

Minutes of a Meeting of the Scrutiny Committee - Corporate and Resources held in the Council Chamber, Council Offices, Brympton Way, Yeovil BA20 2HT, on Thursday, 9 November 2023 at 10.00 am

Present:

Cllr Bob Filmer (Chair)
Cllr Richard Wilkins (Vice-Chair)

Cllr Philip Ham
Cllr Martin Lovell
Cllr Peter Seib
Cllr Lucy Trimnell

Cllr Tony Lock
Cllr Emily Pearlstone
Cllr Andy Soughton
Cllr Henry Hobhouse

In attendance:

Cllr Liz Leyshon

Other Members present remotely:

37 Apologies for Absence - Agenda Item 1

An apology was received from Councillor Cottle, Councillor Hobhouse attended as a substitute.

38 Minutes from the Previous Meeting - Agenda Item 2

Cllr Hobhouse raised queries in respect of the previous minutes and asked the legal position of the minutes being an accurate record in reference to statements provided by individual Councillors..

The Scrutiny Manager responded that as a guideline specific Councillors are not named unless it's a full council meeting. The minutes should capture the accuracy of the discussion from the committee.

It was requested and agreed for the summary on pages 15/16 be given greater detail in its reference to carbon neutrality and energy efficiency, the recording would be listened to and the details confirmed in the final version of the minutes.

The chair asked for minutes to be looked at for a standardisation process across the new Council be developed.

Resolved that the minutes of the Scrutiny Committee - Corporate and Resources held on 29th September 2023 be confirmed as a correct record.

39 Declarations of Interest - Agenda Item 3

No other additional declarations were made.

40 Public Question Time - Agenda Item 4

None.

41 Work Programme - Agenda Item 5

The committee questioned when the month 6 budget monitoring report would be considered. This would be scheduled for 5th December. The February Committee meeting would be focused on the 2024/25 budget.

It was clarified that the 5th December meeting would be scheduled at 2pm. This clashed with a planning committee in area East. This will be taken away and considered for a response to be provided.

The committee noted the items on the Work Programme and those on the Council's Forward Plan as attached to the agenda.

42 Council Tax Reduction & Exceptional Hardship Scheme for 2024/25 - Agenda Item 6

The report was introduced by Councillor Leyshon, and presented by the Assistant Project Director for finance and procurement Richard Sealey.

The Council tax reduction scheme will be considered at Executive on 6th December. There were no major changes proposed for the scheme and therefore a public consultation has not been undertaken.

The income bands had increased with inflation as with DWP uplifts state benefits. Given the significant budget gap, one of the areas of consideration was to not increase income band thresholds in line with inflation, if these were not increased this would have a net effect of the scheme costing the Council less to run. Officers were currently working on the impact of this and what this means financially, although this would impact those who are in the scheme, which could lead to increased claims for hardship, it was clarified that this change wouldn't require public consultation.

£370k had been set aside next year for exceptional hardship. The conclusion was that the new scheme was working well and no significant areas where rules needed to be changed apart from the income bands, which could be considered as a result of the budget gap.

During the debate the following questions and comments were raised:-

- Recent flooding in division and the council tax payback for 150 households who were impacted by that was questioned and if this would be available in future for further similar instances.
- This was a decision for members to make standard relief available for discounts/exemptions for those who have flooded.
- Wilkins, £800k government assistance for hardship was a one-off sum of money for assistance this year. £350k of the fund had been utilised. £500k remained in the scheme, there remained ongoing activity in encouraging those people to claim the hardship scheme who were experiencing hardship with the funds required to be spent this financial year.
- In respect of the equalities Impact Assessment members were pleased to see that the scheme scored well or neutrally across all characteristics.
- There is a household support fund in addition to the £800k which has been under great demand which was government money made available to assist residents of Somerset.
- Extending the exceptional hardship scheme was another option, which provided greater flexibility, it was recognised things had changed since this paper was originally written.
- It was questioned if residents are made aware they can apply for exceptional hardship? This information is included in literature issued to customers and recovery processes. Staff were aware the scheme is available and how to signpost this information to residents. who are not aware to ensure those who need this support are aware.
- Funding was in place for 3 years for citizens advice and 5 years for Spark to ensure the right advice is available for those who need it.
- Members of the committee were aware that financial circumstances had changed and some future hard decisions would need to be made in respect

of who is assisted.

The committee received the report with the proposed Council Tax Reduction and the Exceptional Hardship Schemes 2024/2025 and noted the updates.

43 2023/24 Budget Monitoring Report - Month 5 - Agenda Item 7

Cllr Leyshon introduced the report, and the Director of Finance and Procurement presented his report to the committee.

The committee were informed that the month 6 report would provide more accurate financial information going forward, considerable work had been undertaken to establish staff and structures. The national pay award for staff has been agreed and would be paid and backdated to 1st April. This was equivalent to a 6.1% increase including employer on costs, these additional costs had been forecasted and allowed for in the corporate contingency. Monthly reporting would occur to both Scrutiny and Exec on a monthly basis. Full spending controls were in place across the entire council to ensure full control of expenditure.

