

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Monday, 23rd January, 2023

Present:- **Councillors** Karen Warrington, Winston Duguid, Mark Elliott, Andrew Furse, Lucy Hodge, Shaun Hughes, Hal MacFie, Alastair Singleton and Sally Davis

34 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting, including the members present from the Climate Emergency and Sustainability PDS Panel and the Children, Adults, Health and Wellbeing PDS Panel who had been invited to participate in discussion on the Budget.

35 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

36 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none

37 DECLARATIONS OF INTEREST

There were none.

38 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

39 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

David Redgewell, Transport South West, made a statement to the Panel regarding the budget and the transport levy to the West of England mayoral combined transport Authority.

40 MINUTES

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

41 BUDGET AND COUNCIL TAX 2023/24 AND FINANCIAL OUTLOOK

Andy Rothery, Chief Finance Officer (Section 151 Officer) and Councillor Richard Samuel, Cabinet Member for Resources introduced the report. Councillor Samuel

set the context – he explained that since 2010 there had been a steady decline in external grants to Local Authorities. The Council would have more core funding if it were not for this decline, the Covid period and current inflation issues have added further stresses.

Andy Rothery gave a presentation to the Panel which covered the following:

- Autumn Statement National Headlines
- December Settlement Headlines
- Budget Summary – demand and funding changes (5 years)
- Cost pressures and assumptions included in the forecast
- Budget Growth of £17.5m
- Proposal regarding Council Tax and Social Care precept
- Capital Programme 2023/24 to 2027/28
- General Fund Un-Earmarked Reserve

Panel members made the following points and asked the following questions:

Councillor MacFie asked the following questions (*officer replies shown in italics*):

- Can we offer reductions in business rates (for a period, such as 2 years) as an introductory benefit and if so how is this done? *The officer explained that smaller businesses (rateable value £15k or below) qualify for some relief. The scheme for retail/hospitality/leisure is also continuing into next year.*
- If we have some vacancies (not full employment) is there some money left over or do we budget for not having full employment? *The officer explained that 2/3% vacancy factor is built into the base budget regarding staffing levels.*

Councillor Furse asked the following questions (*officer replies shown in italics*):

- Regarding recruitment, is it optimistic to assume a 2% salary increase going forwards? *We recognise the risk that next year may be higher and have budgeted at 3% plus 1% contingency for 2023/24.*
- Regarding capital funding savings – with inflation and the increase in the cost of borrowing – will the savings be narrower? *This has been factored in.*
- Regarding Council Tax banding, we have some high value properties, can we ask the Government about adding bands? Residents in lower bands have more burden. *The Cabinet Member explained that the current bands were set in 1991. The Government has not brought them up to modern levels. The system is inherently unfair and not related to the income of the occupier. It is a regressive tax. All areas are affected by this.*
- Regarding managing risk, are the £12.6million reserves earmarked? *The unearmarked reserve risk is separate from earmarked reserves.*

Councillor Hodge asked the following questions (*officer replies shown in italics*):

- Regarding the level of savings we have to find this year, has the risk been quantified. Is the proportion of cost reduction against income similar to previous years? *The proportions are similar although slightly higher on*

income. The Cabinet Member further explained that the income that comes from the Commercial Estate, Heritage and Car Parking is not limitless, they cannot be constantly increased so we have to look at other sectors for efficiencies for example being tougher on arrears.

- Amber/Green risks – *The risks have been assessed, there is 10% contingency against savings.*
- Is the £7.39m returning to reserves pay back? *Yes, this is pay back.*

Councillor Elliott asked the following questions (*officer replies shown in italics*):

- £10m of the £14m savings are still amber – is this a high risk and what is the tracking mechanism, how will we know how we are doing? *There are rigorous budget monitoring processes which are reported to Cabinet. Amber risk is normal at this stage.*
- The largest saving – Adult Social Care £4.8m (Amber) – when will we know the outcome of the negotiations with the NHS? *This is a funding adjustment rather than a service level adjustment, the process will conclude by 1st April 2023.*

Councillor Hughes asked the following questions (*officer replies shown in italics*):

- Is the Better Care Fund (£70m) re branded or new money and will it include recruitment of care workers? *This is not new money, the NHS/Council funding is mandated and will have an inflationary uplift. There is an opportunity to review and redirect funds. The officer will send the Better Care schedule to panel members.*
- Will planned improvements to Park and Ride facilities (£400k) include improved security? *A range of improvements are planned on the following – customer information/waiting area/security and signage. There have been no decisions yet.*

Councillor Furse made the following observations/points:

- Gulls - £20k on this area does save money in waste services so that cutting it will have an effect. *The Cabinet Member explained that since DEFRA recategorized gulls as protected, it has been very difficult to take effective measures. The reduction is about no longer providing advice, we will still protect our estate.*
- Welcome investment in parks and play areas
- City centre access permits – this is worrying in terms of equal access to the city
- The increase in filming and events fees could cause concern for smaller events
- Remembrance events – concerns about removing funding. *The Cabinet Member explained that there is no intention to cut this, the Charter Trustees are taking over events.*

Councillor Singleton asked the following questions (*officer replies shown in italics*):

- Are we underestimating things with regard to inflation, what happened regarding the last pay deal? *Regarding the pay settlement for 2022/23, it is a*

fixed allocation rather than a percentage increase, and the challenge is the recurrent funding, it is recognised in the numbers.

