

Report of the Scrutiny Committee for Policies and Place

Cabinet Member: N/A

Division and Local Member: All

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1. Summary

- 1.1. The Scrutiny Committee for Policies and Place is required by the Constitution to make an annual report to the Council and also to provide each other meeting of the Council with a summary progress report and outcomes of scrutiny. This is our third regular report of this new quadrennium and covers the work of the meetings held on 05 December 2017 and 30 January 2018.
- 1.2. The Committee agreed their work programme would comprise items considered directly at meetings plus other items considered or “commissioned” using flexible arrangements outside of the formal committee structure.
- 1.3. Members of the Council are reminded that:
 - all Members have been invited to attend meetings of the Scrutiny Committee and to contribute freely on any agenda item;
 - any Member could propose a topic for inclusion on the Committee’s Work Programme;
 - any Member could be asked by the Committee to contribute information and evidence, and to participate in specific scrutiny reviews.
- 1.4. The Committee has 9 elected Members and we have meetings scheduled approximately for every month. Our next meeting will be held in the Luttrell Room at 10.00am on 06 March 2018.

2. Background

2.1. Scrutiny Work Programme

At each meeting the Committee considers and updates its work programme, having regard to the Cabinet’s forward plan of proposed key decisions. The Committee also agreed to hold themed meetings and Members are looking forward to this approach, in particular the attendance of representatives and/or stakeholders from partner agencies.

2.2. 05 December 2017

Corporate Performance Monitoring Report Quarter 2 2017/18

The first item on the agenda was Council performance Monitoring Report Q2 2017/18. The Committee considered this report from the Strategic Managers for Performance and for Business Change. The report provided Members with an update on performance across the organisation.

The report summarised that overall performance is stable with two red segments (P3, C4). 50% of objectives are green, 33% are amber and 17% are red. The report was positive in that there were no downward arrows. The report was presented to Cabinet on 15 November 2017 and Members were informed that Cabinet had discussed the red segments at length and additional action was agreed with the section 161 officer with regard to addressing the revenue position.

The Committee discussed those segments which fell under the Committee's remit. They suggested that the revenue budget be separated from the other elements of the managing our business segment (C4). They questioned the timetable for delivering improvements to segment C4. They discussed the undeliverable in-year savings and raised queries regarding the Connecting Devon & Somerset broadband programme.

The Committee noted the report.

Revenue Budget Monitoring Report Quarter 2 2017/18

We then received a report on the Revenue Budget Monitoring Q2 2017/18 from the Director of Finance. The report provided an update on the current Revenue Budget outturn position for the 2017/18 financial year based on the end of September (Month 6).

The Committee were reminded that figures within the report were a projection based on a prediction of the position at year end.

The Committee heard that the Authority's forecast shows a projected net overspend of £9.098m when compared to the Revenue Budget. This represents 2.92% of base budget and shows a slight decrease from the previous report. The majority of the overspend lies in the Children's Services budgets. Most other areas of the Council are within reasonable tolerance although some corporate and support budgets are under pressure. The implication of this forecast is that Cabinet and the Senior Leadership Team will need to continue to exercise more stringent control in all areas of council spend to ensure that the final outturn position is much lower than this.

The Committee then considered the forecast overspend in individual budget areas particularly children's services and aged debt analysis. They also considered the progress of the 2017/18 MTFP savings proposals. The Committee heard that 61% of savings will be delivered as predicted, 7% of savings have been classified as an amber risk meaning delivery is unsure and 32% are no longer deliverable in 2017/18.

The Committee discussed the aged debt, comparison with the financial position of other authorities, children's placements both within and outside of Somerset and the savings that are no longer considered to be deliverable.

The Committee noted the report.

County Farms Task and Finish Group

Next we received a report on County Farms presented by Cllr Philip Ham, Chair of the County Farms Task & Finish Group.

Cllr Ham began by thanking all Members and officers that had contributed to the Task & Finish Group.

He introduced the report and gave a brief background to the history of county farms and some of the changes experienced since their introduction.

He shared the recommendations made by the Task & Finish Group and urged the Committee to support them. The recommendations were:

1. To continue to maintain a County Farms estate, based on land ownership rather than buildings. Existing farmhouses to be sold or let at market valuations as and when they become available, unless there is a strategic business need to retain them. Farm outbuildings and land, if suitable, to be marketed with planning permissions wherever possible, thus maximising financial returns. As part of this the Committee recommends the completion of a comprehensive review of the Council's lettings policy.
2. To ensure there is a sufficient provision of small blocks of bare land (roughly 5 to 20 acres, with a maximum length tenancy possibly 10 years), to provide farming opportunities for genuinely new entrants to agriculture and encourage rural diversification.
3. To champion a strong agricultural focus within Taunton and Bridgwater College and the University of Somerset, ensuring sufficient land opportunities are retained to help provide a strong agricultural focus in the county and to facilitate learning, whilst encouraging the development of an innovation centre for agriculture.

