

## EXECUTIVE SCRUTINY COMMITTEE

A meeting of Executive Scrutiny Committee was held on Tuesday 17 September 2024.

**Present:** Cllr Sylvia Walmsley (Chair), Cllr Kevin Faulks (Vice-Chair), Cllr Jim Beall (sub for Cllr Richard Eglington), Cllr Marc Besford, Cllr Carol Clark, Cllr Lynn Hall, Cllr Shakeel Hussain, Cllr Niall Innes, Cllr Sufi Mubeen, Cllr Tony Riordan and Cllr Marilyn Surtees.

**Officers:** Clare Harper (DCE&F), Jonathan Nertney, Judy Trainer, Gary Woods and Michelle Gunn (CS).

**Also in attendance:** None.

**Apologies:** Cllr Richard Eglington, Cllr Paul Rowling and Cllr Laura Tunney.

### **ESC/18/24 Evacuation Procedure**

The Committee noted the evacuation procedure.

### **ESC/19/24 Declarations of Interest**

There were no declarations of interest.

### **ESC/20/24 Minutes**

AGREED That the minutes of the meeting held on 23 July 2024 be confirmed as a correct record and signed by the Chair.

### **ESC/21/24 Medium Term Financial Plan Quarter 1 Update Report**

The Committee received a report summarising the Council's financial performance and position at the end of the first quarter of the 2024/25 financial year. The Council had a budget gap of £1.9m in the current financial year rising to £8.1m in 2026/27.

The Powering our Futures programme and associated transformation reviews were well underway with reviews addressing the budget gap. The reviews were progressing well and an update would be provided at the October Cabinet meeting.

The financial position for the Council for the first quarter of the financial year (to 30th June 2024) highlighted a projected overspend of £3.9m against the budget; effectively the Council is on target to achieve the transformation savings but further pressures have created a further budget gap. Growing demand for Council services and the increased cost of delivery is putting pressure on several budget headings. An additional £12.5m was added to the budget in February's budget report, and this overspend was over and above that additional investment. Work was underway to look at ways to mitigate this projected overspend and the position would continue to be closely monitored and managed throughout the remainder of the financial year. As part of the budget process, a number of earmarked reserves were paused to allow the

Council to manage future risks and if the pressures materialised as expected, this would need to be met from these reserves.

These challenges were not unique to Stockton and the financial pressures experienced by many Councils across the country was well documented. Whilst the Council was able to re-direct earmarked reserves to resolve immediate pressures, this was not sustainable and over the medium term the position needed to be addressed.

Future reports would provide an update to Cabinet and work preparing for the 2025/26 budget and MTFP had commenced. Given the overall position, work exploring options for Phase 2 of the transformation programme would be progressed.

The report also presented an update on the Capital Programme.

Key issues discussed were as follows:

- Updates on the financial position and Medium Term Financial Plan were taken to Cabinet based on the position at the end of March, June and October. Full Council was responsible for setting the budget each February
- The higher costs of goods and services were as a result of large inflationary increases seen over recent years. As contractual arrangements expired, the Council was often seeing higher costs
- A more detailed breakdown of the overspend in Children's Services was requested
- Home to school transport costs included an overspend of £129,000 in Community Services and an overspend of £160,000 in Children's Services
- There were earmarked reserves for the replacement of vehicles. The predicted overspend of £366,000 on vehicle costs was relating to the hire and maintenance of vehicles. The reserves could be used to support the revenue position, however, it would take funds away committed to replacing vehicles, creating a financial pressure against that budget
- Licence costs relating to the collection of council tax and business rates were associated with software costs
- The shortfall in income from planning applications was noted, however, due to the cyclical nature of the budgets, a shortfall predicted earlier in the financial year might improve later in the year. If this was the case, the updated position would be included in future reports
- Car parking budget pressures were within Community Services, Environment and Culture and Wellington Square budgets
- Members asked for confirmation that the estimated profit share of £480,000 relating to the redevelopment of the former Victoria Estate was after the repayment of the loan
- A breakdown of earmarked reserves was requested. This was also available on the Council's website within the annual accounts
- Increases in bus and taxi prices for home to school transport as well as increases in the number of children requiring transport were causing a predicted overspend
- The overspend for grounds maintenance was due to an increase in materials and contract costs. Securing Value for Money was a key part of the process and further details of the procurement exercise would be provided
- Clarification was requested on the budgetary split for the Warm Spaces initiative

AGREED That the report be noted and responses provided in relation to the queries set out above.

## **ESC/22/24 Chair's Updates**

Members were provided with updates from the Chairs of each Select Committee. Discussion included:

Adult Social Care and Health Select Committee.

The Chair advised that the Winter Health Conference 2024 was taking place on 1 October at the Employability Hub, the Wellbeing Hub in Wellington Square was now open and the first Tees Valley Joint Health Scrutiny meeting of the new municipal year was taking place later that week.

The Centre for Governance and Scrutiny (CfGS) had recently highlighted three new short guides to help Councillors think about the unique role that they could play within the adult social care system. These guides were relevant for all Elected Members depending on their specific role as a Councillor:

- Adult social care: Making a difference as an executive councillor
- Adult social care: Making a difference as a scrutiny councillor
- Supporting residents to live a good life: An adult social care guide for ward councillors

An LGA Assurance Peer Review into the Council's Adult Social Care provision had taken place and a report was due be considered later that afternoon by the ASCH Select Committee. Members debated the timeliness of the sharing the outcome of the review and questioned the protocol for sharing this with Scrutiny Members.

Children and Young People Select Committee.

Members noted the update Children and Young People Select Committee.

Community Safety Select Committee.

Members noted the update from the Community Safety Select Committee.

People Select Committee.

Members noted the update from the People Select Committee.

Place Select Committee.

With reference to the Select Committee's current review of Affordable Housing, it was noted that an options appraisal report was being taken to Cabinet following the Government' recent announcement on house building targets. As a result, an interim tri partite meeting was being held to review the original scope of the review and timelines.

AGREED That the updates be noted.

**ESC/23/24 Chair's Update and Executive Scrutiny Work Programme 2024/25**

AGREED That the work programme be noted.