

## North Northamptonshire Shadow Overview and Scrutiny Committee

At 7:00 pm on Thursday 10<sup>th</sup> December 2020

Held as a virtual meeting via Zoom

### Present: -

#### Shadow Members

Councillor Mark Pengelly (Chair)  
Councillor Mark Rowley  
Councillor Ash Davies  
Councillor J Hakewill

Councillor Victoria Perry (Vice Chair)  
Councillor Lora Lawman  
Councillor Greg Titcombe  
Councillor Anne Lee

#### Officers

G Hammons – Interim Chief Finance Officer  
A Wylie – Monitoring Officer

P Goult – North Northamptonshire  
Democratic Services

M Dickinson – Kettering BC

L Hyde – Director of Transformation  
L Hogston – East Northamptonshire  
Council

B Smith – North Northamptonshire  
Democratic Services

S Darcy – BC Wellingborough

Also in attendance: - Ms. L Buckingham

### 1. **Apologies**

Apologies were received from Councillor McEwan.

### 2. **Notification of requests to address the meeting**

A request to address the meeting had been received from Ms. L Buckingham in relation to the report on the draft Budget 2021/22 and the report on the Local Council Tax Support Scheme.

### 3. **Members' Declarations of Interest**

Members were invited to declare any matters of interest on items to be discussed during the meeting. No declarations were made.

### 4. **Minutes of the Previous Meeting**

The draft minutes of the Overview and Scrutiny Committee meeting held on the 12<sup>th</sup> November 2020 had been circulated.

#### **RESOLVED that: -**

The minutes of the meeting of the Overview and Scrutiny Committee held on 12<sup>th</sup> November 2020 be approved as a correct record and signed by the Chair.

Under this item, Councillor Henley wished it noted that the Committee were promised details of key performance indicators mentioned during the presentation on Children's Services to the Committee at its previous meeting. These had yet to be received. Officers would remind colleagues of the request for this information.

### 5. **Chairs Announcements**

There were no announcements on this occasion.

## **6. Draft Medium Term Financial Plan & Budget 2021/22**

### **6 (a) General Fund Revenue Budget 2021/22 and MTFP**

The Chair in introducing this item noted the complexities involved in putting together the draft Budget for 2021/22 and noted that the authority's allocation from Government was yet to be confirmed. It was further noted that the draft Housing Revenue Account (HRA) budget proposals were yet to be issued; this would be considered in January 2021.

The Chair invited Ms. L Buckingham to address Committee on this report. Ms. Buckingham raised concern that the draft Budget included some inequalities relating to proposed fees & charges. Ms. Buckingham suggested that whilst fees & charges were to be harmonised across North Northamptonshire it was unclear if the level of service was also to be replicated across the area. Currently sovereign councils provided differing levels of service, was this to be standardised from Vesting Day. Ms. Buckingham suggested that there needed to be greater clarity for the public regarding what level of service they were likely to receive. In addition, Ms. Buckingham noted that concessionary fees & charges varied across sovereign councils e.g., concessions for the unemployed, senior citizens etc; was this to be standardised. The Chair thanked Ms. Buckingham for her contribution.

The Interim Chief Finance Officer (G Hammons) introduced the report which had been considered by the Shadow Executive Committee at its meeting on 7 December 2020. The Shadow Executive Committee had approved the draft Budget for consultation; the public consultation would commence on 11 December 2020 and conclude on 29<sup>th</sup> January 2021.

The results of both the public consultation, comments from the Overview and Scrutiny Committee and officer's final proposals would be considered by the Shadow Executive Committee at its meeting on 10<sup>th</sup> February 2021. The Shadow Authority at its meeting on 25<sup>th</sup> February 2021 would have responsibility for agreeing the final budget and Council Tax Resolution.

The Interim Chief Finance Officer stressed the difficulties in preparing the budget proposals against a background of both reorganisation and the Covid-19 pandemic. The report detailed the process followed by officers in preparing the draft proposals.

As the Government's funding proposals for North Northamptonshire had yet to be received, officers where they were able had estimated income; these estimates would be reviewed and adjusted once the confirmed level of funding had been received.

It was further recognised that there were several risks identified whilst drawing-up the proposals. These included the potential for increased demand in both Children's and Adult Services, the Covid-19 pandemic, and the local government reorganisation process. Some proposals for mitigating these risks were included in the report.

