

Minutes of a Meeting of the Executive held in the Luttrell Room - County Hall,
Taunton TA1 4DY, on Wednesday, 6 September 2023 at 10.00 am

Present:

Cllr Bill Revans (Chair)
Cllr Liz Leyshon (Vice-Chair)

Cllr Theo Butt Philip
Cllr Tessa Munt
Cllr Dean Ruddle
Cllr Ros Wyke

Cllr Adam Dance
Cllr Mike Rigby
Cllr Federica Smith-Roberts

In attendance:

Cllr Mandy Chilcott
Cllr Ross Henley
Cllr Faye Purbrick
Cllr Heather Shearer
Cllr Sarah Wakefield

Cllr Tom Deakin
Cllr Frances Nicholson
Cllr Leigh Redman
Cllr Fran Smith
Cllr Richard Wilkins

Other Members present remotely:

Cllr Tony Lock
Cllr Nicola Clark
Cllr Bob Filmer
Cllr Dawn Johnson
Cllr Martin Lovell
Cllr Oliver Patrick
Cllr Peter Seib
Cllr Lucy Trimnell
Cllr David Woan

Cllr Norman Cavill
Cllr Andy Dingwall
Cllr Andrew Govier
Cllr Helen Kay
Cllr Sue Osborne
Cllr Jo Roundell Greene
Cllr Gill Slocombe
Cllr Martin Wale

32 Apologies for Absence - Agenda Item 1

Apologies were received from Cllr Dixie Darch.

33 Minutes from the Previous Meeting - Agenda Item 2

The minutes of the Executive meeting held on 2 August 2023 were agreed upon and signed by the Chair.

34 Declarations of Interest - Agenda Item 3

COUNCILLORS WHO ARE ALSO CITY, TOWN AND/OR PARISH COUNCILLORS
SOMERSET COUNCILLOR CITY, TOWN AND/OR PARISH COUNCIL

Theo Butt Philip -Wells City Council

Adam Dance - South Petherton Parish Council

Mike Rigby - Bishop's Lydeard and Cothelstone Parish Council

Dean Ruddle - Somerton Town Council

Federica Smith-Roberts - Taunton Town Council

Ros Wyke - Westbury-sub-Mendip Parish Council

35 Public Question Time - Agenda Item 4

Public Questions were received from:

Mr Alan Debenham – Local Authority finance, budget and funding position
(considered as part of the relevant Agenda item - 2023/24 Budget Monitoring
Report – Month 3 – End of June 2023 & Month 4 update - Agenda Item 7.

Cllr Leigh Redman – Reinforced Autoclaved Aerated Concrete (RAAC).

The questions and responses provided are attached to the minutes in Appendix A.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, thanked Council Officers, Academy Trust staff members, teachers, parents, and students for their patience and understanding while the issues are resolved. The Leader further recognised the emotional impact on all involved and acknowledged the urgent action required regarding Haygrove School, advising of the current Member engagement and support for all affected at Haygrove School.

The Lead Member for Children, Families and Education, Cllr Tessa Munt, further advised of the planned continued communication of the dynamic and evolving situation.

36 Annual Approval as Sole Shareholder of Homes in Sedgemoor - Agenda Item 5

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Lead Member for Communities, Housing and Culture, Cllr Federica Smith-Roberts, to introduce the report.

The Lead Member for Communities, Housing and Culture, Cllr Federica Smith-Roberts, introduced the report, highlighting: that the Council is the sole member (equivalent to the shareholder in a company limited by shares) of Homes in Sedgemoor (HIS); and that as a corporate body the Council is required to approve the Annual Accounts of HIS and endorse the appointment of external auditors.

The Service Director – Housing, Community Services, Chris Brown, further added to the above points advising of: the number of properties and the duties as a shareholder, including the appointment of representatives to the Board; approval of the accounts and auditors; and that the Executive decision would be taken to the HIS Annual General Meeting September 2023.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, there were no questions or points raised.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

The Executive agreed:

- a. The approval of the Homes in Sedgemoor annual company accounts as set out in the report.
- b. That the appointment of external auditors – Bishop Fleming – is endorsed further to the procurement exercise undertaken by Homes in Sedgemoor.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

