

## **COMBINED STRATEGIC SCRUTINY AND CUSTOMER FOCUS SCRUTINY COMMITTEE**

18 June 2024

### Present:

Councillors Atkinson, Begley, Darling, Fullam, Haigh, Harding, Holland, Hughes, Hussain, Knott, Miller, Mitchell, M, Moore, D, Palmer, Parkhouse, Patrick, Pole, Read, Rees, Rolstone, Snow, Wardle and Williams, M

### Apologies:

Councillors Ellis-Jones and Jobson

### Also present:

Director Finance, Service Lead, Legal Services & Interim Monitoring Officer, Democratic Services Officer (PMD) and Democratic Services Officer

### In attendance:

Councillors Bialyk and Williams, R

## **8 Appointment of Chair for the Meeting**

Councillor Pole was appointed Chair of the meeting.

## **9 Minutes**

The minutes of the meeting of the Combined Strategic Scrutiny and Customer Focus Scrutiny Committees held on 7 February 2024 were taken as read, approved and signed by the Chair as correct.

## **10 Declaration of Interests**

No declarations of disclosable pecuniary interest were made.

## **11 The Medium Term Financial Plan: How It Works and Review of the Current Plan**

The Director Finance & s151 Officer introduced the presentation, which included:-

- Nature of the Medium Term Financial Plan (MTFP);
- Starting Point;
- Funding;
  - Grants, Business Rates and New Homes Bonus
  - Council Tax Calculation
- Expenditure;
  - Spending Pressures, Assumptions and Proposed Reductions;
  - Inflation and Net Interest Position;
- Budget Gap;
- Risks;
- High Level Timetable;
- Role of Scrutiny.

During the presentation, he explained that:-

- the MTFP covered a period of four years;
- LG Futures provided data which helped predict future business rates;
- inflation for Leisure services and car parks was not included previously;
- Neighbourhood Community Infrastructure Levy (CIL) funded Liveable Exeter;
- District Councils had the option of charging 2.99% or an additional £5 in Council tax;
- There had been a Collection Fund surplus for a number of years;
- the pension deficit had dropped from £90m to £16m;

- debt repayment information was not provided in the presentation as it covered a period of 60 years,
- a total of £3.5m was required to balance budget next February; and
- in total, £5.4m worth of reductions was required across the MTFP.

Further reference was made to:-

- the gap between funding and resources;
- the Science Park and CoLab loans;
- the Public Works Loans Board; and
- the Leisure Complex loans;
- the New Burdens Funding.

The Director Finance answered questions from Members as follows:-

- the bus station lease did not cover the loan,
- surplus from the Guildhall could not be used in the General Fund (due to timing);
- loans were not a service cost in line with accounting standards (CIPFA code);
- public consultation was intended for this year;
- one-off scrutiny may not be right;
- LG Futures only provided updates when a major fiscal event occurred;
- capital expenditure increases were built into the programme;
- fleet lease projections were for the entire fleet and not individual vehicles;
- no details had been given yet about an all-electric fleet;
- apprenticeships should be encouraged;
- delivery on the Capital Programme would be reviewed;
- Microsoft 365 costs were built in for this year;
- people of working age were by far the largest cohort among housing benefit recipients;
- resources were expected to flatline for the next couple of years;
- the rise in debt was due to a mixture of new debt on an annuity basis;
- debt repayment would increase but interest would drop; and
- Council had resolved to pay real living wage.

The Director Finance reminded Members that he was always happy to answer questions or give further detail, whether in person or via email.

A discussion on the next steps ensued, during which Members:-

- felt that they should be given the opportunity to look at the process after options had been considered;
- voiced concerns that there would not be sufficient time to carry out a line by line analysis of the proposed budget;
- expressed various preferences (e.g. smaller groups, spotlight reviews) about the best way to conduct budget scrutiny.

The Interim Monitoring Officer advised that the Combined Strategic Scrutiny and Customer Focus Scrutiny Committee was not a constituted meeting and, therefore, had no decision making powers.

Members noted the presentation.

The meeting commenced at 5.30 pm and closed at 7:19 pm

Chair