

Report of the Scrutiny Committee for Policies and Place

Executive 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 regular report covers the work of our meeting held on 12 July, 6 September, 20 September and 11 October 2022.
- 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 13 elected Members, and we have meetings scheduled approximately for every month. Our next meeting will be held in County Hall in person at 10.00am on 6 December 2022.

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. 12 July 2022

Public Questions

The Committee received a public question for the June meeting which was subsequently cancelled relating to bus and public transport. These questions have been formally responded to by officers.

Revenue Budget Monitoring Report – Month 2 May 2022

The Committee received the month 2 report. Councillors discussed possible restriction of energy use with rising costs for example street lighting; duration of increased demand for Children's Services following lockdown; rising inflation; possible joint budget scrutiny between committees; refuse reduction following the introduction of Recycle More; general improvement in general reserves; consideration that District budgets are equally stretched; budget impact of deficits at Dillington House; and whether capital projects could be postponed to save time and money.

Members noted overall forecast overspend of £14.4m (section 12) and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year. Members also noted that Directors be tasked with developing an Action Plan to address any potential revenue and capital overspends and to report progress through this the monthly budget monitoring report. In addition, Members noted that the Council lobbies government for additional funding to address the inflationary impacts upon the council budget both directly and through the various professional networks such as the Local Government Association, County Councils Network, Association of Directors Adult Social Services and Society of County Treasurers. All members of the Scrutiny Place committee endorsed the recommendations.

Appointments from the committee to partnership scrutiny committees

Two members expressed interest as SCC representatives of the South West Local Enterprise Partnership (LEP), previously Heart of the South West, a group set up to drive economic growth across the region.

6 September 2022

Home to School Transport Policy

At their request, members received a report on from the Service Manager for Transporting Somerset, John Perrett who presented information on the general duties of the service including statutory walking distances and an additional entitlement for low-income families; service demand and future trends; the growth of specialist places; the Transport Team's range of offers to those eligible; transport costs and ways to address rising costs; future challenges for the service; and a cost management strategy.

Current challenges for the service include significant increase in pupils attending specialist provision who require transport; driver shortages; decrease in taxi companies post-lockdown; increased fuel costs; and the Public Service Vehicle Accessibility Regulation (PSVAR). The Committee also received information about the reduction in pay seat availability due to PSVAR. The School Transport Cost Management Strategy was outlined which includes development of an in-house vehicle fleet, service interconnectivity, cost reductions and minimisation of budget variance.

The Committee discussed the impact on the service of the SEND Strategy; service cost comparison in other counties; and the use of regular bus services for home to school transport.

Budget Monitoring Report - Month 4 (July)

The Committee received the month 4 report which highlighted that despite a good track record of underspending over the last four years including a £7.1m underspend in 2021/22, there is a current £23.9mn overspend to date in 2022/23. This is a trend reflected nationally. The reasons for this overspend are a combination of external factors and service overspends and includes record inflation, cost of staff pay award, and significant overspends in Adult Services and Children's Services.

Children and Adult Services combined overspend is £29.5mn of the total £23.9mn overspend indicating that the remainder of the council is significantly underspending. A significant action being taken to address these issues is the purchase of two SCC care homes in conjunction with the Shaw Trust that should assist with the overspend in the Adult Services budget. The Committee discussed budget variation in Adult and Children's Services and the lack of anticipation of these rising costs at budget-setting; the reduction in waste costs from the introduction of Recycle More; reduction in Customer and Digital spend and the pressures of LGR on the budget situation.

Members noted the forecast overspend for 2022/23 of £23.9m and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year. Members also noted that both Adults & Health Scrutiny and Children & Families Scrutiny Committees be asked to review the 2022/23 budget monitoring position for their services.

Temporary Labour Contract

The Committee considered and discussed a report regarding the provision of a temporary labour contract. The Committee supported the recommendation to the Executive.

20 September 2022 - Extraordinary Meeting

Review of Executive Decision regarding Commercial Decision: Education Lease Conditions

An extraordinary meeting was convened to consider the decision regarding the education lease conditions at Dillington House. There is an opportunity to evoke a break clause in the 99year lease. Despite broadening of activities at Dillington in recent years from solely adult education to include wider hospitality and construction of the Hyde Building, and Somerset Centre for Integrated Learning (SCIL) exclusive use of rooms for an annual rent, total revenue costs are just under £2m with long running financial difficulties exacerbated by withdrawal of covid support, energy costs and staff pay awards have also exacerbated the financial situation. Forecast deficit at the end of 2022/23 is expected to be £502K.

