

Minutes of a Meeting of the Scrutiny Committee - Corporate and Resources held in the John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE, on Tuesday, 5 December 2023 at 2.00 pm

Present:

Cllr Bob Filmer (Chair)

Cllr Richard Wilkins (Vice-Chair)

Cllr Tony Lock

Cllr Diogo Rodrigues

Cllr Brian Smedley

Cllr Lucy Trimnell

Cllr Emily Pearlstone

Cllr Peter Seib

Cllr Andy Soughton

45 Apologies for Absence - Agenda Item 1

Apologies were received from Councillors Cottle, Lovell and Ham. Councillors Johnson and Hobhouse attended as substitutes.

46 Minutes from the Previous Meeting held on 9th November 2023 - Agenda Item 2

Resolved that the minutes of the Scrutiny Committee - Corporate and Resources held on 9th November be confirmed as a correct record.

47 Declarations of Interest - Agenda Item 3

No other additional declarations were made.

48 Public Question Time - Agenda Item 4

None.

49 2023/24 Budget Monitoring Report - Month 6 - End of September 2023 - Agenda Item 5

Cllr Leyshon introduced the item and Jason Vaughan presented the report which set out an improved position as a result of a one off variance which enabled some protection to reserves needed in future years.

As part of the response to the overspend, the emergency actions put in included spend control boards and panels. Looking at all recruitment over the workforce and challenging this. Although this was not a blanket freeze on recruitment. Non-staffing expenditure such as discretionary spend and contracts across the Council were all being looked at. Part of process was to enforce purchase order requests and bring down care placement costs as part of a peer review which was being undertaken. There was still no certainty that the budget gap would be reduced to zero by the end of the year.

The Scrutiny Committee members were asked for feedback on the format of the report, including the 10 appendices that provided more detail across the Council service areas, see more detail within this. Appendix 9 set out the MTFP savings.

- More details were requested of the members of the control boards, these were officer boards comprised of peers within the service and adults and children's staff and service directors in addition to members of the finance team.
- The cost of care placements remained high, but work was ongoing to ensure a better placement could be achieved where possible.
- In respect of pressures continuing to grow in adults and children's care, there would be ongoing work at future savings in this area and how these can be achieved. 70% of the budget was on Adults and Childrens social care, so if these services overspends the Council was likely to incur an overspend.
- Lack of foster care placements was being monitored but there was a difficulty in controlling the demand.
- It was questioned how the recruitment control boards would impact devolved services to town and parish councils, it remained the responsibility for town and parish councils to recruit staff, and would depend on which services would be devolved to town and parish councils, under consideration for pilot project.
- Newton Europe were the management consultants working with Adults Services at a cost of £7million, this was performance related and estimated to deliver £10million of ongoing savings.
- Capitalisation permission from the government was progressing which would enable the capital receipts from assets to be used as funding to tackle the revenue shortfall.
- The sum of £7million received as via Connecting Devon and Somerset was a once off windfall from CDS. There wasn't an expectation for this to vary hugely but there was a split across councils who were involved with this

initially. This was as a result of a larger take-up of broadband than anticipated which has resulted in the windfall.

- Other councils have been looking to impose a double council tax on second homes. A report was being considered in December confirming this was now the legislation to be voted on at Decembers Full Council. Empty Properties and second homes, one next year and one from 2025/26.
- Tax exemptions for empty properties had been removed.
- The breakdown of all the exemptions and premiums was requested to be provided to members for their information.
- Uncollected Council tax was referred to in the report. The committee were informed that some debts were 20 years old and where there had bereavement and no next of kin. There were different policies for each District Council prior to April.
- Chair thanked officers for the report and welcomed reduction in deficit and further updates on the budget position over the coming months.

The Chair thanked the officers for attending with the update for the Scrutiny Committee Corporate and Resources and concluded that the committee had considered the report and noted the information provided.

50 2023/24 General Fund Capital Budget Monitoring Report - Month 6 - End of September 2023 - Agenda Item 6

The report was introduced by Cllr Leyshon and presented by the Section 151 Officer. During the debate the following comments and questions were raised:-

- Impacts on the construction industry and highways was considered, one of the projects as part of the Glastonbury town deal and has gone out to tender and 5 solid tenders had been received which was considered a positive indication that construction companies were stabilising, and prices were also stabilising.
- There remained a large capital programme across the Council, predicting spend on capital remained a challenge and there had been some instances of 25% slippage on spend, there were schemes from new councils in addition to schemes from the predecessor councils.
- Now interest rates were at 5% - accurate predictions on capital expenditure were important due to the impacts on borrowing to finance capital projects.
- It was questioned if there could be a quarterly breakdown of this. Projections were across the year but there was a desire to present quarterly projections which remained an aspiration.
- The Section 151 Officer was congratulated on the updated presentation format of the report, which was clear to understand.
- The Octagon Project was determined not deliverable and would be removed

from future capital reports.

