

SWT Corporate Scrutiny Committee - 7 September 2022

Present: Councillor Sue Buller (Chair)

Councillors Simon Coles, Habib Farbahi, Ed Firmin, John Hassall, Nicole Hawkins, Libby Lisgo, Janet Lloyd (Subs), Nick Thwaites (Vice Chair) and Loretta Whetlor

Officers: Sam Murrell & Marcus Prouse (Clerks), Alison North, Paul Fitzgerald, Chris Hall, Kerry Prisco and Malcolm Riches.

Also Present: Councillors Benet Allen and Sarah Wakefield.

(The meeting commenced at 6.16 pm)

33. Apologies

Apologies were received from Councillors Gwil Wren (subs Janet Lloyd), Marcus Kravis, Ian Aldridge, Norman Cavill, Simon Nicholls, Danny Weddercopp.

34. Minutes of the previous Corporate Scrutiny Committee

The Committee resolved to approve the minutes of the previous meeting held on Wednesday 3 August 2022,

(Prop Cllr Ed Firmin / Sec Cllr Whetlor)

35. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr H Farbahi	All Items	SCC	Personal	Spoked and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke and Voted
Cllr N Thwaites	All Items	Dulverton	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

36. **Public Participation**

No public questions or statements were submitted to the committee.

37. **Corporate Scrutiny Request/Recommendation Trackers**

Cllr Farbahi queried the Recommendation Tracker regarding the Catapult Report. It stated there were no budgetary implications to the Catapult report, but the report itself mentioned employing three members of staff to carry out the work identified in the report and an annual cost of 50K. As such, he felt that that the report should be scrutinised by the committee, and the budget should be looked at.

Chris Hall confirmed that no staff had been employed by SWT to the roles identified by Catapult and there were no future plans to recruit. The report only listed recommendations, some of which SWT had chosen not to take forward at this time, and thus there was no budget. Some of the “no cost” recommendations may have been implemented, but there was no requirement to adopt them all.

Cllr Farbahi’s other concerns as identified in the Written Answer Tracker were going to be directly followed up with officers. If this raised further questions, the Chair advised him to bring those to a future Scrutiny meeting.

38. **SWT Corporate Scrutiny Committee Forward Plan**

No comment was made.

The committee noted the Corporate Scrutiny Forward Plan.

39. **Executive and Full Council Forward Plan**

No comment was made.

The committee noted the Forward plans.

40. **Update on Local Government Reorganisation**

Cllr Sarah Wakefield gave a verbal report on her portfolio responsibilities for the Local Government Review. Her report in the agenda pack had been provided in advance of Full Council (the night before) and as such she advised on the following updates.

There was considerable pressure on teams to deliver the budgets for the new Council, considering the rising costs due to inflation, pay settlement, new legislation around social care, utilities and supply chain materials. A lot of staff were being deployed away from their substantive posts to cover work in advance of vesting day, and this was having an impact on their Business as Usual (BAU) roles. Such work included setting the Medium-Term Financial Plans, budget

setting for the new council, delivery of the LCN consultation and also work to establish the new Taunton Town Council.

The appointment of the new CEO, Duncan Sharkey had happened, and he was due to take up his role in October. Target operating modelling was going to take place across the organisation to create a council that was fit for purpose and safe, legal and functioning on vesting day. Duncan Sharkey will be an integral part of this process to ensure that he had the teams he wants in place to deliver the aspirations of the new Council.

The Local Community Network (LCN) consultation had been launched this week, and Cllr Wakefield encouraged everyone to take part. There are face-to-face consultations due to take place, as well as virtual meetings for councillors, parishes, towns and stakeholders. The following points were made :-

