

Minutes of a Meeting of the Scrutiny Committee - Corporate and Resources held in the Luttrell Room - County Hall, Taunton TA1 4DY, on Tuesday, 8 August 2023 at 10.00 am

Present:

Cllr Bob Filmer (Chair)

Cllr Richard Wilkins (Vice-Chair)

Cllr Philip Ham

Cllr Martin Lovell

Cllr Diogo Rodrigues

Cllr Andy Soughton

Cllr Dawn Johnson (substitute for Cllr Peter Seib)

Cllr Tony Lock

Cllr Emily Pearlstone

Cllr Brian Smedley

Cllr Lucy Trimnell

Cllr Mike Stanton (substitute for Cllr Nick Cottle)

In attendance:

Cllr Theo Butt Philip

Cllr Val Keitch

Cllr Ros Wyke

Cllr Mandy Chilcott

Cllr Liz Leyshon

Other Members present remotely:

Cllr Alan Bradford

Cllr John Cook-Woodman

Cllr Christine Lawrence

Cllr Frances Nicholson

Cllr Leigh Redman

Cllr Martin Wale

Cllr Norman Cavill

Cllr Mark Healey

Cllr Tessa Munt

Cllr Sue Osborne

Cllr Bill Revans

15 Apologies for Absence - Agenda Item 1

Apologies were received from Councillors Peter Seib (substituted by Cllr Dawn Johnson), Faye Purbrick, Nick Cottle (substituted by Cllr Mike Stanton).

16 Minutes from the Previous Meeting - Agenda Item 2

Resolved that the minutes of the Scrutiny Committee - Corporate and Resources held on 6 July 2023 be confirmed as a correct record subject to noting Councillor Trimnell's apologies and attending the meeting virtually.

17 Declarations of Interest - Agenda Item 3

The following Councillors declared an Other Registerable Interest as they were the Chair of a Local Community Network:

Councillor Richard Wilkins - LCN Levels & Moors

Councillor Dawn Johnson - LCN Taunton

Councillor Philip Ham - LCN Shepton

Councillor Diogo Rodrigues - LCN Bridgwater

18 Public Question Time - Agenda Item 4

There were no questions from the Public.

19 Work Programme - Agenda Item 5

The committee had been provided with the work programme and noted the items proposed, there were no additional items from committee members.

Resolved:

To note the items shown on the work programme and agreed the following Councillors would sit on the proposed Task & Finish Groups:

Bob Filmer, Peter Seib, Brian Smedley, Nick Cottle, Philip Ham, Lucy Trimnell, Martin Lovell and Dawn Johnson.

Members noted that there would be monthly budget monitoring reports.

20 Commercial Investment - Agenda Item 6

Robert Orrett with the assistance of Harvey Gardner and Brendan Fisher from the Commercial Property and Investment Team gave a presentation on Commercial Investments and gave a summary of the assets held, areas of risk and asset management delivery. For Somerset Council, the commercial assets comprise land with buildings or infrastructure intended to deliver income and the assets held by the previous Districts transferred to Somerset Council will now be assessed with a further report to follow.

Members were provided with an overview of capital investment and also highlighted the main asset risk areas which included tenant failure, Lease end voids, rental value changes, Capital value changes, Building depreciation and asset management delivery. The presentation also gave a short update on the Battery Energy Storage systems.

Members requested information on a number of areas including:

Net income not used as it was explained a budget cycle was needed and currently having to manually calculate, this will change in due course when data becomes available.

Assets being currently assessed and a further report will come forward; more work will be undertaken by the Task and Finish group to be set up.

Each district invested in a variety of ways and used different types of borrowing, most were short term loans although recently things had changed due to the inflation rates. It was also noted that Public Works Board had changed their rules about LAs investing out of area, however Somerset Council had come to an agreement due to the circumstances.

Members were also informed that the Executive had set up a sub-group to look at investments and assets as this was an important part of the Council's finances and work being undertaken, they would also look at ethical investments as part of this work.