Liabilities include significant repairs identified in the 2020 Condition Survey; dilapidation costs on exit; and £1.6m loan outstanding from construction of the Hyde Building. Alternative uses have been sought but the venue is not deemed suitable and therefore return of the lease is the preferred option in November 2023 for minimal disruption to the SCIL programme and wedding bookings.

The issue of staff retention and recruitment was highlighted including a retention package for key staff, as well as upskilling and re-deployment support.

The Committee discussed the following:

- Complexity of unpicking an historical arrangement of traded service which is not core business.
- Continuing activities will put a significant strain on the Council' s future finances.
- Option to exit the lease are only available in 2023 or 2043.
- Opportunity remains to divest an asset, albeit at a significant cost, but with possible unpredictable costs due to the age of the building
- Exiting the lease will alter the cultural capital for the county.
- Preference is to extend operations to September 2023 and to exit by November 2023, but the fallback position is clearly to exit by March 2023 if the extension is not possible.

11 October 2022

Public Questions

The Committee received a public question from Peter Travis of the Somerset Bus Partnership regarding the Taunton-centric actions funded by the Bus Service Improvement Plan; welcoming the BUS-IT campaign; a call for review of all bus stops and shelters; and the need for an affordable bus plan to include access to accurate timetable information.

Officers responded by stating that there is a review of all public transport assets; the public are encouraged to report incorrect or missing timetable information including vandalised timetable cases; review of all bus stops is logistically

difficult; and funding opportunities are being sought for a project in relation to bus stops and timetable information.

Council Tax Reduction Policy Report

The Committee received a report on proposals for new Council Tax scheme from April 2023 following work undertaken independent consultant who has experience of other unitary authority transitions. There is a need to align local discretion for equity and to avoid legal challenge and to simplify existing schemes,

It is proposed to introduce a single Council Tax Reduction Scheme based on an income grid offering up to 100% relief. 98% of claimants would continue to be supported and that there would be approximately 750 claimants who would no longer be eligible for support. An exceptional hardship fund is also proposed. A statutory consultation which was undertaken from July to September 2023 with over 1100 responses.

Councillor asked the questioned and commented on the following; a move to a banded income scheme in one of the districts has resulted in a significant improvement in debts to the Council and personal debt; a request for a costed proposal would enable more effective comparison and on-going monitoring; a request for information on claimants with reduced entitlement; a request for more information on the Exceptional Hardship Scheme and the cost of debt recovery.

A proposal was made to set up a Council Tax Task & Finish Group from April 2023. The proposal was rejected.

Council Tax Discounts and Premiums

The Committee received a report on proposals for April 2023 onward for relief on second homes; relief for unoccupied/unfurnished premises including those undergoing structural repairs and long-term inoccupation; premiums for vacant properties; and support for care leavers, Foster Carers/Special Guardians.

There is close alignment in discounts and premiums in all four districts for second homes (class A) where there is no discount, and the proposal is no change. There is a small variance across districts unoccupied/unfurnished (class C) and unoccupied/unfurnished properties undergoing structural repair (class D). It is proposed to offer no discount for class C, which would be a change for all districts. No discount is proposed for class D which would be a change for all districts.

There is a small variance in empty property premiums, and it is proposed to charge 100% for 1 year of inoccupation, 200% for 5 years, and 300% for 10 years which is essential no change to the existing schemes. There is a proposed 100% reduction for care leavers and proposed 50% reduction for foster carers. Changes proposed from 2024 under Levelling Up include empty property

premium reduced to 1 year; and the introduction of a second home premium that are unoccupied/unfurnished.

Members were broadly supportive, with concern expressed by some Members in relation to the recommendations to remove the exemptions for Class C and Class D. Councillor asked the question and commented on the following: request for clarification to be made in the report for the Care Leavers exemption; objection to the removal of all support for renovated properties such as those that were undergoing decarbonisation work; request for consideration of higher premium on vacant properties to address the housing crisis (not possible within current legislation); request for consideration of the impact these proposals on the private rental market and knock-on costs to social housing; request for estimated revenue from premium on second homes; and request for an estimate of number of properties in classes C and D, and whether discounts could be used to incentivise property decarbonisation.

A proposal was made to offer 50% council tax discount for up to 12 months for properties in class D (structural repairs). The proposal was rejected.