- How big are the boundaries of the LCNs? *The consultation covers three options with various size boundaries. These range from 10 LCNs up to 18 across Somerset. One of the options allows SCC Cllrs to cover their Division only, whilst another might mean that they have to sit on more than one LCN.*
- The geographical boundaries are not set in stone and that is why the consultation is important! It is also recognised that there will be some cross boundary working between parishes with similar issues.
- LCNs will be committees of the Council so only elected SCC members can vote on the decision making as they will be responsible for the budgets.
- Initially LCNs will influence Planning and Licencing but will not determine those decisions. It is recognised that the appropriate training is required for those who sit on these committees. It could evolve however as the Unitary continues to take shape.
- Officer support will be provided to facilitate the LCNs. This is where the majority of the budget will be allocated. They will be set up and ready on vesting day but will develop as the Unitary evolves. It is yet to be determined how they will fit into the municipal calendar and how many meetings will be needed a year.
- Cllrs Lloyd and Lisgo expressed disappointment at the late notice for the consultation that had taken place in Deane House that day. Not enough time to respond or change plans at the last minute.
- Some parish councils would like Alyn Jones to visit them and talk more about the process. He can be booked via email. Send an invitation to AGJones@somerset.gov.uk.
- LCNs will mean management of resources at a more local level. "If we are delivering more services, do we get more funding?" Some parish councils are already asking how their budget process will feed into the LCN.
- The details of the LCNs were not fleshed out in the One Somerset business plan, so they are a growing entity. There was no finance or budget set aside by the previous administration for their implementation, so this will need to be put in place for next year. An estimated £5million has been put in the budget for the current LGR delivery programme.

- Cllr Lisgo accepted that this was going to be a difficult process as the plan was an inherited project which needed to be delivered and was put in place to improve democracy! She was trying to fill out the consultation on-line but found some of the questions intrusive. Cllr Wakefield said that post code details were asked in the questionnaire to ensure that the survey was being filled in by Somerset residents and analyse the data later.
- There was some concern around accessibility. It was not helpful that the questionnaire was only available on-line. What other methods are there to participate?
- Cllr Whetlor asked that invitations were sent to councillors as well as clerks to ensure greater participation. She felt that the LCNs should be run along similar lines to the former Local Strategic Partnerships.

7.10pm Cllr Ed Firmin left the meeting.

- It was requested that the LCN project management team return to Deane House and this is widely publicised to ensure greater participation. *The project team are returning to Deane House on Friday 16 September, and will be at West Somerset House on Monday 10 October. Communications have been sent out to ensure Councillors are notified.*
- Cllr Thwaites highlighted that the LCN Highways pilot taking place on Exmoor was working well, and the parishes were pleased with the progress - so don't stop it!

The chairs closing comments were that communications need to be improved especially to the parishes. Planning training needs to be thoroughly rolled out if LCNs are to be part of the process as parish councils can labour over these decisions. It was also noted that there had been very little commentary to do with corporate issues, not least assets – especially the staff! They are the biggest asset of the Authorities. What is being done for their welfare and to protect their jobs? *This is all covered in the People Workstream of the LGR Programme which is the responsibility of Alison North. There are various welfare and cultural workshops and packages in place to support the staff, and the legal implications come under the Transfer of Undertakings (TUPE) legislation. The wider impact of this and a more in-depth report can be provided at a future meeting.*

7.26pm Cllr Sarah Wakefield left the meeting.

41. **General Fund Financial Performance Report for Quarter 1 2022/23 (30 June)**

The General Fund Financial Performance Report was introduced by Cllr Benet Allen, and presented by Kerry Prisco.

The projected outturn financial position for the year is an **overspend of £326k** based on estimates made as at 30 June 2022. This is mainly due to a potential pay award pressure exceeding that budgeted, pressures on staffing costs in a challenging labour market and efficiency savings that have not yet materialised.

There are still further risks and uncertainties well documented within the report, with some that will materialise over the next few months and place further pressure on the reported outturn position e.g. pay award and insurance premiums. As reported nationally, the current economic situation is challenging, and the Council is impacted by the rising cost of utilities, fuel and cost of materials. These areas of the business have and will continue to be reviewed closely, and best estimates have been included within this forecast.

The current level of **General Reserves is £6.229m** which provides the ability to cover the current predicted overspend, if required, as well as sufficient resilience to mitigate the risk of any further significant overspend or additional pressures.

