

SCRUTINY COMMITTEE

Minutes of the Meeting held on 6 August 2015 at 3.30 pm

Present:

Councillor P H MurphyChairman
Councillor R LillisVice Chairman

Councillor D Archer
Councillor G S Dowding
Councillor J Parbrook

Councillor A Behan
Councillor R Clifford
Councillor B Maitland-Walker
Councillor R Woods

Members in Attendance:

Councillor I Aldridge
Councillor M Dewdney

Councillor M Chilcott
Councillor A Trollope-Bellew

Officers in Attendance:

Assistant Chief Executive and Monitoring Officer – (B Lang)
Democratic Services Coordinator (E McGuinness)
Finance Manager (S Plenty)
Administrative Support (A Randell)

SC94 Apologies for Absence

No Apologies were received.

SC95 Minutes

(Minutes of the Meeting of the Scrutiny Committee held on 9 July 2015 –
circulated with the Agenda.)

RESOLVED that the Minutes of the Scrutiny Committee held on 9 July 2015 be
confirmed as a correct record.

SC96 Declarations of Interest

Members present at the meeting declared the following personal interests in
their capacity as a Member of a County, Parish or Town Council:

Name	Minute No.	Description of Interest	Personal or Prejudicial or Disclosable Pecuniary	Action Taken
Cllr P H Murphy	All Items	Watchet	Personal	Spoke and voted
Cllr D Archer	All Items	Minehead	Personal	Spoke and voted
Cllr J Parbrook	All Items	Minehead	Personal	Spoke and voted

SC97 Notes of Key Cabinet Decisions/Action Points

(Copy of Notes of Cabinet Decisions/Action Points, circulated with the agenda.)

RESOLVED that the Key Cabinet Decisions/Action Points from the meeting held on 5 August 2015, be noted.

SC98 Cabinet Forward Plan

(Copy of the Cabinet Forward Plan published 5 August 2015, circulated with the agenda.)

RESOLVED that the Cabinet Forward Plan published on 5 August 2015, be noted.

SC99 Revenue and Capital Outturn 2014/15.

The purpose of the report was to provide members with details of the Council's financial outturn position for both revenue and capital budgets, together with information regarding end of year reserve balances, for the financial year 2014/15.

The Council's financial performance is directly linked to the 'Local Democracy' priority in terms of local accountability and maximising government funding. Additionally, financial performance and monitoring of financial information is crucial to monitoring the progress being made in delivering all Council services.

Councillor Chilcott, as Lead Member for Resources, presented the background information to the report along with the Revenue Budget Outturn 2014/15 and Reserves. Business Rates retention along with the Capital Budget Outturn were also detailed in the report. The Lead Member corrected the figure quoted in paragraph 3.2 to read £2,183,984.

During the course of discussion the following points were made:-

- In response to a specific question it was detailed that a proposed £10,000 Health and Safety spend in relation to the Alcombe Sure Start Children's Centre building was currently under review
- The Hinkley Point business rate appeal issue was considered at length. This had a big effect on the financial outturn due to the size of the business as it accounted for 30% of the overall business rate income. In response to a question, it was explained that this was not necessarily a one off situation as there was always the risk that other business rate appeals could be successful in the future. The Committee questioned if everything was being done in regard to lobbying Central Government about this issue which appeared to be very unfair for authorities like West Somerset. The Leader confirmed that contact had already been made with government in this respect and that the Council would work with other authorities who were facing similar challenges; nevertheless he did warn that at present there was no sign that the current business rate retention process being altered.

- In reply to a question it was agreed to provide a written response in regard to the background to an overspend in relation Townsend Farm disposal costs detailed in appendix C to the report.

