

### Extraordinary Meeting of Scrutiny for Policies and Place Committee

1<sup>st</sup> February 2023 - Canalside, Bridgwater



### SUMMARY OF KEY POINTS

#### **Medium Term Financial Plan (MTFP) – Cllr Liz Leyshon – Executive Member for Finance & Jason Vaughan – Director of Finance and S151 Officer provided an introduction:**

- Proposed balanced budget to protect frontline services delivered by existing Councils and voluntary sector partners.
- Complex process of combining five budgets for operation from 1 April.
- Unprecedented demand for services particularly in Social Care, as well as pressures of high inflation and LGR.
- Capital programme updated for new and existing schemes (some with government funding)
- LGR implementation budget £3.12m for 2022-23 with £900,000 additional funding requirements so approx. £4m which is to be funded from flexible use of capital receipts.
- New savings proposals £3.9m related to staffing, £2.9m from tier 2 & 3 appointments and £1m from other appointments equating to 300 posts over 3 years.
- Section 25 Statement to February Executive and Council confirms robust budget proposals with realistic assumptions and projections for service demand; adequacy in level of reserves proposed to stay at £47.4m which is in the approved range of between £30m-50m; therefore assurance can be given to members over the adequacy of the reserves for next year's budget.

#### Member comments/questions:

- Asked how 1% increase in inflation would affect the budget. Officer stated example of staff pay award that was budgeted at 5%, so if there was an additional 1% inflation this would require £1.5m, which would come from the £6m general contingency.
- Asked for clarification of the £6m contingency. Officer explained this is 1.25% of service spend and any increase to contingency is detracted from services and therefore necessitate balanced approach. Contingency funds to considered with alongside the level of general reserves to get the rounded picture.

- Risk for Somerset Council for 2023-24 higher than most authorities due to LGR and the impact of bringing 5 councils together.
- Stated Education SEND funds for 2023-24 included additional £3.2m from government.
- Asked for confirmation of inflation costs in proposed budget. Officer stated varying forms of inflation e.g. inflationary pay award, waste contract inflationary increases were fully allowed for. General inflationary increases are not included.
- Asked what effect savings from inflationary charge increases (e.g. bulky waste collection) or proposed change to charged services (e.g. grit bins) on those with no alternative. Officer stated that most savings from alternatives to services rather than removal, such as move to charged service for grit bins.
- Request for overview of district capital projects and greater opportunity for scrutiny of larger projects including high profile cases. Officer stated the need for post-vesting review of capital programme when the 2022/23 accounts have been finalised and that the Appendix for February Executive would be reviewed to help provide greater clarity.
- Asked if fall in business rate income would be temporary. Officer outlined complex picture of business rate income and difficult task of predicting income due to government relief schemes. Total income projection for 2023-24 £122.173m, 50% of which goes to central government.
- Stated that CCTV removal saving should be reviewed to make savings only where quality of service is low. Call for review of service.
- Stated that proposed £1m saving in Children's Services from move away from costly unregulated placements, should be viewed as medium risk and was attracting national attention.

In summary:

- Members welcomed the balanced budget proposal and acknowledged the risks around the 2023/24 budget proposals and the use of £10m of reserves to support the budget. Members requested urgent review of CCTV provision. All present were broadly content with the proposals.