

**Somerset Council – Decisions taken by the Scrutiny Committee - Corporate and Resources on Monday, 25 November 2024**

Agenda Item No	Topic	Decision
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**Part A – Items considered in public**

<p><b>A5</b></p>	<p>2024/25 General Fund Revenue Budget Monitoring Report - Month 6 (Q2)</p>	<p>The committee had no specific recommendations for the Executive, it noted the report, management actions and the recommendations to the Executive:</p> <ul style="list-style-type: none"> <li>a) Notes Council is now forecasting a balanced revenue position (on-budget).</li> <li>b) Notes the total Council Revenue forecast underspend of £8.479m for the year. There is a forecast underspend of £2.419m within Service Directorates for 2024/25 and the Corporate Contingency of £6.000m, whilst remains unallocated it has been released into the forecast outturn within budget lines Table 1.</li> <li>c) Note that the planned use of reserves of £36.800m for Medium Term Financial Plan (MTFP) Support towards the budget is forecast to reduce by of £8.479m to £28.321m, due to the forecast underspend within budget lines.</li> <li>d) Agree that mitigating actions are to be identified in order to reduce any overspends, to take action and to contribute to the long-term financial sustainability of the authority.</li> <li>e) Agree that the Council continues with the aim of avoiding a Section 114 notice by taking all of the necessary actions and continuing to operate as if one has been issued.</li> <li>f) Note the progress and delivered savings of £13.114m of the approved savings programme as set out in Table 2 and Appendix J.</li> <li>g) Notes that work will continue to find mitigating or substitute savings for the £0.432m of Red unachievable savings, deliver the £5.142m Amber at risk savings and the £20.189m Green on track savings.</li> <li>h) Note the in-year forecast overspend on the Dedicated Schools Grant of £28.259m, an increase of £2.419m from Month 5 (in paragraph 14).</li> <li>i) Note the total forecast Dedicated Schools Grant year-end deficit of £64.199m as set out in Appendix C.</li> <li>j) Note the collection rates for Council Tax and Business Rates as set out in paragraph 24.</li> <li>k) Note the quarterly update on the prudential indicators detailed in Appendix L.</li> </ul>
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		<ul style="list-style-type: none"> <li>l) Note the outstanding debt position as detailed in Chart 3 and Appendix M.</li> <li>m) Note the level of General Reserves is £52.4m (risk-based assessment – minimum £30m, maximum £60m).</li> <li>n) Approves the additional Quarter 2 capital slippage of £75.690m into future years</li> <li>o) Approves £22.123m of externally funded additions to the capital programme, as detailed in Section 34 of this report.</li> <li>p) Notes £2.708m of virements within the capital programme, as shown in Appendix O.</li> </ul>
<b>A6</b>	2024/25 General Fund Capital Budget Monitoring Report - Q2	See decision details at item 5 (Items 5 & 6 are presented in a combined report)
<b>A7</b>	2024/25 Housing Revenue Account Revenue & Capital Budget Monitoring Report - Q2	<p>The committee had no specific recommendations for the Executive, it noted the report and the recommendations to the Executive:</p> <ul style="list-style-type: none"> <li>a) Notes the Housing Revenue Account forecast overspend of £1.717m for 2024/25, the mitigations actions in the report and the impact on the HRA General Fund Reserve of this overspend.</li> <li>b) Agree to take further mitigating actions to pull back the forecast overspend for the next quarter and by outturn.</li> <li>c) Notes the forecast outturn position of the Capital Programme of £55.172m for 2024/25.</li> <li>d) Approve slippage of £37.723m into future years. e) Notes the Capital virements in paragraph 27.</li> </ul>
<b>A8</b>	Corporate Performance Management Report - Q2	<p>The committee reviewed the report, the management actions and noted:</p> <ul style="list-style-type: none"> <li>- The committee is asked to review the performance information provided within appendix A, and in particular, the narrative relating to performance this quarter.</li> </ul>