The report before the Committee included an Executive Summary detailing the draft Revenue Budget 2021-22 and Medium-Term Financial Plan for North Northamptonshire Council. The proposed budget commenced the budget consultation process. Residents, local partners, and other stakeholders would have the opportunity to review the proposed budget and provide feedback during the seven-week consultation period. The draft budget would also be presented to the Shadow Overview and Scrutiny Committee for comment and there would be wider engagement with the elected members for North Northamptonshire.

After considering the outcomes of both the review by the Shadow Overview and Scrutiny Committee and the wider consultation feedback, the Shadow Executive Committee would consider the proposals in the draft final budget and the Council Tax Resolution report for 2021-22 for recommendation to the North Northamptonshire Shadow Authority budget meeting on 25<sup>th</sup> February 2021. The Council Tax Resolution report would contain the final information from all the precepting authorities required to propose the Council Tax for all areas of North Northamptonshire.

The budget report set out the latest estimated funding position, service budget pressures, key financial risks and challenges influencing the development of the new North Northamptonshire Council's financial plans for 2021-22 and the ongoing financial impact of those plans, together with the longer-term estimates of funding and spending requirements.

The draft budget for North Northamptonshire Council would provide a range of services to residents and businesses across the area including care to vulnerable adults and children, education, the disposal and collection of waste, household waste recycling, economic development, housing, and support for the homeless.

The report stated that the creation of a new single tier council provided the opportunity to transform and improve local services for the residents of North Northamptonshire. The Council would work with businesses and other partners to support economic recovery following the COVID-19 pandemic and promote growth and would support its communities and vulnerable people through its work with the voluntary and community sector. The draft budget and Medium-Term Financial Plan had been developed in that context.

The draft budget and Medium-Term Financial Plan which had been prepared continued the improvement journey set out in the Future Northants Programme Prospectus for Change with investment in transformation for services, particularly within adults and children's services. The budget approach had been to provide a 'safe and legal plus' transition from the sovereign councils through the Blueprint. There were resources for the most vulnerable to provide support through the current COVID-19 pandemic. The budget included efficiencies arising from a review of the senior management restructure and recognised these were uncertain times by setting aside resources to respond to unexpected pressures.

Members noted that the new Council would continue to face financial pressures. It was recognised nationally that there were significant budget pressures for local government, not only from the longer-term impact of COVID-19 on costs and income, but also Social Care demand and other cost pressures which pre-dated the pandemic.

Whilst the creation of the new Unitary Council created several opportunities to benefit the region, it was also recognised that there were some risks and costs, both upfront and legacy, associated with the implementation of local government reform.

The Spending Review announced by the Chancellor on 25th November 2020 set out the funding for local government at a national level for 2021-22. There was recognition of some of the pressures facing the sector, including COVID-19, however, a large proportion of the funding announced was one-off in nature. This, together with changes to the funding regime for local government planned from 2022-23 onwards, leads to a great deal of uncertainty when developing medium-term financial plans. The main ongoing resource made possible through the Spending Review was the ability to be able to increase Council Tax by up to 5%, inclusive of a 3% precept for Adult Social Care, for the next financial year.

In the face of these challenges, risks, and uncertainties over the short and medium term, the five predecessor councils had assisted to develop initial draft revenue budget plans for consultation which covered the period up to 2024- 25. These plans would need to be continually reviewed, monitored, and assessed, including post Vesting Day.

The draft budget and Medium-Term Financial Plan incorporated the initial financial benefits and economies of scale arising from amalgamating five councils into one. There would be further opportunities for savings in the future as service provision continued to be reviewed and transformed building on the work already undertaken as part of the Future Northants Programme.

However, the Council continued to face a forecast funding gap of £18m for 2021-22 having incorporated the Spending Review announcements where there was most certainty, financial benefits arising from economies of scale and government flexibilities for spreading the collection fund deficit over the three years 2021-22 to 2023-24.

To help maintain and protect levels of service provision the Shadow Authority would consult on a core Council Tax increase of 1.99% which was up to the level set by the government without triggering a referendum and utilising the allowable social care precept increase of 3% in full. The overall increase in Council Tax would be 4.99%. This would contribute around £8m per annum and would represent a Band D level of Council Tax for North Northamptonshire Council of £1,532.90 in 2021/22, equivalent to £29.48 per week. This Band D figure did not include the Council Tax for individual town and parish councils or the Council Tax set for fire and police by the Northamptonshire Police, Fire and Crime Commissioner.