It was likely that significant variances would continue to be expected through the current financial year into next year. There remained £49.8 million in general reserves to mitigate against the current overspend, however the committee were reminded that the use of reserves this year would impact the availability to support next year's budget through the use of reserves. There was no clear certainty that the current overspend would be reduced to zero by the current financial year end.

During the debate the following comments and questions were raised:-

- Concerns were expressed that savings in the LGR business case had not been delivered. There had been savings achieved through LGR but the increase in costs across the organisation was driving the budget gap.
- There was the perception of the increase Adults social care services cost wiping out LGR savings.
- 1 in 10 councils in the same situation, several councils were at risk of a section 114 notice due to the increase in these costs.
- The historically low council tax in Somerset had also played a part in the budget gap compared to other local authorities in the southwest with the average council tax band in Somerset being a band C.
- In respect of the £18.4 million savings projected in the LGR business case. Progress to date was £3.8 million in achieving these savings.
- There had been an impact on Somerset Council and exposing data on funding and

associated costs of Social Care, the impact on this had been significant and an estimate of this was between 4-5 times the amount of LGR savings.

- It was reported that the financial position across most services was improving in the last month with exceptions and Adults and Childrens services.
- It was being considered what statutory services could be done at a certain level. Staffing establishment controls were in place to focus on delivering on reducing costs.
- 93% of spend in adults services was on care placements costs.
- The increase in adults services was not demand increase but the cost per placement for those being supported already.
- It was considered if the rise in cost of SEND transport was due to fuel costs. This was largely due to the competition of demand of drivers to tender for services. A transport Board had been put in place and work was ongoing with officers in respect of the cost of SEND transport arrangements.
- 2100 young people in 2019 had a transport responsibility with an Education Health Plan which has increased to 5300 young people with a transport responsibility applied to their educational healthcare plan. This combined with an increase in contractor cost had driven the cost of support to the Council.

The committee noted the contents; they also noted the recommendations made to the Executive along with the controls and monitoring of the budgets.

44 Financial Strategy Update - Agenda Item 8

The committee received a report from the Executive Director for Resources and Section 151 Officer on the Financial Strategy which detailed the current position of the Council's finances and the recommendations made to the Executive which are intended to ensure the Council kept a tight control on its finances and to enable the Council to set a balanced budget for 2024/2025.

During the debate the following comments and questions were raised:-

- It was confirmed that as a result of declaring a Financial Emergency there would be an extraordinary meeting of the Audit Committee in December to consider the Councils response.
- More focus on the larger councils in similar positions, higher profile in the Country, so many organisations in the same situation.
- The committee encouraged further awareness from local MP's, ministers and secretary of state to request government action is needed to prevent reduction of services.
- The Council continued to speak to DLUC on the capitalisation direction and future decisions to dispose of assets.
- Concerns were expressed that the scale of savings being brought forward were to slow, more was required to go further and faster to meet the budget gap.
- It was recognised that earmarked reserves needed to be reviewed, some were

ringfenced but there could be some capacity in reserves to be repurposed for budget resilience.

- The alternative option would be issuing of a section 114 notice if a robust budget could not be set next February.
- Financial Strategy had been updated since the original approval in July.
- The financial settlement was expected to arrive sometime before the end of the year before the budget is set for the next financial year.
- It was likely that the budget gap would reduce but not be reduced to zero.
- There has been no response from the minister for social care from letters submitted from Councillor Ruddle.
- It was anticipated that three commissioners would be appointed per council should a section 114 notice be issued.
- Under the exceptional support programme, the Council can borrow or use capital receipts to fund revenue expenditure.
- A credible plan to reduce the budget gap to sign off for elected members to consider would be considered at a future Scrutiny meeting.
- It was questioned if there would be a resolution to the longer-term problem of the Council tax base and issues in addressing the low base for future years to address budget gap. This issue would continue if budgets were still considered at an individual Council level
- The Adult Social care precept was based on council tax and not numbers of people that require adult social care support.
- The service challenge sessions from Service directors, was a key piece of work to present between now and February to discuss list of options across service areas to put a credible plan before members.
- Executive had agreed a decision in principle in respect of the disposal of assets. A financial analysis was being worked through to assess the. £20m income built into assets the Council holds.
- There were regular member briefings in addition to political group meetings to ensure all members understand the situation and the timescales.
- Investment, Asset Disposals and then the devolutions to Parish and Town Councils.
- Info on attendance can be provided by Dem Services.
- The 24/25 budget has to be signed off by the section 151 Officer as robust and assurance over levels of reserves. Members were reminded they have a legal requirement to set a balanced budget as part of budget setting.
- It was understood that most councils will have dire warnings around the medium term in budget setting statements.
- Progressing the vision for a smaller leaner council with fewer officers and offices would be streamlined before any progression of a section 114 notice.

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.

(The meeting ended at 12.30 pm)

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CHAIR