Non-Domestic Rate Discretionary Relief Policy

The Committee received a report on proposals for a unified approach to discretionary relief including 20% top up for all local charities, 75% for local non-profit organisations, 75% for local recreation clubs, 20% for local community amateur sports clubs (CASC), 75% for local rural businesses.

Councillors discussed the need for consistency across business of comparable size and type to offer similar support in terms of mandatory and top-up relief; the need for clear information on those detrimentally affected by these changes; and the rationale behind the proposed changes.

Somerset Local Transport Plan

The Committee received a report and presentation highlighting the Local Transport Plan will be mandatory from Spring 2024 which should be a concise public-facing document, not overly technical, visionary and include a monitoring framework with three mandatory elements:

- Bus Service Improvement Plan (BSIP)
- Local Cycling and Walking Plan
- Electric Vehicle Charging Strategy

The LTP will include quantified carbon reduction commitment and will be the mechanism for funding.

Councillors discussed the impact on the LTP of the M5, A303, A358 upgrade and other major routes; the integration of electrical vehicles (EV) to the plan; and requested further updates.

The Committee noted the recommendation to consider the need for a greater range of carbon reduction measures due to its 2030 net zero date, which is in advance of national government's target of 2050. A more ambitious target date

will necessitate a greater range of LTP interventions, compared to local authorities who are aligned with the government's net zero pathway.

Bus Service Improvement Plan

The Committee received a report as an annual review of the BSIP that included a future offer to bus users summary; public consultation leading to the current BSIP; confirmation of additional funding as an Enhanced Partner (£11.9m received of the £165m bid for) which included reduced travel costs; improved coordination of bus and other modes of travel; an easily accessible and reliable bus network; a safe and comfortable network including connecting services to encourage use; and a decarbonisation plan for Somerset Buses

Funding can only be used for new initiatives and not to support existing services or services withdrawn by commercial operators. Capital spend (£8.1m) from DfT will include Taunton bus lanes and detection at signalised junctions; Taunton Mobility Hub; Bridgwater bus priority measures; and Somerton Mobility Hub. Revenue spend (£3.6m) from DfT will include Taunton £1 bus fare on Park & Ride; Taunton evening and weekend services; and Somerton Think Travel app.

Councillors discussed that the Taunton Mobility Hub would not be in use this winter due to contractual commitments to the NHS for use as a vaccination centre; demand-responsive transport services; public dissatisfaction that funding cannot be used to maintain services and that such works will be dependent on future successful funding bids; concern over the current town-centric actions when many of the transport issues are in rural areas; the role of the Bus Advisory Board a formal partnership between the Council, bus operators and stakeholder groups, including rail operators; and the choice of Somerton was chosen as a second Mobility Hub due to changes in commercial operations.

The Committee noted the recommendation to consider the original Bus Service Improvement Plan (BSIP) submitted in October 2021 (Appendix A) and the update on the first tranche of funding in the accompanying presentation (Appendix B) and provide comment.

The Committee also noted the recommendation that no material changes are made to the overarching BSIP (Appendix A) at this stage, and any significant amendments will be considered as part of the process of agreeing a new Local Transport Plan over the next 18-24 months.

Budget Monitoring Report – Month 5 (August)

The Committee received the month 5 report with the situation remaining particularly challenging due to national and local issues including record inflation, pay awards, rise in energy costs, adult and child support required following the pandemic, recruitment crisis and LGR.

Overall projection for month 5 is an overspend of £22m against net budget of £383.3m (6% of total budget). This is however a £1.9m improvement from

month 4 forecast with Adult Services reporting a £13m overspend, a £1m improvement from month 4. Projected budget overspends are Mental Health £3.8 million, Learning Disabilities £4.2m, Children's Services £16.5m. £1m improvement from May due to Recycle More. New Commissioning Group to agree requests for increases in fees and packages.

Councillors discussed the LGR budget of £16.5 for LGR costs, approximately half of LGR budget in North Yorkshire; the high costs of external placements in Children's Services and the rationale for the Homes for Children purchase programme; stabilisation of Adults Services budget; and that Social Care staffing costs are likely to rise significantly.

The Committee noted the forecast overspend for 2022/23 of £22.0m and the key risks, future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year. The Committee also agreed the proposal to transfer £0.6m from the Resilience for Business-as-Usual budget to the Legal Services budget to cover overspends caused by additional demands and recruitment difficulties within the service.

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 future meetings, 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.