37 Somerset Council - Consolidated 2022/23 Outturn Report - Agenda Item 6

The Leader of the Council and Lead Member for Governance and Communications,

Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that the five legacy Councils and the Pension Fund Statement of Accounts had been published; that the report outlines the overall impact of the outturn position for each legacy Council, including the opening reserves position, capital programme and the Housing Revenue Account (HRA - former South Somerset District Council and Somerset West and Taunton Council); that the position of each legacy Council was outlined in the large number of appendices, noting and apologising that Appendix One – Somerset County Council Outturn Report 2022/23 had been published as a late supplementary report, and that the report had been available to view via the Scrutiny Committee – Corporate and Resources agenda for 7 September meeting; the observation of the different styles of reporting and presentation across the legacy Councils and the opportunity to review and agree a reporting and presentation style for Somerset Council; the revenue budget overspend and the significant draw on reserves for 2022/23; the transfer of funds and the opening position for Somerset Council general fund reserve; that an amalgamated earmarked reserves position report to be received at the 4 October 2023 Executive meeting; the challenges and the need to rationalise the capital programme, including increased inflation, interest rates, project funding; the useable capital receipts of legacy Councils and current commitments; and the thanks and appreciation to Officers for their work to deliver through the many challenges presented.

The Executive Director - Resources and Corporate Services, Jason Vaughan, further added to the above points, highlighting: that the report is a key document bringing together vital information of the five legacy Councils; clarified the audit position including: the published and outstanding audits and the national audit delays; the reserves position, including general fund reserves, remaining earmarked reserves and reserves held for other bodies.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the progression following the reported positions of the five legacy Councils; the Capital programme and potential cost increase; the work to improve the budget reporting and achieve a better understanding of risks, funding and clear context; and the transfer of useable and non-useable reserves and the effect on the resilience of the Council and the inclusion of clarity of the useable and non-useable reserves to be included in the amalgamated earmarked reserves report scheduled to be considered at the October Executive meeting.

In response, the Executive Director – Resources and Corporate Services, Jason Vaughan, advised of the review of the capital receipts and commitments of the capital programme to identify and recommend the most effective use within the Medium Term Financial Programme.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

The Executive:

- a. Agreed to note the final overall overspend for Somerset of £18.7m funded from reserves.
- b. Agreed the requested carry forwards of £0.5m.
- c. Noted the opening position of £26.8m General Fund Reserves as at the 1 April 2023.
- d. Approved that £23m of Earmarked reserves are transferred in General Fund Reserves to ensure they are maintained at the appropriate level and to receive a report detailing the amalgamated earmarked reserves position at the October Executive meeting.
- e. Noted the opening position of £156.8m of Somerset Council earmarked reserves as set out in Table 4 of the report and the current commitments against those reserves.
- f. Agreed the additions and amendments to the Capital Programme in the last quarter.
- g. Noted the completed capital projects.
- h. Noted the position on capital receipts and commitments.
- i. Noted the outturn positions of Sedgemoor District Councils Housing Revenue Account (an underspend of £0.446m) and Somerset West and Taunton (an overspend of £0.227m).
- j. Approved the capital carry forwards of £4.6m relating to Sedgemoor District Councils HRA.
- k. Approved the reduction of £8.8m for capital schemes no longer required within the previous Somerset West and Taunton HRA

The Executive recommended to Council:

- l. To note the year end position of the legacy Councils' General Fund Capital Programmes and approve the carry forward requests of £99.5m and revised Capital Programme.
- m. To note the year end position of the legacy Councils' HRA Capital Programmes and approve the carry forward requests of £90.4m and revised Capital Programme.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

38 2023/24 Budget Monitoring Report - Month 3 - End of June 2023 & Month 4 update - Agenda Item 7

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited Mr Alan Debenham to address the Executive.

Mr Alan Debenham addressed the Executive with questions regarding the Somerset Council's financial position, responses from the Executive Lead Members are provided in Appendix A to the minutes.

The Lead Member for Economic Development, Assets and Planning, Cllr Ros Wyke, added an update on the nutrient neutrality scheme and that once clarity on this scheme is received, the information will be communicated.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: that the report sets out the very stark and challenging situation that is faced both locally and nationally, including recent Government announcements; the forecast overspend and draw and use of reserves, the budget monitoring position and the addition of month four budget monitoring report; the opportunity as one Council to identify risks, improvements and opportunities; and the Directorate Management Team work on actions to mitigate the position and financial recovery plans, including the five Scrutiny Committees to review the budget monitoring position of their area, risk reporting, monthly all Member Budget Monitoring Briefings and a monthly update on the financial position and actions being taken to address it.

