

## SCRUTINY FOR POLICIES AND PLACE COMMITTEE

Minutes of a Meeting of the Scrutiny for Policies and Place Committee held in the Taunton Library Meeting Room, on Wednesday 23 January 2019 at 2.00 pm

**Present:** Cllr A Groskop (Chair), Cllr M Lewis (Vice-Chair), Cllr P Ham, Cllr B Filmer, Cllr John Hunt, Cllr J Thorne, Cllr L Leyshon and Cllr B Revans (as substitute)

**Other Members present:** Cllr M Chilcott, Cllr D Hall, Cllr F Nicholson, Cllr L Redman and Cllr J Woodman

**Apologies for absence:** Cllr N Bloomfield

156 **Declarations of Interest** - Agenda Item 2

There were no declarations of interest.

157 **Minutes from the previous meeting held on 11 December 2018** - Agenda Item 3

The minutes of the meeting held on 11 December 2018 were accepted as being accurate by the Committee.

158 **Public Question Time** - Agenda Item 4

Mr Alan Debenham asked two public questions in relation to Item 5 and one public question in relation to Item 6. Mr Debenham received a verbal response to his questions.

### **Item 5 – MTFP**

1. At the national budget last November we heard both the Chancellor and the Prime Minister state the good news that the hard-working British people's long suffering under their government's enforced austerity measures against public spending and services was now ending.

How is it then that the Council, after year upon year of severe austerity cuts – totalling £143 millions according to the Leader - still finds itself continuing with savage cuts of £15 millions for today's 2019/20 budget proposals, with potentially another dose of £16.6 millions of savage cuts for 2020/21 and beyond, with future funding precariously awaiting the so-called Comprehensive Spending Review in this autumn?

Has the government simply lied and, if so, doesn't this mean that this Scrutiny Committee and the whole Council will now raise its level of protest against this continued slaughter of local government services, this time really reaching out to as many local organisations and people as possible to join its rebellion?

**Response:** *While the numbers that Mr Debenham quotes in his question are correct, I must dispute that they are "savage". We have made every effort to ensure that we use the funding flexibilities available, implement service improvements that save money and put forward the least damaging proposals for change that we can. It is, of course, with regret that there are still some £2m or so of service reductions proposed in this budget. We will, as a Council,*

*continue to press for a better settlement for all local authorities, and for Somerset in particular, through the 2019 Spending Review.*

2. Regarding the whole question of local government funding, and with reference to the Layfield Royal Commission report of 1979 and the Leader's hinting that a way out of the County's funding dilemma could be consideration of the anti-democratic establishment of a unitary authority, why is he not first campaigning for Layfield's proposals for Councils to really 'govern' as free entities via independent local taxes fund-raising, keeping the distance and likely engagement between Councillors and residents as close as now, or even closer?

**Response:** *Essentially, the Council is seeking to put its effort into developing proposals that are likely to gain some traction with the current Government.*

### **Item 6 – Revenue Budget Monitoring**

When and how was it discovered that the Minimum Revenue Provision for safeguarding repayment of long-term debt could suddenly be re-jigged so that the Council was able to miraculously transfer over £4 millions into its current year revenue budget and, via this technical adjustment, so considerably alleviate, not only several of the big cuts problems of the emergency budget last September, but also end the year with an underspend of nearly a million? What are the chances that this strange newfound sleight of accountancy will not be confirmed by Audit or the full Council and stands as a one-off benefit only?

**Response:** *The Council has sought to review the Minimum Revenue Provision in line with the latest MHCLG guidance. In so doing we have pushed the boundaries of the useful economic lives of our assets to produce a favourable outcome. If the Policy is agreed by the Council in February, then the reduced charge to the revenue account will continue for a few years. However, one of the tests of prudence is that there is enough money put aside over the life of our debt to enable it to be paid off when the debt is due. Given that the debt is of a fixed term, paying less MRP at the beginning means paying more later (although interest payments remain the same). Hence reducing the MRP gives only a temporary respite while the Council puts its financial affairs on to a very solid footing for the future.*

### 159 **Medium Term Financial Plan 2019/20 - Agenda Item 5**

With the agreement of the Committee, this report was debated following consideration of Item 6.

The Committee considered this report which summarised the key messages from the Medium Term Financial Strategy (2019-22) ahead of the more detailed budget report being presented to Cabinet and Full Council in February 2019. The report contained the overall budget proposals as well as service specific information.

Scrutiny of the budgets for Children's Services and Adults Services will take place through the respective scrutiny committees. Therefore, the Committee

focused on reviewing the overall 2019/20 budget and MTFP preparations as well as the specific proposals relating to Economic and Community Infrastructure (ECI) and Corporate and Support services.

A Member expressed concern that the savings proposals would affect rural areas proportionally more than urban areas and that impact assessments did not reflect this. In response, Members heard that the authority has had to look at where it can do things differently or reduce services without unacceptably increasing risk. It is understood that some proposals will affect rural areas more but equally some proposals will affect urban areas more and the key is balancing risk.

It was clarified that proposal Corp 1920-01 (pathways to employment budget reductions) will not impact on the apprenticeship scheme.

Members questioned whether the reduction in training budget would have an affect on recruitment particularly if there are less professional development opportunities. No impact on recruitment has been reported and learning and development opportunities can be built into transformation projects. Other funding pots will also be available for training.

Members questioned whether the list of the tier 1 contracts to be reviewed under Corp 1920-17 was available to view. It was clarified that this proposal refers to the top 100 contracts and officers were happy to make this available to Members upon request.

Corp 1920-23 - Concern was expressed that a review of fees and charges might result in less customers. This was noted and it is important that charge rates are right to ensure that overhead costs are met.