Members were reminded that the County Council's Band D Council Tax level was the lowest in the country for a County Council in 2020-21. The Council Tax for the Unitary Authority from 2021-22 would consist of both the County Council's precept requirements and a harmonised amount for the District and Borough Councils across the North, so that there is a single level of Council Tax for the new Unitary Authority. Based on 2020-21 Council Tax levels this would result in the North Northamptonshire Unitary Band D being in the lowest quartile for England.

To help put this into context the report indicated that the national average for a unitary council's Band D in 2020-21 was £30.17 per week which is £2.12 (or 7.5%) higher than the 2020-21 rate in North Northamptonshire (applying this average Band D level, the additional yield would have been around £12.2m). Council Tax income was key to the ongoing financial sustainability of the Council and the delivery of vital services to its residents alongside investment in its Neighbourhoods.

After the proposed increase in Council Tax there was still a funding gap to bridge of around £10m for 2021-22. To fund the remaining gap the Council would continue to work with government to receive a fair financial settlement. The Local Government Finance Settlement was expected to be announced in mid-December, and alongside this the Council would continue to develop ways in which it could produce a balanced budget for 2021-22 and over the medium term.

Following the consultation on the draft budget the full suite of budget reports would be presented to the Shadow Executive Committee on 10th February 2021. This would include

the Revenue Budget 2021-22 and Medium-Term Financial Plan, the Housing Revenue Account Budget 2021-22, the Capital Strategy and Capital Programme, and the Treasury Management Strategy. The Draft Housing Revenue Account Budget 2021-22 would be considered by the Shadow Executive Committee on 7th January 2021 before consultation with the Tenants Forums in Kettering and Corby. These reports together would provide a framework for revenue and capital planning for 2021-22 and into the medium term. These budget reports, including the Council Tax Resolution would be considered by the Shadow Authority on 25th February 2021.

The budget timetable was set out in the table included within the report. Consultation would commence on 11<sup>th</sup> December 2020 and conclude on 29<sup>th</sup> January 2021.

It was noted that the North Northamptonshire Medium Term Financial Plan and Budget Task and Finish Group (NN MTFP & Budget T&F Group) established a set of guiding principles to steer the budget setting process. The key themes underpinning the draft 2021-22 budget as established by the NN MTFP & Budget T&F Group were as follows:

- Being safe, legal, and compliant;
- Resources are focussed on priorities;
- A financially balanced budget for 2021-22 and over the medium term;
- Value for money provided to the taxpayer and rent payer;
- An acceptable level of risk which is proactively managed; and
- Transparent decision making.

The Interim Chief Finance Officer indicated that it was currently proposed to provide an update to the Shadow Executive Committee on the Budget proposals on the 7<sup>th</sup> January 2021, once the Government's final settlement was known, and officers had assessed its impact on the current draft proposals. A further update briefing to Overview and Scrutiny Committee would also need to be arranged.

Councillor Hakewill noted that the report indicated the level of proposed Council Tax was likely to be among the lowest within the country; this was not dissimilar to the current NCC position. Councillor Hakewill raised concern that the county was an area of growth, with increasing demand on council services. Councillor Hakewill requested that information be circulated outside of the meeting showing where North Northamptonshire would sit in terms of the level of Council Tax in comparison with other similar local authorities.

The Interim Chief Finance Officer would make benchmarking information available to Members in relation to where the proposed North Northamptonshire Council Tax amount would be positioned; this was likely to be in the lower quartile.

Councillor Henley noted that the proposals included gaps, where further detail was required. Councillor Henley hoped that complete information would be made available well before the Shadow Authority were requested to set the Budget 2021/22 in February.

Councillor Henley also queried on what the financial arrangements would be for "host" and "lead" authorities in terms of ensuring that there was appropriate payment for services provided. Councillor Henley was querying what work had been undertaken on disaggregating the NCC Balance Sheet.

The Interim Chief Finance Officer explained that the principles relating to the disaggregation of the NCC Balance Sheet and the aggregation of district councils had been agreed by the Shadow Executive Committee at its meeting in August 2020. Work was still ongoing to reach

a final assessment, understanding that some historic financial accounts were yet to receive final sign-off from auditors.

In relation to “host” and “lead” authorities, budgets were to be split between North and West, however Service Level Agreements and governance arrangements were being developed. Once confirmed it would enable an authority to transfer funding to the other where a service was being provided on their behalf.

