

## Cabinet - 8 February 2024

### Item no. 10 - Matters Referred by Policy Development and Scrutiny Bodies

#### **Feedback to Cabinet following consideration of the draft 2024-25 budget proposals by the Corporate Policy Development and Scrutiny (PDS) Panel**

1. The [Corporate PDS Panel](#) met on 23 January 2024 to consider the draft budget and Council Tax proposals for 2024-25 together with the overall financial outlook.
2. The council's **Climate Emergency and Sustainability** (CES) PDS Panel and its **Children, Adults, Health and Wellbeing** (CAHW) PDS Panels met on [11 January 2024](#) and [15 January 2024](#) to consider the savings and income proposals relevant to each area. The Chairs– Cllr Andy Wait and Cllr Dine Romero - attended the Corporate PDS Panel on [23 January 2024](#) to share the key issues to emerge from their respective meetings.
3. The Cabinet Member for Resources and Chief Finance Officer(S151) introduced the item by initially setting the context to which the budget proposals had been developed. Panel members were then given an opportunity to ask questions, following which some of the following themes emerged:

#### **Financial risk**

4. Although facing significant pressures the council was not at risk of serving a section 114 (bankruptcy) notice. The updated plan showed a balanced budget for the next two financial years 2024-25 and 2025-26. The income and savings target of £16.82m, although challenging, was deliverable. Un-earmarked reserves of £12.58m were available to manage financial risks and £3m was budgeted as contingency to mitigate slippage on savings delivery. Inflation had been based on CPI productions of c5% for 2024-25 falling to the Bank of England target of 2% for future years. Concern was raised about significant town and parish council precept increases taking place in neighbouring areas. The council would be notified of local proposals from town and parishes following agreement of their respective budgets.

#### **Council Tax Support Scheme**

5. Confirmation was given that the council would continue to offer Council Tax support. The scheme was amended in November 2023 to include improvements such as the introduction of 100% support for the poorest households.

## **Budget implications on the third Sector**

6. The cabinet member confirmed that the council would work with third sector organisations regarding the £802k community support contract savings proposal. Several contracts had not been revisited for an extensive period and changes would only be made following close dialogue with partners. Commitment was given to not take decisions that would not lead to greater council costs downstream. Panel members emphasised the importance of providing timely advice to third sector partners to enable them to adapt to any changes. Capital funding could not be used to subsidise this savings line.

## **Income opportunities**

7. The council was encouraging an entrepreneurial approach to income generation. Bath Quays and the Fashion Museum programmes demonstrated how the council was looking to avoid savings cuts by prioritising income.

## **Parking proposals**

8. Panel members were given assurance that parking tariffs would not reach a level where the penalty charge for non-payment was no longer prohibitive. Members raised the concern of potential implications for local businesses, who historically benefitted from free local parking. A request was made for this proposal to be thoroughly examined.

## **Home to School Transport**

9. The sector nationally was experiencing market failure and the council would be reviewing packages to exploit any opportunities to make the council model more efficient.

## **Dedicated Schools Grant (DSG)**

10. Confirmation was given that the overspend linked to the High Needs Block did not place a risk on the general fund as the DSG does not cover the statutory responsibilities the council has towards parents.

## **Homelessness**

11. The cost of housing people in hotels was flagged as a risk. Hotel costs have risen steeply, and the council was currently exploring opportunities to address this cost pressure.

## **Commercial Estate**

12. The panel welcomed the improving performance of the commercial estate and members agreed that to include this on the forward plan for further scrutiny. Breakdown of commercial estate income from corporate estate returns was required for auditing purposes.

## **Consultancy usage**

13. Panel members felt it would be useful to include information on the usage of consultants by the authority. The cabinet member confirmed that consultants were used when there was insufficient expertise/resource internally.

## **Housing Revenue Account**

14. Reassurance was given to the Panel that discussions were taking place about any housing revenue requirements on the council in consideration of statutory thresholds.

## **Resolved**

- I. The Panel recognises the challenging financial circumstances faced by the council and thank officers for their work in developing a draft balanced budget.**
- II. To request that Cabinet fully examines the potential downstream effects in response to its third sector budget proposals.**
- III. To request that home to school transport arrangements are subject to review to explore potential savings.**
- IV. To agree to add scrutiny of the commercial estate to the Panel's workplan.**
- V. To ask Cabinet to fully examine the impact of the parking income proposals for Radstock and Midsomer Norton and update, as appropriate, the Climate Emergency and Sustainability Panel .**

**Ceri Williams**

**Designated Scrutiny Officer**

**25 January 2024.**