ECI 1920-01 – Concern was raised about a decrease in gully cleaning particularly as residents pay a precept towards the Somerset Rivers Authority. Previously the authority has found that very little has collected during routine cleaning of some low risk gullies. To save time the proposal is to move to a more intelligence-based system. Members were reassured that the service will still be able to react quickly to any reported problems.

Corp 1920-13 – Members were reassured that this is a one-year saving only and that there is no risk in delaying the enhanced ICT security.

ECI 1920-04 - In response to concern regarding seed production Members were informed that the change in seed production is expected to be minimal but there it will also have a positive impact for wildlife.

ECI 1920-03 – Members expressed concern that this proposal indicated that an outcome had been decided upon before the consultation had finished. The result of the consultation has not been anticipated but we have seen an increased number of volunteers for this service and are confident that this can continue to be built upon.

A Member questioned why we were receiving an additional council tax surplus and it was explained that the projections rely on data collected by district

council colleagues but these in turn can only be based on estimates. Authorities on both sides tend to be prudent and urge on the side of caution with projecting these figures because so many things could have an impact. A balanced judgement is needed because we don't want to end up with a surplus if we have had to make cuts to services.

In response to concerns about a reduction in salting activity, Members were informed that usually only around 21% of roads are salted so the majority of roads have always been unsalted. The proposal will be reviewed at the end of the winter period but drivers will always need to drive appropriately according to conditions. A Member informed the Committee that the quarries in Mendip have expressed an interest in purchasing a retired gritting lorry. The service area would be happy to discuss this and work with anyone who would be interested on taking on any voluntary responsibilities.

ECI 1920-33 – Members questioned whether this will impact on the rollout of the CDS programme. It was clarified that there is no proposal to cut spend but instead of spending it as revenue, it is proposed to spend it as capital.

Members questioned how the savings for ECI-waste will be achieved. It was confirmed that this is a decision for the Somerset Waste Board and relies on waste volume reducing as current trends indicate.

Members raised that ragwort needs to be controlled and cut once per year. Ragwort is treated as a noxious weed and ideally needs to be pulled rather than cut. This is challenging and we need to work with landowners to address this.

A Member highlighted that C grade footpaths often join two A graded footpaths together so may need to be treated differently. Members were asked to encourage parish councils and members of the public to report any instances of this.

ECI 1920-28 – Members highlighted the importance of keeping local members informed of decisions. This was agreed and it was clarified that if a capital receipt is realised from the disposal then this would appear there rather than as a saving to the revenue budget.

In conclusion, concern was expressed that ECI will not be able to deliver services if any further cuts are made.

Members requested that the link to the current Business Plan be circulated to the Committee.

The Committee noted the report.

160 **Revenue Budget Monitoring Report - Month 8 - Agenda Item 6**

The Committee agreed to consider this item before Item 5 – Medium Term Financial Plan 2019/20.

The Committee considered this report which outlined the projected revenue outturn for 2018/19. For the first time in this financial year, an underspend of

£0.921m is projected. This projection is based upon actual spending to the end of November 2018 (month 8) and compares to the available budget of £317.882m.

The main change between the month 7 and month 8 projections is that a revised approach to the calculation of the Minimum Revenue Provision (MRP) has been applied, taking advantage of new and more flexible regulations.

In a verbal update, the Committee were informed that a refund of around £1m is due to be received from central government. This refund relates to business rates and it is proposed to put this towards general funds once received.

Members asked for further explanation of the MRP and whether this would result in further debt payments needed to be made. It was clarified that all of the Council's debt is on a fixed term basis. The Council needs to put aside enough funds each year in order to meet the debt payment once due. This is usually over a long period with some debt not due until the 2050's. Changes in legislation has allowed the Council to change how this is done. The total sum paid over the period will be the same but this method will allow us to make some savings for a short period.

Members questioned whether the underspend could be used to support services such as the winter gritting programme. The Interim Finance director clarified that there is no specific plan for the underspent funds yet because it is still projected at this stage. The Council must yet go through the winter period and any winter pressures could alter this sum. However, my proposal for this fund would be to use this to continue to put the Council on a sustainable financial footing. We need to set balanced budgets and are still under considerable financial pressure. My recommendation would be to put this in the general fund rather than towards specific services as part of a long-term plan for resilience.

It was clarified that the business rates refund was a one-off sum to be received in 2018/19.

The Committee agreed that it needed to consider the Council's business plan alongside the financial plan. The Committee were informed that the business plan already exists and is available on the intranet but it is currently being refreshed. The refreshed plan will be shared with the Committee in due course.

The Committee noted the report.

161 **Scrutiny for Policies and Place Committee Work Programme - Agenda Item 7**

Following debate, the Committee requested the following changes to the work programme:

- Add the refreshed SCC Business Plan to work programme as soon as is appropriate

- Member information sheet regarding CDS programme to be provided to Members as soon as sufficient information is available.
- Hinkley Point C update to include use of funding through the SCF and Chief Executive of SCF to be invited to co-present the report.
- Revenue Budget Monitoring Reports to be added to the work programme for each meeting until further notice.
- Add 05 April 2019 meeting to the work programme.

Concern was expressed over the scrutiny of the overspend in Children's Services and it was confirmed that the Scrutiny for Policies, Children & Families Committee will be receiving regular updates at their meetings.

It was clarified that the new Investment Strategy will not be finalised until July so the Committee will have the opportunity to scrutinise the draft form at its June meeting.

162 **Any other urgent items of business** - Agenda Item 8

There were no other items of business.

**(The meeting ended at 3.35 pm)**

**CHAIRMAN**