The Executive Director - Resources and Corporate Services, Jason Vaughan, further added to the above points, highlighting: the upcoming use of the solver budget monitoring tool; Section 114 notices; the recommendations presented to inform Council of the financial pressures; the increase in expenditure and income, with the Government National funding received by Councils not matching responsibility and expenditure; the transformation, savings and income generation proposals; treasury management activities.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited Executive Lead Members to provide an update on projected overspends, mitigations and opportunities within their area of responsibility. In reference to Strategy & Performance and Governance, the Leader advised of an overspend due to the continued need to place legal cases, principally in respect of childcare, with legal experts with actions including reviewing practice and developing the capacity of the legal team and reducing the need to externalise this work.

The Lead Member for Adult Social Care, Cllr Dean Ruddle, highlighted: the increased pressure on services and costs resulting in a projected £3.8m overspend; and the work to achieve £10m savings over two years, including monitoring and reviewing the budget to achieve efficiencies and the five key areas of planned mitigation to deliver efficient savings.

The Lead Member for Children, Families and Education, Cllr Tessa Munt, highlighted: the work on rationalisation of cost centres and the work to clearly present information and figures; the external placements budget overspend; and the use of Microsoft Dynamics and solver budget planning tool and the work with the finance team to provide information and delivery of savings timescales.

The Executive Director – Children, Families and Education, Claire Winter, further added to the above points, highlighting: the increasing complexity of need post pandemic; the key areas of overspend in relation to external placements for children in care, the sharp rise in providers costs and the national market; the mitigations to manage escalating costs including Homes & Horizons, 16+ market development, reducing unregistered placements; the work with Impower consultancy to increase the number of internal foster cares and step across options for children and young people and the work with local providers to develop the local market for value for money and quality, the work to manage the private equity market to benefit children and manage costs; and the work to effectively manage SEND school transport routes effectively.

The Lead Member for Public Health, Equalities and Diversity, Cllr Adam Dance, highlighted the budget monitoring challenges faced due to significant inflationary increases and the limited Public Health funding.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, added to the above points highlighting: that the shortage of funding is a risk and that prevention through public health is important to the sustainability of the Council; and the important joint work with the NHS for the sustainability of the Council.

The Lead Member of Communities, Housing and Culture, Cllr Federica Smith-Roberts, highlighted: that there is no projected variance within Communities; the risks in projecting while not knowing the complete expenditure and the work with the finance team; the volatility in housing and homelessness, including the increase in numbers presenting due to the cost of living crisis; and the extended use of temporary accommodation due the economic climate and local demand pressures, with the received grants not covering costs.

The Lead Member for Transport and Digital Cllr Mike Rigby, highlighted: the £1.1m overspend in the highways area due greater amount of safety defect work across the network, following a harsh winter; the maintenance of the asset and repair report; the predicted IPG overspend; the actions in MTFs and the work with the finance team to ensure budget pressures highlighted and managed; that additional costs have been incurred in the ICT area in respect of the Office 365 backup costs and that the work in respect of consolidating into a single electronic payments system will be more than anticipated; and that work on the data centre consolidation is not achievable in this financial year, meaning the budget will be exceeded.

In the absence of the Lead Member for Environment and Climate Change, the Executive Director – Climate and Place, Mickey Green, provided an update, highlighting: the £800k overspend for the end of month 4, due to waste services, including an increase in residual waste: the additional bank holiday for the King's Coronation impact on waste collections; and the negotiation of an improved pay award shared with Suez and the anticipated change of legislation due in January 2024.

The Lead Member for Economic Development, Planning and Assets, Cllr Ros Wyke, highlighted: the one-off pressure in economy, employment and planning, of £0.4m, due to a change in how funding from DWP can be applied; the exploration of other funding streams to mitigate this action; the property services budget and strategic assets budget, including the unbudgeted expenses, including the structural services, particularly the RAAC issue and shortfall in the Saltlands solar park; the vacant property running costs due to the ongoing phosphates issues delaying planning; additional pressures in year due to the additional security costs of the old Bridgwater hospital sites; anticipated savings from staff budgets due to vacancies; pressure of utility costs and consolidated Unitary accurate forecasts; the Commercial investments budget and the current vacancies, with the overall portfolio holding up in terms of income; and high streets transition and associated impacts.