The Committee debated the recommendations in depth. They suggested that Members should be involved with any review of the Lettings Policy and agreed that the recommendations were a starting point but that the next steps required experienced and knowledgeable thought.

The Chairman of the Scrutiny Committee proposed that the Committee should accept all of the recommendations. Following a vote this was carried.

It was clarified that the recommendations would be submitted to the Cabinet Member Resources and Economic Development for their response. Additionally, it was agreed to offer the support of Members of the Committee should there be a review of the Lettings Policy.

The Committee noted the report and asked for an update in six months time to include data on the use of surplus.

30 January 2018

Draft Taunton Transport Strategy

This meeting began with us considering a report from the Strategic Commissioning Manager, Highways and Transport on the draft Taunton Transport Strategy 'Connecting our Garden Town'. The document was commissioned by Taunton Dean Borough Council (TDBC) in partnership with Somerset County Council (SCC) and prepared by consultants WSP. The Committee was asked to consider and comment on the document prior to a period of public consultation and subsequent consideration by the Executive Portfolio Holders at TDBC and SCC.

The document outlined a series of proposals and policies grouped into six strategic topics as well as the key objectives and key outcomes. The Committee was informed that the document has been prepared using a wide range of existing evidence and data and that no new studies have been undertaken at this stage. A number of consultation exercises took place to inform the creation of the document. It is intended to undertake a web-based public consultation of the document in February 2018. In addition, a public exhibition will be held to enable face to face engagement.

The Chair stated that the Committee was pleased to hear that wider, face to face consultation will now take place in addition to on-line consultation. He urged all present to respond formally to the consultation with any concerns or comments. He also reminded the meeting that any questions regarding existing or planned development applications should be directed to the respective Planning Authority and not to SCC or this Committee.

The Committee discussed: the need for more engagement early in the process particularly with Parish Councils; the need to make links between the Transport Strategy and the A358 consultation; to need for authorities to work in partnership when addressing their different yet linked responsibilities; funding gaps and issues with receiving Community Infrastructure Levy (CIL) funds.

The Committee agreed a recommendation to endorse the Strategy providing that face to face consultation took place with representatives of both TDBC and SCC present.

A358 consultation

We then received a presentation from the Strategic Commissioning Manager, Highways and Transport regarding the 2nd non-statutory consultation by Highways England (HE) on the A358 Taunton to Southfields Dualling Scheme.

It was confirmed that Highways England are responsible for design, delivery and operation of the route as a new link in the national road network and that Somerset County Council (SCC) are only a consultee. A Non-Key Decision will be made by the Cabinet Member on 19th February to agree SCC's response to the HE consultation. All present at the meeting were asked to respond formally to the HE consultation to express any concerns or comments.

The presentation outlined: the background to the consultation; the possible timescales; the role of the SCC; a map of three proposed routes with an assessment of their strengths and weaknesses; environmental and social impacts and highlighted key issues and the SCC process going forward.

The Committee discussed: concern about capacity at Junction 25; who is able to respond to the consultation and how this may affect the outcome; the need for a southern relief road; the need for further consultation if a hybrid option is chosen; concern that the decision will be non-key and taken by one Cabinet Member only.

The Committee agreed a recommendation that the Cabinet Member consider the views of the public and Committee Members regarding the consultation. There are still some queries regarding the detail but as a committee we implore that everybody with a view feeds into the Highways England consultation.

Medium Term Financial Plan 2018/19

Our attention then turned to a report from the Director of Finance, Legal and Governance regarding the Medium Term Financial Plan, the 2018/19 Capital Investment Programme and an overview of the Provisional Local Government Finance Settlement. The final settlement announcement is scheduled for the 5th February 2018 and will therefore not be known before Cabinet papers are issued.

The Director highlighted three key announcements from the settlement:

- An “aim” to localise 75% of business rates from 2020-21 and implementation of the new needs assessment;
- Confirmation of the continuation of the Adult Social Care precept including the additional flexibility to raise the precept to 3% this year but by no more than 6% over the 17-18 to 19-20 period;
- Increased council tax referendum principle from 1.99% to 2.99% for 2018-19 and 2019-20.