Councillor Lee commended the reference in the report to the impact of Covid-19 on mental health and the need for increased funding. Councillor Lee noted the need to ensure appropriate funding for Addiction Services; there was a heavy reliance on the voluntary sector.

Councillor Lee also noted that whilst funding for environmental projects was detailed in the report this was a modest amount. Given that the budget was to be measured against the new authority’s intention to address Climate Change Councillor Lee was concerned that the amount currently allocated was insufficient.

Councillor Henley suggested that whilst a 4.99% increase in Council Tax was being quoted in the report, the reality was that the increase would vary across the existing sovereign council areas, with a 2% increase in Kettering, 4% in Corby and 6% in Wellingborough and East Northamptonshire.

The Interim Chief Finance Officer explained that the Shadow Executive Committee at its meeting in August had agreed to adopt an approach to address the need to harmonise Council Tax across North Northamptonshire.

Councillor Henley queried the detailed collection level of Council Tax within the report, and whether this was too high. The Interim Chief Finance Officer agreed that this was a potential risk area, together with the potential economic impact of Covid-19 on both domestic and business rates.

Councillor Hakewill requested whether the figure for the NCC element embedded-in the proposed Council Tax could be provided at some point. Councillor Hakewill also suggested that the reports tabled in August needed to be made available during the public consultation process, in order that these could be cross-referenced with the budget proposals.

Councillor Hakewill also indicated that he had circulated to Members prior to the meeting a discussion paper which highlighted the potential impact of current arrangements between KBC and Kettering local councils on future harmonisation and raised concern regarding the potential for double taxation.

The Interim Chief Finance Officer would provide information regarding the NCC element outside of the meeting, as that detail was not to hand. In relation to the consultation process this included explanation of the harmonisation proposal including links to previous reports and resolutions made on that issue. In relation to the service and financial relationship between the new unitary and local councils, it was recognised that there may be a need for harmonisation across the area, however this would not be completed by Vesting Day and would need to be addressed by the new authority.

Councillor Hakewill suggested that the matter should be addressed as soon as possible, otherwise parts of North Northamptonshire may end up subsidising services within the current Kettering area.

Councillor Perry felt that the Committee needed to agree their strategy for scrutinising the draft Budget and avoid getting into too much fine detail at this point.

Councillor Henley raised a query regarding fees & charges and sought clarification that the report before Members formed part of the consultation process. Councillor Henley was concerned that the details on fees & charges did not include comparison with current fees. Officers confirmed that in the consultation paper there would be links-back to sovereign council's fees & charges so the public would be able to compare. Officers further confirmed that further work on harmonising fees & charges was to be undertaken over coming weeks.

## **6 (b) Capital Strategy and Programme**

The Interim Chief Finance Officer (G Hammons) introduced the report which had been considered by the Shadow Executive Committee at its meeting on 7 December 2020. The Shadow Executive Committee had approved the draft Capital Strategy and baseline Capital Programme for public consultation

The report before Committee set out the Capital Strategy and baseline Capital Programme as at the end of November 2020 leading to consideration of the Final Programme by the North Northamptonshire Shadow Authority, for approval on 25th February 2021 alongside the Council's Revenue Budget Report.

The Capital Programme proposed investment of about £200m over the next 4-years. This included currently approved schemes (£54m), potential for new identified projects (£99m) and the HRA Capital Programme (£48m).

The report identified the key factors and challenges influencing the development of North Northamptonshire Council's future commitments for 2021-22 and beyond, and the governance process in place to successfully manage the review and approval of new schemes moving forward.

This would form part of the 7-week public consultation alongside the Draft Budget proposals following review by Shadow Executive Committee and by the Overview and Scrutiny Committee. After considering the outcomes of both the Overview and Scrutiny review and the feedback received from local partners and the public, the Shadow Executive Committee would recommend the proposals in the Final Capital Programme and Final Budget to the North Northamptonshire Shadow Authority meeting on 25th February 2021.

The report presented a draft Capital Programme for 2021-25 including the Housing Revenue Account (HRA) Capital Programme 2021-25 and a Baseline Development Pool based on the Capital Strategy principles agreed by the newly appointed senior officers, the North Northamptonshire Budget and Medium-Term Financial Plan Task and Finish Group (NN Budget & MTFP T&F Group) and Shadow Executive Committee.

