

## ANNEX 12

### BATH AND NORTH EAST SOMERSET

#### **EXTRACT OF MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING (BUDGET ITEM)**

Tuesday, 28th January, 2025

Present:- **Councillors** Hal MacFie, Toby Simon, Malcolm Treby, Colin Blackburn, George Tomlin and Duncan Hounsell

Apologies for absence: Councillors: Robin Moss and Ian Halsall

#### **132 BUDGET AND COUNCIL TAX 2025/26 AND FINANCIAL OUTLOOK**

The Cabinet Member for Resources, Councillor Mark Elliott introduced the report. He explained that the underlying theme was uncertainty and that the final figures would be available in early February. He stated that a cautious and carefully balanced budget would be presented.

The Chair of the Children, Adults, Health and Wellbeing PDS Panel gave feedback from her Panel. Councillor Romero stated that there was a lack of information due to the growing lateness of information from Government (for example funding of the safety valve) which made the budget proposals difficult to scrutinise. She stated that there were concerns about there being similar proposals to last year. She pointed to the huge amount of work in non-statutory services and work on early support.

The Chair of the Climate Emergency and Sustainability PDS Panel gave feedback from his Panel. Councillor Wait stated that most things within the remit of the Panel are non-statutory activities so difficult to scrutinise. He agreed that there had been a lack of information in that no Capital Budget information was available. He stated that he was pleased to see funding for 3 school streets in the budget. He asked that more information be supplied in future years.

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

Councillor MacFie asked if the costs regarding Children's Services are being investigated. The Cabinet Member stated that the plan is to bring more back in house and address the home to school transport issue as we are currently at the whim of the external market. He stated that things that were dismantled a long time ago are being rebuilt. Regarding home to school transport he stated that there is some work we can do around single taxi journeys. The Executive Director added that there is an action plan regarding home to school transport and that there are several drivers to the current pressures in the budget area such as more children in residential care. She stated that the focus was on what is best for young people. She stated that work is being done with health colleagues regarding children with education and health needs.

Councillor Blackburn stated that the Panel had consistently asked for data to show the context of the budget proposals to include information from the previous year and trajectory. He stated that we can look at a 5 year projection but not look back. He stated that he totally took on board the pressures but asked for more data. The Cabinet Member stated that he would be happy to work with the Panel to produce the detail they want. He stated that Annex 1 shows the last year and this year for each portfolio. He stated that there is no attempt to hide information.

Councillor Simon stated that these are more transparent budget papers than in previous years and in other authorities. He stated that it can be difficult to balance the bigger picture with too much detail. He stated that he felt there were robust proposals and that it would be helpful to have line by line risk analysis in severity order. Some risks (such as contract inflation are only moderately stated). He asked if there is provision for National Insurance increases in the care sector. The Executive Director explained that there is a lot of dialogue with the sector and that there is an annual grant from Government to allow us to give an uplift. There is pressure and discussions are ongoing.

Councillor Treby asked if the 3% increase on last years budget for Adult Services was achievable. The Cabinet Member stated that officers had signed off on this figure and we know there may be pressures. The level of uncertainty is higher than usual. We have a good record on achieving savings plans but predicting cost increases is more difficult.

Councillor Treby asked if the money generated by Heritage Services is a sufficient contingency. The Cabinet Member for Economic and Cultural Sustainable Development, Councillor Roper, explained that the Roman Baths is the key driver. There are other activities going on such as the shop, guided tours etc. and visitors will be charged more. There is a multiple pronged approach to revenue. The Cabinet Member for Resources, Councillor Elliott stated that there is contingency provision against high risk areas.

Councillor Treby asked how much Capital is flowing into next year and what level of borrowing there is for the Capital Programme. The Cabinet Member explained that Capital underspend is not a good thing, he is comfortable that it is not hitting the revenue budget. The officer added that Quarter 3 should be factored in and these figures are not in the report, there will be more details in the report to Cabinet in February. The Cabinet Member added that a lot of Capital schemes are grant funded not funded by borrowing.

Councillor Simon asked if the borrowing regarding the Capital Schools Grant overspend has a revenue cost and what is the additional borrowing cost. The officer stated that the deficit falls on the Council, we would have £33m more if the Government had funded this. The Cabinet Member added that there is a delay in the Government funding regarding Culverhay.

Councillor Simon asked about the 4 maintained schools that are left and if we should be encouraging them to join an academy. The Cabinet Member for Children's Services, Councillor May, explained that SEND and DSG funding is a national issue. He explained that 94% of schools in the authority are in academies. Decisions are made by the Department for Education. We need to develop new ways to

communicate with schools such as the School Funding Board. He agreed that the Council cannot provide the same level of back office (for example Human Resources) support to schools with such a small number.

Councillor Hounsell asked about the estimate of 4% (then 3% thereafter) of pay inflation. The Cabinet Member stated that we are as confident in that figure as we can be and have been through the due diligence. The Chief Executive added that inflation has spiked and feels more stable now so there is an expectation that the pressure will reduce.

The Chair thanked the Cabinet Members and asked them to note the comments of the Panel.

The meeting ended at 5.08 pm

**Prepared by Democratic Services**