The Committee were informed that SCC was not successful in its bid to be one of the pilots for 100% business rates retention. However, SCC will be part of a pool with the 5 Somerset District Councils and this should generate over half a million pounds towards our revenue gap.

The Committee were also informed about the current forecast position. The MTFP gap increases and decreases constantly as various factors affect our budgetary position. On the positive side, the increased levels of funding received via the Improved Better Care Fund along with a stabilisation of costs in Adult Social Care and Learning Disabilities have helped to reduce forecasted pressures in these services.

In terms of our funding, estimates have been received from District Councils for Taxbase numbers and collection fund surplus and these are sufficiently buoyant to include in our base as additional income, £0.550m regarding the taxbase and £1m in terms of the collection fund.

However, on the negative side, as part of the annual roll-over process of the MTFP, we have reviewed the existing and future delivery of savings agreed for the 2017/20 MTFP, and it is clear that some of those savings are no longer considered to be deliverable. In line with setting a robust budget we have taken

these into account and had to re-adjust savings values required to balance the budget. In addition, the probable pay award pressure at 2% on average will add to SCC costs by approximately £2.2m and this has been included in our estimates at present. These factors have resulted in the overall gap in 2018/19 being £13m.

Recommendations to Cabinet to close the gap and to ease the budgetary pressure will include increasing the basic council tax by 2.99% and increasing the Adult Social Care precept by 3%. This will help reduce the pressure to make sufficient savings and provide much needed funding to Adult Social Care to meet service demand and increasing Learning Disabilities costs.

In summary, therefore, the estimated £13m gap will be closed by raising an additional 1% than previously assumed on the general council tax (£2.1m), some corporate revisions to non-service budgets (£2m) and £8.8m of service savings as per Appendix C. This gives a total savings value of £10.866m.

The Committee received further information on the revenue budget approach to identify savings across themes. The Council's officers have developed savings proposals required to close the gap of £13m. The focus for delivering savings will be primarily through a comprehensive review of all existing and planned contracts reducing our third party spend. The second area of focus will involve trying to identify a number of smaller projects that will manage demand or find efficiencies within services. This will entail looking at our staffing and particularly management levels throughout the organisation to see if we can use technology better to try and see where any further efficiencies can be made.

The Committee also received an update on the Capital Investment Programme (CIP). The 2018/19 CIP includes a significant investment in schools. The funding of this investment is subject to further announcements by government either in our final settlement or separately as the DfE and other government departments announce their capital allocations. SCC have also submitted a bid to the Housing Infrastructure Fund in conjunction with Taunton Deane and Sedgemoor councils that would fund around £80m of infrastructure projects supported by the three councils. If this bid is successful, the resources to support the capital investment programme for SCC could be increased by £15m.

At present, SCC have been advised of our highways grant at around £24m and some other smaller educational grants which gives a total known funding through grant of £29m. If we can secure further grant via the DfE for basic need and some specific projects and we are successful in our Housing Infrastructure Fund bid, we may have as much as £50m towards our investment needs. The shortage of capital funds is a known issue for all county councils and representations have been made to DCLG through the consultations on the Fairer Funding Review last summer that government has to recognise the pressures on councils to meet the growing need.

The national push to increase the number of houses built is being addressed in Somerset but the consequence is a need to match this with highways and schools' infrastructure. Of course, there is a lag between the investment required by councils and the additional council tax that ensues from the new housing. The increase in the taxbase eventually may be as much as £2m if the scale of development goes ahead as planned.

The Council is committed to building new schools and improving capacity and will need to borrow funds from the Public Works Loans Board to do so. This may be up to £120m for the programme ahead but we will of course only borrow what is needed when it is needed.

The Committee discussed: how much of business rates would be received by SCC; the likelihood of in-year savings being met; levels of contingency funds; consideration of a unitary solution. It was also clarified that any borrowing to build new schools would not transfer to an Academy. SCC would in effect own the school but lease it to the Academy Trust.

The Committee noted the report.

3. Consultations undertaken

- 3.1. The Committee invites all County Councillors to attend and contribute to every one of its meetings.

4. Implications

- 4.1. The Committee considers carefully, and often asks for further information about the implications as outlined in, the reports considered at its meetings.
- 4.2. For further details of the reports considered by the Committee please contact the author of this report.

5. Background papers

- 5.1. Further information about the Committee including dates of meetings in the new quadrennium, and agendas & reports from previous meetings are available via the Council's website. www.somerset.gov.uk/agendasandpapers

Note: For sight of individual background papers please contact the report author.