The full suite of budget reports would be presented to the Shadow Executive Committee on 10th February 2021, which would include the Revenue Budget 2021-22 and Medium-Term Financial Plan; the Housing Revenue Account Budget 2021-22; the Capital Strategy and Capital Programme; and the Treasury Management Strategy. These reports together would provide a framework for revenue and capital planning for 2021-22 and into the medium term.

North Northamptonshire Council had not yet established a Corporate Plan. The North Northamptonshire Budget & MTFP Task and Finish Group established a set of guiding principles to steer the budget setting process.

The key principles underpinning the Capital Strategy in compiling the Capital programme were as follows:

- The delivery of a Medium-Term Capital Programme which is affordable and sustainable, ensuring that the Council's internal resources and application of external borrowing are utilised to fund capital expenditure where it supports the delivery of the Council's financial sustainability and where there are statutory requirements such as health & safety;
- The Capital Strategy should make explicit the links to, and integration with, the Council's other strategies. New capital investment will only be permitted if it contributes to the achievement of the Council's corporate priorities;
- The use of external funding is prioritised against the areas of greatest need, in the main supporting highways maintenance, the delivery of education places, the Corby Town Plan and Tresham Garden Village within North Northants. In the current financial climate priority will be given to schemes that also deliver transformation and/or revenue savings;
- Maximisation of the use of the Council's assets, and where possible working with local partner organisations to maximise the efficiency of assets across the public sector and North Northants;
- Take into account external influences such as the South East Midlands Local Enterprise Partnership, Oxford Cambridge Arc, Health, and joint working with other partner authorities etc;
- Key integration and links with the council's other corporate strategies including Corporate Plan, Treasury Management, Investment Strategy, and Asset Management Plan;
- Set out the Council's regeneration and economic development ambition and additional objectives;
- Set out the governance and risk management arrangements.

The Spending Review at the end of November announced £100 billion of capital spending next year to kickstart growth and support jobs. Schools, hospitals, and transport scheme projects would receive multi-year funding certainty, and the government would centre its spending around three objectives: economic recovery, 'levelling-up' and meeting the UK's net zero emissions target by 2050. £7.1 billion of Housing investment was also announced over a 4-year period to unlock up to 860,000 homes through capital grants and loan financing. The impact for North Northamptonshire was not yet known but would become clearer before the Final Capital Programme was set in February 2021.

HM Treasury ran a consultation on the future lending terms of the Public Works Loan Board (PWLB) with the aim of developing a proportionate and equitable way to prevent local authorities from using PWLB loans to buy commercial assets primarily for yield, without impeding their ability to pursue service delivery, housing, and regeneration under the prudential regime as they did now. The outcome was that PWLB would no longer lend to local authorities that planned to buy commercial assets primarily for yield. PWLB would still be available to all local authorities for refinancing.

The Council wished to invest in regeneration and economic development schemes, and this was included in the Development Pool with further work to be undertaken as the strategy developed alongside the overall council priorities and objectives post Vesting Day.

Councillor Hakewill queried the absence of information relating to Reserves. In addition, within the report there were details of currently identified risks with reference to the use of Reserves being a potential source of mitigation. Councillor Hakewill sought more detail



regarding Reserves and suggested that the identified risks (particularly those with a RED rating) form the focus of scrutiny going forward.

The Interim Chief Finance Officer confirmed that identifying the level of Reserves formed part of the work being undertaken on balances which was ongoing. An update on this would be provided during the budget-setting process. It was recognised that this information needed to be provided prior to the Shadow Authority approving the budget.

The Chair raised the issue of the Housing Revenue Account (HRA). The Interim Chief Finance Officer confirmed that work was being undertaken on formulating a draft budget for 2021/22 and for the medium-term. A report would be submitted to the Shadow Executive Committee in January, to be followed by consultation with the tenant forums in Corby and Kettering.

The Chair registered his thanks to officers for the work in preparing the budget reports, and fully appreciated the difficult circumstances faced due to LGR and Covid-19.

Councillor Perry suggested the establishment of a Task and Finish Group to focus on the significant issues, particularly those where the new authority needed to be “safe and legal”. Councillor Perry suggested that the Group focus on the statutory services. It was suggested that the Group be opened-up to the wider Shadow Authority membership, and that the Liberal Democrat Group be invited to participate.

The Chair stressed that the role of the Group would be to act as a “critical friend” on the budget, and support ensuring a “safe and legal” budget could be set. The Chair suggested that the Group meet prior to Christmas and conduct a scoping meeting, with further meetings held during January.