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		<p>The committee voted in favour of an additional recommendation:</p> <ul style="list-style-type: none"> <li>- For each scrutiny committee to review the Quarter 2 2024/25 performance monitoring report, and future performance monitoring reports, and to report back to the Scrutiny Committee - Corporate &amp; Resources with any specific recommendations on additional management actions or other mitigations and scrutiny committee forward work programmes amended to reflect this</li> </ul>
<b>A9</b>	Improvement and Transformation Programme Update	<p>The committee reviewed the report, the management actions and noted:</p> <p>That Corporate and Resources Scrutiny Committee:</p> <ul style="list-style-type: none"> <li>• Note the progress made in the month from 12 October – 8 November 2024.</li> <li>• Note the current assessment of programme risks which includes those with a score of 16 or higher that may arise during the change process, along with the status of actions to mitigate these risks, as detailed in Appendix A.</li> </ul>
<b>A10</b>	Council Tax Reduction Scheme for 2025/26	<p>The committee noted the report and the recommendations to the Executive:</p> <ol style="list-style-type: none"> <li>1. Agree and recommend that Full Council approve the CTR and associated EH scheme for 2025/26 as set out in this paper.</li> <li>2. Agree and recommend that Full Council approve the increase to income band thresholds by the September 2024 CPI rate of 1.7% in line with the percentage increase to state benefits as implemented by the Department for Work and Pensions (DWP).</li> </ol> <p>The committee voted in favour of an additional recommendation as follows:</p> <ol style="list-style-type: none"> <li>3. For the Scrutiny Committee - Corporate &amp; Resources to receive an update regarding the impacts on people with protected characteristics from the final Council Tax Reduction</li> </ol>

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		Scheme 2025/26, the details of the take up of the Exceptional Hardship Scheme and the planned mitigations by summer 2025 ahead of consideration of the proposed Council Tax Reduction Scheme 2026/27
<b>A11</b>	Non-Domestic Rating Discretionary Rate Relief and Hardship Policy Review	<p>The committee had no specific recommendations for the Executive, it noted the report and the recommendations to the Executive:</p> <p>The Executive agree and recommend to Full Council:</p> <ol style="list-style-type: none"> <li>1. That the Non-Domestic Rating Discretionary Rate Relief and Hardship policy is amended to prevent Private Schools from applying for assistance in anticipation of the changes to the Local Government Finance Act 1988. The recommended wording is to be found in Appendix D of the policy and states: 'The ratepayer must not fall within the definition of a Private School. For business rates purposes, 'Private Schools' are defined by HM Treasury as schools at which full time education is provided for pupils of compulsory school age where fees are payable.'</li> <li>2. To delegate authority to the Council's Section 151 Officer in consultation with the Monitoring Officer to make any additional amendments as necessary to ensure the wording aligns with that Act once such amendments come into force.</li> <li>3. To reduce the relief percentage within the policy for Retail, Hospitality and Leisure sector for 2025/26 from 75% to 40% as a result of changes to Central Government policy.</li> <li>4. To end Local Newspaper Relief in line with Central Government policy</li> </ol>
<b>A12</b>	Budget Options 2025/26 Onwards	<p>The committee had no specific recommendations for the Executive, it noted the report and the recommendations to the Executive:</p> <ol style="list-style-type: none"> <li>a) Agree the new Budget Savings for 2025/26 of £43.950m as set out in Appendix A.</li> <li>b) Agree the substitution of the £9.000m saving in 2025/26 as per paragraph 22.</li> <li>c) Note the revised 2025/26 budget gap of £53.846m after taking into account the</li> </ol>

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		<p>proposed savings and substitution.</p> <p>d) Recommend the savings and substitution to Full Council.</p> <p>e) Agree that the Council continues with the aim of avoiding a Section 114 notice by taking all of the necessary actions and continuing to operate as if one had been issued.</p>
<b>A13</b>	Forward Plan 2024/25	The committee considered the Forward Plan and had no amendments or additional items for inclusion and consideration. It was highlighted that the date of the next committee meeting was being reviewed.