

**OVERVIEW AND SCRUTINY COMMISSION
21 NOVEMBER 2023
18:32-18:59**



Present:

Councillors Pickering (Chair), C Eberle, Egglestone, Haffegge, C Thompson, Watts and Webb

Present Virtually:

Councillors Welch (Vice-Chair), Barnard and McLean

Also Present:

Susan Halliwell, Chief Executive

Stuart McKellar, Executive Director: Resources

Ann Moore: Assistant Director: Democratic & Registration Services

Apologies for absence were received from:

Councillors M Forster and McKenzie-Boyle,
Victoria Hill, Parent Governor Representative

27. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the Commission held on 18 October 2023 be approved as a correct record, and signed by the Chairman.

Responses to all of the queries and requests for information raised in the meeting had been received or formed part of the agenda.

28. Declarations of Interest and Party Whip

There were no indications that members would be participating while under the party whip.

29. Urgent Items of Business

There were no items of urgent business.

30. Public Participation

No submissions had been made by members of the public under the Council's Public Participation Scheme for Overview and Scrutiny.

31. Budget Update

Stuart McKellar, Executive Director: Resources introduced the report and acknowledged it covered the latest predicted outturn on the revenue budget which had been presented to the Executive on 17th October but that there had since been updates. It was noted the report looked ahead to what could be expected in future years, but the autumn statement was due tomorrow, which may impact predictions.

An update on the current position since it was presented to the Executive was provided verbally which included:

- There was now a predicted overspend of £1.1 million compared to the predicted overspend of £2-3 million when the report was prepared. This was still a significant overspend and senior leaders had agreed additional measures to help decrease this amount further, such as signing off new requests to recruit staff at Central Management Team (CMT) level.
- Senior leaders were reinforcing the message to staff that there was not a spending freeze but to only incur essential expenses.
- Staffing was the biggest Council spend. Measures to bring costs down were being kept under review but if a complete freeze on recruitment were necessary then senior leaders would look at that in future.
- An issue this year was high inflationary pressures. They were expected to decrease next year, but still be high compared to the last 10 years.
- Reductions from income and pressures would impact the budget next year unless they could be mitigated in this year's budget.
- The medium-term projection, as outlined on page 15, table 2, was based on a number of high-level assumptions including a £10million gap over the next three years. Assumptions included Council Tax being raised by 5% each year, over the next three years. It was also assumed there would be small inflationary increases in government grants.
- Leaders were expecting a large increase in the number of houses coming onto the Council Tax list by April next year which would equate to at least £700,000 increase in Council Tax, and it was projected there would be a £1.4million increase in Council Tax receipts likely as of April 2024.

A discussion took place, and the following questions were asked by Councillors:

Question - What impact had the senior leadership group, which was described at the last meeting, had on the budget and was it working well?

Response - Spending controls were tightening so there was no intention to relax mitigation controls including the senior leadership group which reviewed the budget regularly.

Question - What is the implication of the reduction in reserves as shown in the graph on page 30 and is there a concern at this stage of the year?

Response - Page 29 shows a corporate contingency budget which the Council has held every year to recognise the need for additional spending pressures during the course of the year. It was first set in 2000 to cover structural changes, such as covering redundancy costs, to make those types of costs sustainable over time. Leaders have not significantly drawn on this contingency fund for some time and instead taken out vacant posts mostly. In addition there has been a transformation reserve budget which has been in place since 2016 to assist with a programme of transformation to drive sustainability and enabled the Council to make changes. The money released in 3.2 was £2.6million. Page 29 highlighted the transformation team investment but also assisted with fundamental social care changes for new the operating model in place since October 2019. This money had a double impact as it impacted the current year and via the 'Flexible use of Receipts Strategy' which was discussed at The Executive last week and would be tabled at the full Council meeting as part of the Council Plan. This strategy would allow the Council to have a different funding source to help with transformation in the future. It had been available since 2016 but was now required to protect reserves and tackle the Safety Valve Programme being implemented in the People Directorate. The Council received Covid 19 reserve grant in 2020 from the government which was rolled forward in case it was needed it but was mainly used for Council Tax support and had a £1.6million

balance going into next year. The money had been put aside and could be drawn upon – i.e. if there was a higher pay award than expected. The regeneration of Bracknell Town Centre had drawn funding down to primarily support joint venture with countryside teams. The Public Health Reserve Public was earmarked and had been created from an underspend in the Public Health Grant.

Question – How did Bracknell Forest compare to other local authorities in terms of its budget position?

Response –reserves at Bracknell Forest were healthy compared to other local authorities but this could be viewed as both a blessing and a risk going into discussions with the Department of Health regarding the Safety Valve project as they may expect the Council to draw on its reserves.

Question – In light of current pressures, specifically the focused inspections in youth offending services and children’s social care currently under way, does the budget show we can still carry out the draft Council Plan, due to be signed off at Council soon, with the correct amount of people?

Response – At the moment the Council has the ability to invest for a period of time in issues highlighted through inspections, but we will be exploring these issues further in the coming week.

Question – Are you aware of the actions West Berkshire Council made in order to save £1.71million savings.

Response – No.

Councillors thanked the Executive Director: Resources for setting out the financial position clearly.

The Commission supported the recommendations as presented in the agenda papers relating to the revenue element of the budget.