Councillor Pengelly MOVED and Councillor Rowley SECONDED the recommendation to establish a Task and Finish Group.

**RESOLVED that: -**

- (i) A Budget Task and Finish Group be established to consider a response to the draft Budget 2021/22, the Housing Revenue Account 2021/22, and the Medium-Term Financial Plan;
- (ii) The Group to be chaired by the Chair of the Overview and Scrutiny Committee (Councillor Pengelly) together with the following membership: -

Conservative Members x 4  
Labour Member x 1  
Liberal Democrat Member x 1  
Independent Group Member x 1

## **7. Local Council Tax Support Scheme**

The Chair invited Ms. L Buckingham to address Committee on this report.

Ms. Buckingham raised concern that there had been no mention in the consultation document relating to any potential impact on war widows; this had been highlighted in the West’s consultation. In addition, Ms. Buckingham was concerned that there was no

discussion of a Discretionary Fund being established. Ms. Buckingham commented that there would be real hardship on some households should the proposals go through, particularly where there would be a significant reduction in support.

The Chair thanked Ms. Buckingham for her contribution.

*(Ms. Buckingham was removed from the virtual meeting at this point).*

The ENC Interim Head of Customer & Community Services (L Hogston) introduced the report. The report before Members provided the Committee with an analysis of the outcome of the Council Tax Support Scheme public consultation. The Authority had received 409 survey responses in total.

On the 8<sup>th</sup> October 2020, the Committee had been presented with a report detailing the proposed North Northamptonshire Council Tax Support Scheme 2021/22 for consultation. The Committee requested that the outcome of the consultation was presented to the Committee prior to the Shadow Executive deciding on the scheme at their meeting on the 7<sup>th</sup> January 2021.

An 8-week consultation ran for the period 5<sup>th</sup> October 2020 to 30<sup>th</sup> November 2020. This was more than the required statutory 6 weeks as Members of the task and finish group recognised that the proposed changes could have a significant impact on vulnerable people and therefore wanted to do more consultation than the minimum required. Members of the Overview and Scrutiny Committee also fully supported the longer consultation period. Details of the consultation methodology used were detailed in the report before the Committee.

The appendix accompanying the report provided an analysis of the results. In total 409 survey responses had been received. The appendix illustrated the demography of the respondents, the level of support for each proposal, a summary of comments etc.

Seven separate proposals were outlined in the consultation. Respondents were asked for each proposal whether they; strongly agree, tend to agree, neither agree nor disagree, tend to disagree, or strongly disagree. They were also given the option 'don't know'. A summary of the response received to each proposal was included in the appendix: -

- Proposal 1: Almost half of the respondents agreed with the proposal to harmonise the minimum Council Tax contribution to 25% of Council Tax liability for working age people. 39% disagreed and 11% did not have an opinion
- Proposal 2: Exactly half of the respondents agreed with the proposal to remove the award of a family premium when assessing entitlement to LCTSS. 21% disagreed and 23% did not have an opinion.
- Proposal 3: More than half of the respondents agreed with the proposal to limit the child allowance to two children. Just over a quarter disagreed and 14% did not have an opinion.
- Proposal 4: Just under half of the respondents agreed with the proposal to restrict backdating to 1 calendar month. 32% disagreed and 15% did not have an opinion.
- Proposal 5: 68% of the respondents agreed with the proposal to restrict temporary absence outside of the UK to 4 weeks. 15% disagreed and 13% did not have an opinion.
- Proposal 6: 41% of the respondents agreed with the proposal to remove entitlement to the Severe Disability Premium (SDP) where a person is paid Universal Credit (Carer's Element) to look after them. 34% disagreed and 16% did not have an opinion.

- Proposal 7: 44% of the respondents agreed with the proposal to remove the WRAC for new Employment and Support Allowance claimants. 20% disagreed and 27% did not have an opinion.

As the consultation period had only recently ended, officers had only been able to provide a full breakdown and analysis of responses to Proposal 1. This was included with the report. The Head of Customer & Community Services confirmed that breakdowns and analysis of the other proposals was underway, and this would be circulated to Members outside of the meeting.

In relation to the issue raised by the public speaker regarding any potential impact on war widows, the Head of Customer & Community Services explained there was already a consistent policy among sovereign councils of discounting war widow's pension in any assessment; it was being proposed that policy would continue.

