

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 Monday, 30 September 2024 at 2.00 pm

Present:

Cllr Bob Filmer (Chair)

Cllr Mandy Chilcott (In place of Cllr Diogo Rodrigues)
Cllr Martin Lovell

Cllr Peter Seib
Cllr Rosemary Woods (In place of Cllr Lucy Trimnell)

Cllr Dawn Denton (In place of Cllr Andy Soughton)
Cllr Leigh Redman (In place of Cllr Brian Smedley)
Cllr Mike Murphy

In attendance:

Cllr Liz Leyshon
Cllr Richard Wilkins

Cllr Heather Shearer

Other Members present remotely:

Cllr Sarah Wakefield

Cllr Philip Ham

45 Apologies for Absence - Agenda Item 1

Apologies for absence were received from the following:

- Councillor Henry Hobhouse (no substitute)
- Councillor Nick Cottle (no substitute)
- Councillor Tony Lock (no substitute)
- Councillor Andy Soughton (substituted by Cllr Dawn Johnson)
- Councillor Diogo Rodrigues (substituted by Cllr Mandy Chilcott)
- Councillor Lucy Trimnell (substituted by Cllr Rosemary Woods) and
- Councillor Brian Smedley (substituted by Cllr Leigh Redman).

Councillor Philip Ham joined the meeting remotely.

46 Declarations of Interest - Agenda Item 2

There were no declarations of interest received.

47 Minutes from the Previous Meeting - Agenda Item 3

Having been proposed by Cllr Filmer and seconded by Cllr Redman, it was resolved that the minutes of the Scrutiny Committee - Corporate and Resources held on 28 August 2024 be confirmed as a correct record, subject to the following amendment being made to Minute 43 – Recommendation 4:

Minute 43 - Regulation of Investigatory Powers Act 2000 (RIPA) Policy

Recommendation 4 – amended to read – “The Committee requested that officers incorporate the feedback provided is incorporated as part of the report going forward, including potentially tightening of some of the language before it is approved”.

48 Public Question Time - Agenda Item 4

There were no members of the public registered to speak.

49 2024/25 General Fund Revenue Budget Monitoring Report - Month 4 - Agenda Item 5

The Council's Interim Chief Finance Officer, Maria Christofi and the Service Director, Finance and Procurement, Nicola Hix presented the General Fund Revenue Budget Monitoring Report for the end of July 2024 - Month 4.

They advised that the Council is forecasting a revenue overspend of £8.4m within Service Directorates for the 2024/25 financial year, which is being offset by £6m corporate contingency leading to a total revenue forecast overspend of £2.3m. This equates to 0.1% of the net budget for the year and is an increase in the revenue forecast overspend of £2.5m from the previously forecast underspend.

The Committee was taken through the various appendices and in the discussion which followed Members made a number of comments and observations which were responded to:-

- income from beach car parks in Minehead – officers will respond to Cllr Woods on the specifics of this.
- how the information is presented in the report around the revenue overspend and details by Service Directorates – report going to the Executive will reflect the full picture / position so the relevant tables and the accompanying narrative at the front of the report are as clear as possible.
- need to also include a paragraph in report on contingencies position and link the tables to the narrative more clearly.
- legal agency spend and whether it is slowing devolution / asset transfers, sales and if there is capacity – explained the complexities, the use of the earmarked reserves and the time involved; also referred to information contained on page 23 of the report and making the income element clearer.
- need a central place where all acronyms used in the report are defined (with a link in a relevant report).
- page 39 – Children's Services budget – comments re planning issues and lack of social housing for young people to move on to – it was noted that resources have been put in to help situation for example a specialist planner is being funded from Children's Services budget (Homes and Horizons); also

expanded on progress made with the homes (6 and 7 have opened and 8 is in progress).