The Senior Management Team will manage the position carefully with the aim to come in on budget by the end of the financial year.

The Committee made the following points:-

- Cllr Lisgo asked for more clarity on paragraph 5.12 of the report which explained that the car parking income budget has been reduced and other service have had their budgets realigned. *Car Parking income sits within the External Operations Directorate and has not had its budget changed in the preceding two years, despite the pressures experienced by COVID. The projected forecast was more optimistic, and this adjustment provides a more realistic figure that reflects the challenges within the service. The figure was reduced in the budget setting process for 22/23 but following analysis of the data as part of the Qtr1 process it is considered prudent to reduce it further. Car Parking income is predicting to be lower by about £302k at the end of the financial year.*
- The External Operations Directorate have also looked across the whole range of services to see if this budget loss can be covered by realigning budgets in other areas or producing savings to mitigate against it. Budgets will be realigned across commercial services, building control, fleet management and other contractual services to alleviate this and reduce the pressure. As of Qtr1 each Directorate is looking within its own services to make those savings but this might broaden out as we move through the financial year.
- A request was made for a table to be produced via the [Written Answer Tracker](#) to clearly explain how the variances had been arrived at.
- Car Parking income is ring-fenced and cannot be used to bolster other services within the council. It can only be spent on car park related projects and should not be seen as an income generating “cash-cow”.
- It was queried why the car parking income had reduced and what impact this had on Council services? *So far in this financial year there has been no free car parking, so there has been no loss of income due to this. Covid has played a significant part in the reduction of car parking income. Pre-covid habits have yet to return and there is still a reluctance to utilise the car parks in the town centres. There are less people travelling and returning to work, as more are choosing to work from home.*

- Cllr John Hassall also mentioned that the Park and Ride had increased whilst the Toneway repairs were underway, and people were taking advantage of the free fares. Once the fares were re-implemented the income would be generated for SCC as they manage the service not SWT. Chris Hall pointed out that while the failure to generate income via car-parking was causing one Performance Indicator (PI) to fail, it would alternatively mean that SWT was delivering on its climate change ambition by encouraging Active Travel and more sustainable forms of transport.
- What is the financial risk going forward?
Fuel costs have increased due to inflation. (Highlighted in Para 8.4 report). There has been a 45% increase in the price of fuel – petrol/diesel which is going to cause a significant pressure on budgets. The risks and predicted out-turn are in the report and are being closely monitored.
- Pre-App planning advice is delivered at net cost so is not income generating to the council.
- The current budget did not predict the rates of inflation now being experienced and significantly underestimated them. Comment from the S151 Officer, Paul Fitzgerald was that although SWT has a predicted overspend, it is not as bad as expected. This is being mitigated and SWT has healthy balances in reserves. In the fullness of time, as we progress through the year some adjustments will need to be made, but at the moment the losses and gains are balancing out and SWT is managing to withstand the financial pressures. SMT is planning to come in on budget and is doing everything it can to deliver that.

The Committee noted the report.

(Prop: Cllr Coles / Sec: Cllr Whetlor Unanimous

Cllr Thwaites did not vote as left the room during the discussion.

42. **Corporate Performance Report for Quarter 1 2022/23 (30 June)**

The Corporate Performance Report was introduced by Cllr Benet Allen and presented by Malcolm Riches.

Comments from the committee were as follows: -

- Cllr Lisgo queried the number of complaints relating to each category and if these were broken down into relevant themes and “flavours”. (Page 49) She asked if there could be a more explicit breakdown to determine the areas of the business which were experiencing pressure and that this be circulated to the Committee. Unfortunately, this can’t be discerned from the table in the existing format. Alison North agreed to provide a written response. Passed to the [Written Answer Tracker](#) for follow up.
- Cllr Farbahi queried whether the Council’s adoption of the CNCR policy was going to cause significant pressures, and would it change? *There are no plans to change the CNCR policy which is a corporate priority.*

There were no further questions at this stage, so the Chair closed the meeting.

(The Meeting ended at 8.05 pm)

