

Internal Scrutiny Committee

Meeting to be held on Friday, 10 September 2021

Electoral Division affected: All

Report of the Budget Scrutiny Review Panel

(Appendix 'A' Refers)

Contact for further information:

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Executive Summary

This report requests the Internal Scrutiny Committee to consider the membership of the Budget Scrutiny Review Panel in terms of membership numbers.

The report also presents a brief overview of matters presented and considered by the Budget Scrutiny Review Panel at their meeting held on 1 September 2021.

Recommendation

Internal Scrutiny Committee is asked to:

1. Consider the membership of the Budget Scrutiny Review Panel and either:
 - a) Agree to amend the membership of the Budget Scrutiny Review Panel from 9 members to 7 members.
 - b) Or, request further nominations from groups to make up the membership of the Budget Scrutiny Review Panel to 9 members.
2. Note the update provided from Budget Scrutiny Review Panel at its meeting on 1 September 2021.
3. Consider whether a future scrutiny topic on Public Realm Agreements is necessary and if so to consider which scrutiny committee would be most appropriate.

Background and Advice

The Terms of Reference for the Budget Scrutiny Review Panel (Appendix 'A' refers) allow for 9 County Councillors to sit on the panel:

- 5 Conservative
- 2 Labour

- 1 Lib Dem
- 1 Independent

The current membership of the Panel has 7 members as follows:

- 4 Conservative
- 2 Labour
- 1 Green

As the Terms of Reference of the panel allow for 9 members and currently only 7 have been identified, the Internal Scrutiny Committee, as the parent committee is asked to consider and agree one of the following two options:

- a) Agree to amend the membership of the Budget Scrutiny Review Panel from 9 members to 7 members.
- b) Or request further nominations from groups to make up the membership of the Budget Scrutiny Review Panel to 9 members.

Update from the Meeting held on 1 September 2021

Money Matters 2021/22 Position – Quarter 1

A copy of the report to be presented to Cabinet at its meeting on 2 September 2021 was presented to the Budget Scrutiny Review Panel by Neil Kissock, Director of Finance.

The report provided an update to Cabinet on the county council's 2021/22 revenue and capital financial position, as at the end of June 2021 and an updated medium-term financial strategy (MTFS) covering the period 2022/23 to 2024/25.

In summary the report noted the following:

- (i) The 2021/22 revenue forecast outturn is £876.194m, representing a projected underspend of £5.219m (0.59%) of the agreed budget.
- (ii) The MTFS has been updated for our current expectations of levels of funding, savings delivery, demand and inflation.
- (iii) At Full Council in February 2021 the MTFS showed a deficit of £50.048m in 2023/24. The forecast now indicates a financial deficit of £63.958m by 2024/25.
- (iv) The council is forecast to hold a General Reserve against unforeseen issues of £23.437m representing circa 3% of net budget, which is unchanged from the previously reported position.

(v) The council is forecast to hold £180.340m of uncommitted transitional reserve at the end of the financial year. This is sufficient to meet the forecast gap for all of the years covered by the MTFS, 2022/23 to 2024/25.

Members raised several questions, the main points of which are summarised below:

- The impact of Covid on finances was well documented, a question was asked regarding the impact of Brexit on services and supplies. It was noted that the Officer Working Group on Brexit were considering the impact, and this was reviewed monthly. An increase in prices for some products and materials had been noted as well as delays to the supply chain on some of those products that the council purchased.
- The possible impact of care staff refusing to take the vaccine and the affect this could have on staffing levels was raised. It was noted that there was a small percentage of staff who fell into this category and the challenge was to encourage staff to take up the offer of the vaccine or face not being able to continue in the same role. The impact was being factored into the wider challenges of capacity in the care market.
- It was noted that the commitments made in the last financial year to the environment and climate program had been set aside from reserves, any recurrent costs would need to be reflected in the medium term financial strategy in the budget for next year.
- Concerns were raised about some of the basic maintenance services that were not being provided to residents under public realm agreements. Members requested that a possible future agenda item for the Budget Scrutiny Review Panel was to consider the financial elements of the agreements. It was also requested that Internal Scrutiny Committee consider whether a more general review of Public Realm Agreements was required and if so, which scrutiny committee would be most appropriate to look at this.

Resolved - The following was agreed:

- That the update and the recommendations to Cabinet be noted.
- Consideration be given to the financial elements of Public Realm Agreements as a possible future agenda item for Budget Scrutiny Review Panel.
- In terms of the general scrutiny of Public Realm Agreements, Internal Scrutiny to consider whether this topic may need to be looked at as a future agenda item and if so, which committee would be most appropriate.

Next Steps and Date of Next Meeting

It was agreed that future meetings of the Budget Scrutiny Review Panel would be held in November 21 and January 22 ahead of Cabinet meetings to consider future financial updates.

An update on ongoing budget saving proposals, income generation and the commercialisation strategy were also agreed as items to be considered for future meetings.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

This report has no significant risk implications.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A