scrutiny.
 - f) To bring regular reports to OS Management Committee, highlighting key financial developments and risks for further discussion.
- The Task Group met on 15 November 2024 to discuss the financial reports going to Cabinet on 19 November 2024, also present were:

Cllr Nick Botterill	Cabinet Member for Finance, Development Management, and Strategic Planning
Lizzie Watkin	Interim Corporate Director - Resources

Observing:

Cllr Jerry Kunkler	Chairman, Environment Select Committee
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Financial Year 2024/25 - Quarter Two Revenue Budget Monitoring

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Reducing the projected budget overspend and managing risk	<p>The Q1 overspend (£8.284m) was a projection for the end of 2024/2025. Since Q1 there has been pressure to keep costs under control, not just in the People Directorate, but across the council. However, putting that into perspective the £8m projection was against an expenditure of £500m.</p> <p>Controlling costs and what is paid for services is underpinned by value for money considerations. An integral part of budget setting is looking at inherent risk. When Q1 was forecast there was an immediate recruitment and spending freeze. Though critical posts are still recruited to. Directors are held to account for the delivery of their budgets as well as understanding risks. There is a constant reinforcing of the requirement to deliver the identified savings (£20m this year). There are sometimes financial implications around not having staff in place which</p>

	might affect performance. This is why the financial reports are submitted at the same time as performance and risk report.
Earmarked reserves (Report proposal f(iv))	The £0.3m being drawn from reserve, as requested in the proposals, is funding for a programme which had already been earmarked. This is to enable Adults and Children's Services to undertake a feasibility study of potential sites for accommodation.
Favourable movement in Adult Social Services (Para 15)	There is a £1.631m favourable movement some of which comes from additional income and from grants (housing, refugees). This funding though is finite.
Public Health budget (Para 19)	Public Health funding is for pro-active prevention activity, and the grant must be signed off every year. Ebbs and flows of activity mean that there are often variances in drawing down of the grant. Public Health commissions services which sometimes have long term financial commitments. At this stage the budget has greater cost than grant and this may be the case for several years. Reserves are therefore used to manage these fluctuations.
SEND transport (Para 21)	There has been an upward trend in unit costs and a slight plateauing of student numbers. Budget setting is evidence based and looks at the market but there will be fluctuations in year.
Children in care (Para 29)	The number of children in care currently is at the higher end of the target. However, a lot of proactive work is being undertaken on preventative work with families and to help move children safely out of care. The numbers will therefore fluctuate. This is not likely to fluctuate seasonally, though school holidays do have an impact on numbers.
Purchase of supported accommodation (Para 32)	Assumptions are set out in the budget setting process i.e., the number of over 18 young people who are supported as care experienced adults, the length of time these young people remain supported, the price of their packages of care. The longer-term strategy, purchasing supported accommodation, is delayed so it is unclear if the savings identified will be achieved.
Corporate levies budget (Para 88)	It was noted that this is an overspend not an underspend as set out in the report.

Financial Year 2024/25 - Quarter Two Capital Budget Monitoring

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Enhanced internal scrutiny of capital spend	There are two different oversights i.e. Capital Investment Programme Board and the Asset Management Board. Spend forecasts are challenged and monitored.
ZEBRA 2 Funding (Para 89)	The Passenger Transport Unit has received £3.409m of Department of Transport grant funding to deliver the ZEBRA 2 project. Zero Emission Bus Regional Areas (ZEBRA) provided capital funding to local transport authorities to support the introduction of zero emission buses and associated infrastructure. Not clear if the increase in bus fares (to £3) will affect capital scheme. The new fares will be introduced on 1 January 2025.
A350 dualling (Para 101)	It was noted that delaying this programme is affecting not just in year spend but the development of several other schemes. This scheme is awaiting Full Business Case approval by Department of Transport.
Capital Programme 2024/25 Funding (Table 7)	The Task Group requested that that the split between capital spending, particularly what spending is borrowed, is clear. For example Appendix C does not show the cost slippage.

Treasury Management Strategy 2024/25 Half Year ended 30 September 2024

Issue (Page and paragraphs numbers refer to the reports)	Further information / Comments
Growing Place Infrastructure Fund (GPIF). (Para 15)	When the Swindon & Wiltshire Local Enterprise Partnership (SWLEP) was disbanded, their responsibilities transferred to Wiltshire Council. Staff from LEP were transferred to council, with some funding attached, to continue administration of the loans. The Growing Places infrastructure loans were given to start-ups, these loans came across to the council with risks. The original loans were backed by a grant and had strict criteria. These loans transferred to council but were outside of the council's third party loans policy. The loans also include those to businesses in the Swindon area. The council is not exposed to any risk. Most loans have their value covered.

Proposals

- 1. To note the update on the Task Group activity provided.**
- 2. To note the Financial Planning Task Group's forward work plan (Appendix 1)**

Cllr Pip Ridout, Chairman of the Financial Planning Task Group

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Appendix 1 - Financial Planning Task Group (FPTG) Forward Work Plan 2024

Date	Item	Details	Officers	Cabinet Member
4 December 2024	<i>tbc – meeting may be cancelled dependent upon whether there are agenda items.</i>	Cabinet 10 December		
8 January 2025	<i>tbc – meeting may be cancelled dependent upon whether there are agenda items.</i>	Cabinet 14 January		
24 January 2025	Budget 2025/6 and Medium-Term Financial Strategy 2025/26 – 2027/28 (tbc)	OSMC 28 January Cabinet 4 February	Lizzie Watkin Director of Finance & Procurement (S151 Officer)	Cllr Nick Botterill Cabinet Member for Finance, Development Management and Strategic Planning
30 January 2025	Financial Year 2024/25 – Q3 Revenue Budget Monitoring (tbc) Financial Year 2024/25 – Q3 Capital Budget Monitoring (tbc)	Cabinet 4 February	Lizzie Watkin Director of Finance & Procurement (S151 Officer)	Cllr Nick Botterill Cabinet Member for Finance, Development Management and Strategic Planning
14 March 2025	<i>tbc – meeting may be cancelled dependent upon whether there are agenda items.</i>	Cabinet 18 March		
2 April 2025	<i>tbc – meeting may be cancelled dependent upon whether there are agenda items.</i>	Cabinet 8 April		