- Work was ongoing with the arts council and department of culture media and sport (DCMS) to ensure the DCMS funding remains in Somerset.
- There had been an octagon board meeting, discussing various options. 3 options were being considered by the board, and work was ongoing with partners to consider if options acceptable to DCNS to keep the £10 million funding in Somerset for the benefit of residents.
- There had been positive engagement from government, the situation was challenging as the funding was in this year or there was a need to obtain a ministerial direction to transfer into the next financial year.
- A commitment date and spend date was requested to be provided in future reports.
- There was an exercise looking at savings against projects caused by slippage, this was key to treasury management.
- The delivery Department responsible for expenditure, where there are capital projects. Clarity on where projects are going to be stopped or delayed was being sought.
- As a general rule, 30% of the value of the project could be changed to allow for contingency without having to go back to Government as long as the outcomes were the same. Any changes in any project are still reported to Government.
- The Committee thanked officers for their report

The Chair thanked the officers for attending with the update for the Scrutiny Committee Corporate and Resources and concluded that the committee had considered the report and noted the information provided.

51 2023/24 Housing Revenue Account (HRA) Revenue and Capital Budget Monitoring as at Quarter 2 (30 September 2023) - Agenda Item 7

The report was introduced and presented by the Management Accounting and Reporting Lead. During the debate the following comments and questions were raised:-

- There was an increase in cost pressures reported, there had been a 22% increase to date for void properties compared to last year and increase in responsive repairs.
- The leaving well scheme had been introduced to support tenants to leave properties in a better condition to enable faster relets of the properties.
- The pay award had been estimated as 5% but came in at 6.1% - this has been managed within budget.
- The capital spend had been profiled within each year in future.

- £5million has been awarded by Homes England for the North Taunton Woolaway Project.
- A supplementary request has been made for fire safety works to be approved by Full Council.
- Questions
- Reserves remained high although rents remained controlled, it was considered how this fed through and is this something that could be managed. The capital schemes were limited to the two HRA areas. General Reserves would be used to manage the current years overspend.
- Rents were capped, the rent policy had been adopted locally, this was capped at 7% and would be capped for 24/25.
- The Committee thanked officers for the report and thanked the finance and HRA officer team.

The Chair thanked the officers for attending with the update for the Scrutiny Committee Corporate and Resources and concluded that the committee had considered the report and noted the information provided.

52 2024/25 General Fund Revenue Budget & Capital Programme update - Agenda Item 7a

The report was introduced by Cllr Leyshon and presented by the Section 151 Officer. During the debate the following comments and questions were raised:-

- It was confirmed that the report was being presented at the Executive Committee on 6th December.
- Approached Department for Levelling up, Housing and Communities on capitalisation direction which was not a quick or straightforward process.
- There was a legal requirement in engaging with the business sector in the coming months and informing of individual service changes. Major changes to services required full consultation.
- It was estimated that, £36million of earmarked reserves could be freed up from earmarked reserves, which could be reported back in February to amalgamate these.
- The finance settlement from Government was expected within the next two weeks.
- This will confirm how much funding the council will receive and all individual grants and business rates. An accurate prediction has already been made of this.
- The budget gap had decreased from £100 to £87 million. Live work on reductions in expenditure was ongoing across the Council would continue until council tax setting.
- The capitalisation direction has to be approved by Secretary of State, the

council can borrow to fund revenue expenditure although due to the borrowing costs of higher interest rates, freeing up reserves and generating capital receipts was considered a more efficient way of funding.