Resolved that:-

- (i) that Scrutiny notes the reported General Fund Revenue Budget net overspend of £228,348.
- (ii) that Scrutiny notes the outcome of Cabinet's consideration prior to final agreement by Full Council I to transfer £2,183,984 to the Business Rates Smoothing Reserve to mitigate the deficit on the Collection Fund in 2014/15 and the estimated deficit in 2015/16 due to the outcome of the recent Hinkley Point appeal, as well as future risks in this area.
- (iii) that Scrutiny notes the outcome of Cabinet's consideration prior to final agreement by Full Council to approve a Supplementary 2015/16 Revenue Budget allocation of £40,000 for essential asset maintenance and health and safety works to be funded from the Sustainability Earmarked Reserve.
- (iv) that Scrutiny notes the transfers to and from Earmarked Reserves as set out in Table 4 and Appendix B of this report, and supports the recommended Budget Carry Forward of 2014/15 underspends for specific service costs in 2015/16 totalling £206,394 as set out in Appendix B.
- (v) that Scrutiny notes the outcome of Cabinet's consideration prior to final agreement by Full Council to approve Capital Programme Budget Carry Forwards totalling £577,719 for general schemes to be funded using capital receipts, capital grant and S106 contributions (as set out in Appendix C of this report).
- (vi) that Scrutiny notes the outcome of Cabinet's consideration prior to final agreement by Full Council to approve Capital Programme Budget Carry Forwards totalling £1,026,174 for Hinkley S106-funded schemes (as set out in Appendix C of this report).
- (vii) that Scrutiny notes the net overspend of £39,204 in relation to the Capital Programme for general schemes in the current year and that this overspend has been funded from the useable capital receipts reserve.

SC100 Medium Term Financial Plan

Considered report, WSC 123/15 previously circulated.

The purpose of the report was to share the latest Medium Term Financial Plan (MTFP) forecasts for the Council's net spending and funding and highlighting the projected budget gap to be addressed over the immediate and short to medium term.

Councillor Chilcott, as Lead Member for Resources, presented the report and explained that the development of a realistic and deliverable MTFP forecasts

for the Council's net spending and funding and highlighting the projected budget gap to be addressed over the immediate and short to medium term.

During the course of discussion the following points were made:-

- Detailed that there would be a £500,000 budget gap in the next financial year.
- Members questioned if there should be a focus on income generation instead of cuts to close the budget gap and asked what work was underway by officers relating to this. The Lead Member for Resources confirmed that this issue was already high on the Cabinet's agenda.
- Due to reserve balances being limited, there were restricted financial resources available to pursue 'spend to save' projects.
- Considered what the minimum service provision for the authority looked like and what extra services on top of this could then be afforded.
- Money diverted from repaying the debt from capital receipts could be used towards income generation projects.
- It was confirmed that projected council tax income had been taken into account income from new builds over the period.
- It was questioned if assets had been audited regularly to take into account the any added value when revisited and it was confirmed that they had..
- Increased revenues could be achieved through additional house building through council tax revenue along with attracting businesses into the area.
- Members encouraged additional collaborative working with parishes to maintain the provision of services going forward.
- Discussion took place on the possibility of holding a referendum on the possibility of levying a council tax increase over the prescribed central government capping limit and the Leader confirmed that, at this stage, this option had not been ruled out..
- The cost of services was increasing at a faster rate than council tax could be increased to comply with the current capping limit which in turn amplified the pressured on the budget gap.
- Councillors were encouraged to attend upcoming workshops relating to refreshing priorities. The invite was extended to area panel groupings. Ideas for generating income and making changes for the council to benefit financially could be put forward.

Resolved that:-

- The Scrutiny Committee note the Medium Term Financial Plan.

SC101 Scrutiny Committee Work Plan

(Copy of the Forward Plan for 2014/15, circulated with the agenda.)

A member of the Scrutiny Committee suggested that Scrutiny should investigate a provision of a railway service from Taunton to Minehead. Following discussion, and in line with the agreed process, the committee decided that this should not be added to the Scrutiny Committee Work Plan.

RESOLVED that the Scrutiny Forward Plan published on 1 July 2015, be noted.

The meeting closed at 4.58 pm.