- question about mitigations / actions around the Children's Services budget position which is not reflected in the report – confirmed this is being worked on for future reports; are working to pull position back and for example mentioned work of the Transformation Board and the deep dive on CLA; also highlighted where the budget is showing an underspend, for example in the fostering budget and the impact and link to the overspend in residential placements.
- query about the Adults budget and how it is expressed in the report – referred to page 34 and the section on commissioning which helps explain this and the focus / actions on reablement at home.
- Climate and Place budget overspend (waste contract) and why the one off uplift is not coming out of the contingency budget – too early in the financial year to be allocating contingencies for any of the forecast overspends and role of the Directorates is to pull back a forecast overspend.
- a follow on question about whether this situation is sustainable – needs to be an ongoing response by the organisation and referred to the MTFP and necessary actions being taken.
- query about the position regarding the contingency budget – the contingency budget figure is £6m and it has all been released and the report fully reflects this.
- question on financial risk matrix detailed in the report – this is around the overarching risk to the Council.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- thanked officers for the improvements which have been made to the report over time and thanked officers for this and will look forward to the next iteration.
- members had highlighted that if possible, the reports from the service areas will have more detail on mitigations around how they are addressing shortfalls in their respective budget areas.
- also thanked the Executive members for attending and responding to questions at the meeting.

The Committee noted the report and recommendations for Executive:-

- a) Notes the Service Directorate Revenue forecast overspend of £8.4m for the year.
- b) Notes the total Council Revenue forecast overspend of £2.3m.

50 2023/24 General Fund Revenue Budget Monitoring Report - Outturn - Agenda Item 6

The Council's Interim Chief Finance Officer, Maria Christofi and the Service Director, Finance and Procurement, Nicola Hix presented the 2023/24 General Fund Revenue Budget Monitoring outturn report. This outlines the outturn position including overall delivery on savings, transformation, and additional income plans, and reserves. There is an underspend of £1.8m (0.3%) for the 2023/24 financial year which will be added to the General Fund balance.

Members made a number of comments and observations which were responded to at the meeting:-

- tables on page 70/71 and how information is expressed – will take comment on board and will continue to develop and evolve how information is presented. The outturn position is a result of the hard work undertaken by the Council following the financial emergency being declared.
- query about wording of paragraph 2 of report on page 69, as there had been a number of 'one-off' items which helped contribute to the overall underspend; concern about use of earmarked reserves and reduction; unachieved savings – will take comments on board in terms of further reports produced.
- the risk around the Dedicated Schools Grant deficit and expenditure going forward was highlighted.
- trend figures and sustainability (value) needs to be part of the report.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- value the monthly updates coming forward which will help with planning.
- helpful to highlight outcomes looking to achieve as a Council in reports.

The Committee noted the report and recommendations for Executive:-

- a) Notes the underspend of £1.8m (0.3%) for the 2023/24 financial year which will be added to the General Fund balance.
- b) Approves the draws and contributions to earmarked reserves set out in appendix 11.
- c) Approves to release £0.7m of available earmarked reserves funding to the General Fund balance.
- d) Agrees to continue to receive monthly budget monitoring reports in 2024/25 which sets out the forecast outturn for the year with details of any mitigations and actions being taken to address any forecast variances.
- e) To note that the Collection Fund outturn position is still being finalised. Any over/underspend will be funded from/contributed to reserves. Any material changes to the reserve position will be noted in a future report.
- f) Approve the amendment to the Flexible Capital Receipts Strategy to include the Adult Social Care transformation programme, My Life, My Future (section 34/appendix 12).

51 2023/24 General Fund Capital Budget Monitoring Report - Outturn - Agenda Item 7

The Council's Service Director, Finance and Procurement, Nicola Hix presented the outturn on the Council's 2023/24 capital programme i.e. the total spend for the year and how this compares with the agreed budget for the year: with explanations for the main differences. It also summarised what has been delivered through the capital invested and how this has been funded.

There is slippage (variance) of £196.890m from 2023/24 into 2024/25 and beyond whilst a further review of the capital programme takes place during 2024/25. The

report also highlighted changes to the capital programme approvals (detailed in section 26 of the report).