- *Are there grounds for optimism regarding risk contracts? No optimism yet, with energy prices rising there has been a significant rebasing. There may be a bit of respite but won't be a benefit for a couple of years. The Cabinet Member added that there is also a labour shortage in the Country.*

Councillor Duguid asked the following questions (*officer replies shown in italics*):

- *What is the outturn for this year – where are we? The Quarter 2 position was an overspend of around £4.5m, there is a financial recovery plan in place. The Quarter 3 position has improved with less overspend. The Cabinet Member explained that the biggest pressure is in Children's Services, he explained that following a CIPFA review there will be some changes in practice which focus on investment in preventative services to stop children falling into the care system. This will be difficult with double funding for a period of time. He also explained that funding for unaccompanied asylum children is shared out by the Home Office across the Country, this often involves very tailored care packages which the Home Office does not fully fund.*
- *There is a caveat 'provisional' figures? Yes the provisional figures go through consultation but do not usually change significantly. We should know in early February.*

The Chair took questions from members of other PDS panels.

Councillor Walker (Chair of Climate Emergency and Sustainability Panel) welcomed the funding for Park and Ride facilities. She asked about the Neighbourhood Services increase and that in Highways. She asked how the impact on residents and customers is checked. Regarding Euro 6 vehicles, she asked how it can be part of a consultation but also be in the budget. *The officer explained that regarding Highways – there is a basket of measures including savings and increased income (rebasings the budget and a vacant post). She explained that at this stage of the budget, there is ongoing consultation and that a detailed impact assessment will be done along with continued review. Regarding Neighbourhood Services, she explained that this was also made up of a basket of measures (details to be forwarded)*

Councillor Pritchard (Chair of the Children, Adults, Health and Wellbeing Panel) stated that he had heard conflicting reports regarding the budget – some have reported £10m in reserves and Councillor Samuel reported as saying there are £54m in reserves. *The Cabinet Member explained that there is £12m in unearmarked reserves and £54.2m of earmarked reserves.*

Councillor Pritchard asked how the Liberal Democrat administration planned to bring Adult Social Care in house, he asked about the costings. *The Cabinet Member explained that the funds have been allocated for the preparatory work.*

He further explained that the Cabinet have made the decision on this and are on track. The officer explained that the funding comes from the existing care provision.

Councillor Pritchard stated that since the decision was made, there has been a considerable change in the financial climate, has the Cabinet considered changing to a more staged approach. *The Cabinet Member stated that the decision has been made and will not be revisited, he stated his belief that the services are best provided by the Council.*

Councillor O'Brien asked about the funding for the change regarding the Adult Care contract as the contract does not end until next year. *The officer explained that currently, transition funding is in place – there are funds from ring fenced reserves for the transition. He explained that for service change of this nature a project budget for any transition is necessary and appropriate.*

Councillor Malloy asked about the World Heritage Enhancement fund (£20k) and where alternative funding has been sought. *The officer explained that other funds cover capital improvement in the city centre. There is no reduction in commitment.*

Councillor Hughes asked if future budget information could show the percentage of the budget to give context to the numbers. He also asked if feedback could be given on the success rates, by department, could be communicated. *The officer stated that he would try to make sure this information was given for next year's budget round as it is not easy to do immediately. He agreed that the information would give context and be useful. Regarding success rates, he explained that there is a quarterly budget monitoring report. Regarding the 2021/22 budget, it was 93% delivered and 90% forecast for this year.*

Councillor Warrington asked about the Equalities Impact Assessment. She mentioned the city centre permits and city centre security zone and the need to make sure that equalities impacts are reassessed. *The officer explained that the permit is several years away, feedback and data will be taken into account – assurance can be given.*

The Chair thanked all for participating.

42 CABINET MEMBER UPDATE

The Cabinet Member for Resources, Councillor Richard Samuel updated the Panel on the following:

- There is a developing position on supported bus funding. This issue came to us in late December, budget preparation starts in July so colleagues have worked very hard to minimize disturbance to the bus services. It is difficult to find extra support at such a late stage in the budget process but we have been able to create some stability.

43 PANEL WORKPLAN

The Panel noted the future workplan. It was noted that the item on Aequus had been moved from 30th January 2023 to 13 March 2023.

The meeting ended at 5.40 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services