Councillor Henley queried whether it had been ascertained whether legal advice had been sought regarding whether it was legal for the recent consultation to only include one option for public comment. Councillor Henley was concerned that there was not a range of potential options provided in the consultation document. The Head of Customer & Community Services confirmed that legal advice had been sought and received, and that the Authority could consult on its preferred scheme only of 25%.

The Head of Customer & Community Services confirmed that if because of the consultation exercise there were alternative proposals submitted for consideration these would be presented to the Shadow Executive Committee, who may determine to agree an alternative scheme.

Councillor Henley felt that given the responses, and the fact that alternative options were not included in the original consultation, he felt that it did not provide adequate support for alternatives. Councillor Henley would have preferred to see the public provided with a range of options to comment upon.

Councillor Hakewill stated that during Dorset's LGR, their SCO included the provision for their harmonisation of Council Tax Support to be phased in. Councillor Hakewill wondered whether this was still an option.

The Head of Customer & Community Services stated that MHCLG had confirmed that North Northamptonshire could take up to 24 months to phase-in a harmonised scheme, however if it were practicable to introduce a harmonised scheme on Vesting Day then the authority could do so. The Shadow Executive Committee had agreed a draft scheme, this had been consulted upon, the results of the consultation would be considered by Members, and if agreed could be introduced by 1<sup>st</sup> April 2021.

The Monitoring Officer further confirmed that allowing a differential scheme across the Authority may leave the new council open to challenge on equalities grounds, given that citizens in one part of North Northamptonshire would receive different levels of support from those in another part of the area. Officers felt that it could be proven it was practicable to introduce a harmonised scheme and that a charge of inequality in this matter from citizens in North Northamptonshire could be prevented.

The Chair suggested that it was still possible to phase-in the new Scheme, and that an alternative proposal could be submitted to the Shadow Executive Committee for consideration.

Councillor Perry suggested that the Committee try to agree a consensus response, or at least agree a list of observations, to submit to the Shadow Executive Committee as

Overview and Scrutiny's response to the consultation. This could be presented at the appropriate meeting of the Shadow Executive Committee.

Councillor Perry proposed that the comments and observations made by the Committee be collated and formatted in a response to go forward to the Shadow Executive Committee.

Councillor Perry indicated that she was not supportive of a Discretionary Fund but had previously sought information regarding the financial support and guidance available to residents currently provided by sovereign councils. Sovereign councils did provide financial advice to those who were struggling, and Councillor Perry sought the level of resource provided be quantified for Members information.

The Head of Customer & Community Services agreed to collate information from sovereign councils on what current levels of resource existed to provide financial advice to customers and seek assurance that existing resources and agreements be carried forward post-Vesting Day. It was confirmed that one of the current LGR workstreams were considering this matter, but it was intended that existing levels of support be maintained for the near future.

Councillor Lee expressed her support for a Discretionary Fund given the potential hardship caused to some residents by the potential change.

Councillor Hakewill again expressed support for a phasing-in of any changes. Councillor Hakewill noted that there would be a particularly negative impact on claimants in Corby. Councillor Hakewill suggested that in the past it had been usual for some form of mechanism to assist those most vulnerable during the initial stages of any phasing-in. Councillor Hakewill suggested that MHCLG be approached to ask whether a phasing-in would be permitted.

Councillor Rowley felt that given the consultation responses, and that it was practicable to introduce a uniform scheme by Vesting Day, that the proposal be supported. Whilst appreciating the detrimental impact on claimants in Corby the Shadow Authority had conducted a survey and the results were clear. The new authority would therefore be "safe and legal" and mitigate against any challenge being successful.

Councillor Henley reminded the Committee that if the current proposal were agreed claimants in Wellingborough and East Northamptonshire would also pay more, not just in Corby, although the potential increase was less in those areas. Councillor Henley felt that given the current local economy increases would be difficult for many people, and the economic situation may worsen. Councillor Henley noted that the collection rate was estimated to decrease from 98.5% to 98%, which he felt was optimistic. Councillor Henley felt that a phased approach would be the best approach, and again raised concern regarding the lack of options provided in the consultation paper.

In conclusion it was agreed that the Chair and Vice Chair meet to summarise the points raised by the Committee, in order that these be presented to the Shadow Executive Committee at the appropriate meeting.

The Chair thanked the Head of Customer & Community Services for her report.

**RESOLVED that: -**

- (i) The Committee noted the outcome of the consultation process; and
- (ii) Agreed that the Chair and/or Vice Chair make representations to the Shadow Executive Committee based on the discussions during the meeting.