Members made a number of comments and observations which were responded to at the meeting:-

- discussed reporting and challenges across the organisation and need for profiling to highlight potential slippages going forward – finance officers continue to challenge service areas.
- oversight and who is keeping eye on the ‘bigger picture’ and where is the scrutiny happening of all the Boards – in response, Glastonbury Town Deal provided as an example and the reporting in place.
- concern about staff changes and the loss of corporate knowledge.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- highlighted concerns about oversight around some of the capital projects particularly in light of personnel changes.
- the Committee would like to re look at the capital programme and slippages and to also consider outcomes and where this sits in terms of the scrutiny role and need for the monitoring of project outcomes (to avoid duplication).
- welcomed there will be more information coming forward, especially in terms of Quarter 2.

The Committee noted the report and recommendations for Executive:-

- a) Notes the capital outturn position for the financial year 2023/24 of £117.8m.
- b) Approves the slippage of £196.890m from 2023/24 into 2024/25 and beyond whilst a further review of the capital programme takes places during 2024/25.
- c) Approves the removal of the underspend.
- d) Approves the changes to the capital programme approvals, as detailed in Section 26 of this report.

52 2023/24 Housing Revenue Account Revenue & Capital Budget Monitoring Report - Outturn - Agenda Item 8

The Council’s Management Accounting & Reporting Lead, Kerry Prisco presented the financial outturn position of the Council’s Housing Revenue Account (HRA) for both revenue and capital positions for the financial year 2023/24. The report has already been considered by the Council’s Executive.

Ms Prisco advised that overall there is a revenue underspend of £810k and the reasons for those variances are as detailed in the report. The underspend has been transferred to supplement general reserves to give a balance of £12.859m. She advised about the capital outturn position. There is a virement of £1m to provide match funding for energy efficiency works from net capital budget returns and proposed reductions to the Capital Programme of net £0.171m for underspends on schemes where budget is no longer required, and the continuation of £57.317m approved budget rolled forward for the 2024/25 Housing Revenue Account Capital Programme.

Members made a number of comments and observations which were responded to at the meeting:-

- would be helpful if the report were presented in the same format as other financial reports, for consistency – going forward officers may look at the feasibility of including HRA reporting in other reports or alternatively the HRA reporting will be kept separately and will follow the same format.
- query about the fire safety budget, detailed in Appendix B – officers will provide a written response to the Committee.
- referring to the voids information on page 171 and the overspend reported, comment about the unintended consequences of decisions taken and the impact on other areas.
- proposed virement to provide match funding for energy efficiency works and how many properties it will affect - officers will provide a written response to the Committee.
- outturn variances figures detailed at bottom of page 176 – officers will investigate this further.
- query about level of reserves detailed on page 174 – have decided will be set & will stand above the recommended minimum balance.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- like HRA reports coming forward to be more consistent with format of other financial reports.
- HRA reports do need to be separate to other financial accounts / reporting.

The Committee noted the report and recommendations for Executive:-

- a) Note the reported Housing Revenue Account Budget underspend of £810k in 2023/24 to be transferred to Unearmarked Reserves.
- b) Note the reported HRA Unearmarked Reserves Balance of £12.859m as at 31 March 2024.
- c) Note the Capital Outturn position.
- d) Approve a virement of £1m to provide match funding for energy efficiency works from net capital budget returns.
- e) Approve the proposed reductions to the Capital Programme of net £0.171m for underspends on schemes where budget is no longer required, and the continuation of £57.317m approved budget rolled forward for the 2024/25 Housing Revenue Account Capital Programme (as per Appendix B).

53 Forward Plan 2024/25 - Agenda Item 9

The Committee discussed and noted the Committee's forward work plan for future meetings.

The Chair and lead officers will meet for an agenda setting meeting to discuss the items for the next meeting and meetings going forward. The next meeting will be held on 28 October 2024 beginning at 2 pm and the following items are currently set to be considered:

- 2024/25 General Fund Revenue Budget Monitoring Report – Month 5
- Improvement and Transformation Programme Update

The Committee made the following comments on the forward work plan:

- the aim should be that reports are considered by Scrutiny prior to decisions being taken and reports need to be presented and considered in as timely a manner as is possible.
- include an item on the capital programme generally and on Transformation.

(The meeting ended at 4.23 pm)

.....
CHAIR