The committee were informed that the investments would require further work and investigation, that they were a long term investment and that they would be monitored through Treasury Management and all the areas would be looked at in detail within the Task and Finish Groups with the information reported back to this committee shortly. It was requested that consideration be given to bench marking with other Local Authorities.

It was requested that a written reply be provided by Robert Orrett on Voids in response to a question raised by Councillor Healey.

Resolved:

The committee received a presentation on Commercial Investment and noted the information received. It was noted that a Task and Finish Group will be set up to consider the details of the commercial investments and review of these investments.

Jason Vaughan had provided the committee with the Quarter 1 reports which were the first budget reports as the new authority. He highlighted the following areas:
Page 44 - 3.3 projected outturn position is £522m against a budget of £493.4m, the net adverse variance being £28.6m and details listed

Page 47 - general themes that are adversely impacting upon the Council's finances include High inflation, Interest rates, rising complexity and costs of care and the labour market.

Page 49 - summary of the budget shown for 2023/24 and also summarised controls for service directors who are responsible for their budgets and so actions sit with them to reduce spend and find savings opportunities.

Page 50 - Recommendations to the Executive proposed actions

Page 53 - Outturn 2022/2023 showing that the overall overspend is likely to be £20m which would need to be funded from reserves and thus reducing the Council's ability to manage issues in this financial year and flexibility in budget planning and sustainability - this will be reviewed over the summer to ensure sufficient reserves to meet risks.

Page 105 to Page 120 - details the Housing Revenue Account with the approved budget for 2023/24 being detailed on Page 120.

In response to questions and comments from the committee, it was explained that short term actions were a priority and that officers were also working on the following year's budget as all actions interlinked. Service Directors were being briefed and any capital bids, costs and savings have been requested by mid-September for the Executive to set the budget. There was also a need to establish the grants being paid for various services from central government.

It was confirmed that the 17 key areas will be updated and any savings from services would be included, the proposals will be brought back to Scrutiny once completed and so may be earlier than February 2024. It was reiterated that monthly updates will be provided to the committee to ensure that targets and the management of impacts were tracked, this will also enable the committee to help and progress the work. It was suggested that all Councillors and not just this committee be provided with the information sheets so all are aware of the financial situation.

In response to questions regarding the waste services, Infrastructure and Transport grants, the delay to the new school opening and cost implications would all be responded to in writing.

Councillor Leyshon confirmed that the details would be worked on over the next months, a MTFP board set up and they would also report back via the Executive. It was noted that there was currently a hiatus of LGR savings and were waiting for the Transformation project to start properly and so no predications could be made at present.

Resolved:

The committee received the Quarter 1 Budget monitoring reports and noted the issues raised and forecast year-end position of services currently against the budget proposed. The committee were notified that they would receive monthly budget monitoring reports in the future so that targets/actions can be scrutinised.

22 Local Communities Network Update - Agenda Item 8

The committee received an update on the Local Community Networks that were just about to complete the first round of meetings.

Sara Skirton and Cllr Val Keitch attended the meeting and explained that the progression of the LCNs was going well, themes were being agreed and work being generated for the following meetings. Councillor Keitch confirmed that the meetings had been well attended and engagement with the Towns and Parishes was immense. It was also confirmed that staffing was an issue with staff still to be appointed to the team, however job descriptions were now available and recruitment process was underway subject to budget agreement, it is hoped that staff from Communities would be repurposed.

The committee supported the LCNs and what has been achieved so far, however they did warn of ensuring that staffing be sorted quickly to enable support be given to the LCNs and so maintain enthusiasm.

Resolved:

To note the update received on the first round of Local Community Network meetings including initial lessons learnt and emerging themes of importance to the communities. The committee supported the LCNs but hoped that staffing and budgets for the LCNs be agreed as a priority to enable enthusiasm to continue for these groups.

(The meeting ended at 12.48 pm)

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CHAIR