The Lead Member for Transformations and Human Resources, Cllr Theo Butt-Philip,

highlighted: that Partnership & Localities and Workforce & Transformation predict no overspends for this financial year; ongoing work including, a review of third sector grants, workforce and transformation work; how LCNs would be key to networking and developing partnerships; and that the transformation and change programme was ongoing with a review of the transition programme, focusing on developing, consulting and implementing management staff structures and securing management staff capacity for the Council.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, highlighted: the overspend in finance and procurement areas due to human resources pressure; the cross directorate transformational work and improved reporting; the favourable variance of £0.5m for special grants due to receiving confirmation that the Rural Services Delivery Grant and the 2023/24 Services Grant will be higher than budgeted; and that the national bargaining non-service pay award has not yet been agreed upon, with the corporate contingency showing as being fully committed to cover the additional cost of the national pay award over and above the 5% budgeted for.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the budget gap; budget monitoring and work to mitigate the financial pressure, demonstrate fiscal responsibility and the opportunities available to avoid issuing a Section 114 notice; that doing nothing to address the financial pressures was not an option; thanks to the Officers for their work through transformation, delivering business as usual and working through changes in employment; the cut in Government National funding; demonstrating, communicating and educating the complex Council budgets to the general public; that Council Tax increases cover a large proportion of spend but do not cover the increase in costs and demand in services; the welcome monthly budget update and the responsibility of all Councillors to understand budget monitoring in preparation for budget setting; the tracking and monitoring of the 17 key areas; budget setting for Adult Social and Children Social Care; the percentage of useable reserves used and the review of the complete reserves position; budget setting including new ways of supporting children placements outside of the private equity market; the risk to cutting services and repairs; the work of the MTFP Board including mitigations and actions being taken; the significant reduction in school maintenance and associated Government funding issues preventing work being actioned; the clarity of the expectation of the Scrutiny Committee to review budgets; the decline in Local Authority funding and the need for urgent action from the Government to address the wider system; the my life, my future programme, including the delayed and guaranteed savings and the challenges and risks faced; and the clear governance process to monitor the progress and achievements of the programme.

The Chief Executive, Duncan Sharkey, highlighted the Local Authority wider system funding issue, and that if the current situation continued more Councils, as a result of not being able to balance budgets, could be issuing section 114 notices; and further explained the importance of highlighting the actions needed now to lay quality plans to protect local services.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

The Executive:

- a. Noted the forecast overspend of £26.1m (as at month 4) for the year and the key risks, future issues and opportunities.
- b. Requested that each Scrutiny Committees urgently reviews the budget monitoring position for their areas of responsibility and that the relevant Executive members set out the reasons behind the current forecasts and the actions being taken to address the position.
- c. Approved that member briefings are set to ensure every councillor has the opportunity to fully understand the current financial situation and the challenges facing the council going forward.
- d. Received a monthly update on the financial position and actions being taken to address it.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

39 Quarter 1 - Performance report - Agenda Item 8

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, welcomed Sara Cretney as the new Service Director – Strategy and Performance, and invited the Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, to introduce the report.

The Deputy Leader and Lead Member for Resources and Performance, Cllr Liz Leyshon, introduced the report, highlighting: the diligent and creative work of the Strategy and Performance team.

The Service Director - Strategy and Performance, Sara Cretney, further added to the above points, highlighting: the importance of the information in the understanding of how key services are performing in order to understand the Councils impact, and enable the Council to prioritise investment, identify, learn and address areas of

concern and to celebrate success; the interim position and approach; and the work in progress to develop a comprehensive corporate performance framework aligned with the Business Plan.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, invited comments from other Members present, questions and points raised included: the local and national backlog of Care Act assessments and the rigorous process in place locally, to reduce backlog.

The Executive proceeded to vote on the recommendations, which were agreed unanimously.

The Executive considered and commented on the information contained within the report, and endorsed the first Quarter 1 2023/2024 Performance Management Report for Somerset Council.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

40 Executive Forward Plan - Agenda Item 9

The Executive noted the Forward Plan.

The Leader of the Council and Lead Member for Governance and Communications, Cllr Bill Revans, advised that Executive meetings are to be held around the County at North, South, East and West area office venues, with the 4 October Executive meeting to be held in the John Meikle Room, Deane House, Taunton, TA1 1HE

(The meeting ended at 12.40pm)

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CHAIR