**8. Programme Update**

The Director of Transformation (L Hyde) introduced the report. The report provided an update on the preparations for Vesting Day and the creation of the new unitary council, North Northamptonshire Council.

The Update report included a summary on Programme Status, Day 1 Assurance, Change Management, Communication and Engagement and a Finance Monitoring Report (introduced by the Interim Chief Finance Officer).

The Committee noted on the Programme Status Summary that Adults had now moved to GREEN with Finance moving to AMBER. In relation to Finance the impact of the failure to closedown previous years accounts was highlighted.

Children's Services was still AMBER. The Children's Trust was now live, but still currently in the "stabilisation phase".

Under Corporate, it was noted the proposals around Tier 1-3 staffing were being implemented and the disaggregation of staff where appropriate. Until these staffing issues were complete Corporate would remain as AMBER.

The Interim Chief Finance Officer introduced the regular Budget Monitoring report. The report indicated under Investment that there was currently a projected £190k underspend. In respect of Benefit Realisation there was a negative variance of £548k reported. The overall variance of £358k had decreased by £58k since the previous report. The report indicated that those savings not delivered in 2020/21 would be delivered in later years.

The report also included a projected outturn position of sovereign councils. It was noted that following receiving a Government grant that NCC were reporting a projected surplus of £3.6m. Among district councils, despite receiving some additional Government funding, the impact of Covid-19 and other pressures would see the need for efficiency savings and/or the need to draw on Reserves.

Further Government funding had been announced but was yet to be incorporated in the report. The report did not include potential losses from reduced Council Tax and Business Rates, which would not be formally reported until 2021/22.

The report indicated that there remained significant financial risks in relation to the outturn position of sovereign councils.

It was noted that of a total of £84.448m savings, £34.907m had been delivered in 2019/20, and LGR was on track to deliver £13.993m during 2020/21. A further £35.608m would need to be delivered post-Vesting Day.

Councillor Henley queried on the update position relating to the Programme Status Summary, given that the report was a few weeks old. The Director stated that there was no estimated direction of travel towards RED, but likely to be AMBER. The Director stated that the programme was now entering into a complex phase as the project moved towards Vesting Day.

Councillor Hakewill sought clarification that the Government were not provide additional grant to cover loss of income by councils in relation to commercial investments. The Interim Chief Finance Officer confirmed that Government were not covering commercial losses and councils would need to cover this loss from efficiency savings and/or draw-down from Reserves.

The Chair commented that there was still confusion among some staff, particularly in relation to the provision of services by LGSS and whether some staff in North Northamptonshire may need to be subject to TUPE to host and lead authorities.

**RESOLVED that: -**

- (i) The high-level Programme Delivery Status report be noted;
- (ii) The update on Change Readiness be noted;
- (iii) The Communication and Engagement update be noted; and
- (iv) The Finance Monitoring report be noted.

**9. Forward Plan of Decisions December 2020-March 2021**

A copy of the Forward Plan of Decisions for the period December 2020 – March 2021 had been circulated to Members with the agenda.

**RESOLVED that: -**

- (i) The Forward Plan of Decisions be noted.

**10. Work Programme – Shadow Overview and Scrutiny Committee**

Councillor L Lawman provided a brief update on the work of the Climate Change Task and Finish Group, which had met on three occasions to date. Progress was being made and a framework document would be presented to the Committee in January 2021.

Councillor Lee noted that due to the tight timescales, two items in the original scoping report of the Group had to be discarded. Councillor Lee registered her concern at this.

It was further noted that an email drop box had been established for the Group, where interested parties could register their views and representations to the Group. This needed to be widely advertised; Democratic Services would liaise with colleagues in Communications on this matter.

The Joint Democratic Services Manager (P Goult) updated the Committee on the Blueprint Task and Finish Group. A scoping meeting had been held. Three areas for scrutiny had been identified. The next meeting of the Group would discuss Housing Standards for both public and private sector provision; the Group would meet w/c 14 December 2020.

Under this agenda item, the Chair indicated that he may wish to propose that the Committee receive representations at a future meeting from Human Resources and the trade unions on the impact of LGR on staff.

**11. Exempt Items**

There were no exempt items discussed.

**12. Urgent Items**

There were no urgent items discussed.

**13. Close of Meeting**

Meeting closed at 9:29 pm.