- There was a tight timescale, up until February 20th to work towards budget setting and deliver this within financial year as a result of impacts of inflation and funding.
- Report from September at Executive meeting set out the work on combining earmarked reserves would be ongoing, ensuring reserves would be repurposed where necessary and continue to hold onto earmarked reserves needed for specific tasks.
- Disposal of assets, borrowing and transformation needed to be carefully managed with treasury management activity.
- The committee requested that it would be helpful if there could be clarity over the previous reserves and which reserves were being reduced to balance the budget.
- It was confirmed that there was a spreadsheet which could be shared offline which tracked which reserves had moved and changed from the previous councils. There had been a risk analysis produced of reserves as a whole.
- There had been a development of budget options and this was ranked based on priority and deliverability.
- Previous years savings and what's been delivered and what is going to be delivered on savings in future years.
- An assessment would be made on how much savings could be delivered, influence on what contingency could be held in the budget. The level of contingency is approximately 2% of budget.
- Base savings and staffing cost profiles would continue into next year, these decisions were needed on a permanent basis and incorporating existing staffing restructures.
- All options would be consulted upon to enable residents of Somerset to have the best opportunity of input. There were savings to be made looking ahead, some were attached to contracts in the next and future financial years.
- This remained a complex picture. More engagement across the board with members of the public was required as more information became available.
- A Full list of reserves was requested to be circulated to all members of the committee, who thanked all officers for their report.

The Chair thanked the officers for attending with the update for the Scrutiny Committee Corporate and Resources and concluded that the committee had considered the report and noted the information provided.

53 Framework for Asset and/or Service Devolution - Agenda Item 8

Councillor Theo Butt Philip introduced the item which was presented by Sara Skirton

and Scott Weetch. Feedback was welcomed from committee to develop the framework further. During the debate the following comments and questions were raised:-

- There had been confusion from Town and Parish Councils on what was a priority as part of this work. As a result greater communication with town and parish councils was requested due to capacity concerns to take these services on.
- There could be significant asset transfers, it would be helpful to try and put some rationale and priority into the paper including timescales which had been an emerging picture.
- There was regular engagement with the sector, with fortnightly clerks meetings, and attendance at the SALC AGM to hear concerns of colleagues in Town and Parish councils.
- Concerns were expressed that where some services were being devolved that there wouldn't be enough service provision for those Towns and Parishes who couldn't take services on.
- It was agreed that equity of provision needed to be monitored and to be clear on this.
- In respect of recent flooding issues and tackling blocked drains, restrictions in highways expenditure, costs and liability on hiring a highway jetter was considered and how local villages can help. Residents were unhappy with the lack of activity.
- Highways stewards modelling and supporting local highways was under consideration, more details were to follow on how this can help local issues on the highways network.
- There were a suite of opportunities for local councils to buy into and licensing was required to work on highways to ensure liabilities and insurance impacts were covered.
- A response to flooding issues would be provided to Cllr Hobhouse following the meeting after discussion with operational colleagues.
- It was questioned what period of time are local authorities having the option to take on devolved services and to successfully run and finance these services? Concerns were expressed that this was too late due to local precepts being set early next year which puts Parish Councils in an impossible position to devolve services in such a short period.
- It was understood that there were risks around unprepared and unsupported councils to take on services. What was being done to ensure they are prepared and manage that risk.
- Conversations were being held with Bridgwater Town Council, to ensure that there was an understanding and a clear business case with provisions in place to take everything into consideration.
- Work was ongoing with the Somerset Association of Local Councils to support the sector in taking on assets and services.

- Given the turnover of staff in local councils, taking in responsibility for services in the context of financial constraints, it was questioned how are concerns mitigated and could services and assets be returned if they were no longer viable.
- Advice to parishes on precepting had been sent indirectly through the letter from the leader of the Council
- Importance of capacity and ongoing capacity. Capacity of own Council?
- An internal working group was developing this into a programme. Workstreams needed to be developed as part of budget setting to mitigate impact of services being reduced.
- Addressing questions and queries from clerks and how they could consider this as part of the precept next year was important, in addition to setting out more information based on responses received from leader of council's letter.
- Larger devolution opportunities were likely to be offered to larger town councils.
- It was a sensible option to have a contingency fund with the transfer of services to town and parish councils. Role of LCN was a vehicle for communicating issues and progress. There was confusion with what the pathway is and talking to officers via parish meetings. Improved communication was requested.
- It was acknowledged some services could be delivered with better benefits locally with local contractors.
- Assurance was given that elected members would be consulted on in respect of asset and devolution deals.
- Asset disposals would still go through the asset disposal policy. Further assurance was given that members will be involved.
- The Committee thanked officers for the report.

The Chair thanked the officers for attending with the update for the Scrutiny Committee Corporate and Resources and concluded that the committee had considered the report and noted the information provided.

54 Forward Plan - Agenda Item 9

(The meeting ended at 16.55pm)

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CHAIR