

Minutes of a meeting of the Executive

At 10.00 am on Thursday 8th February, 2024 in the Council Chamber, Corby Cube, George Street, Corby, NN17 1QG

Present:-

Members

Councillor Jason Smithers (Leader of the Council) (Chair)	Councillor Helen Howell (Deputy Leader of the Council)
Councillor Matt Binley	Councillor Gill Mercer
Councillor David Brackenbury	Councillor David Howes
Councillor Lloyd Bunday	Councillor Harriet Pentland
Councillor Scott Edwards	Councillor Mark Rowley

Also in attendance – Councillors Jim Hakewill, Peter McEwan, Keli Watts, Anne Lee, Lora Lawman, Lyn Buckingham, William Colquhoun, Dorothy Maxwell and Joseph Smyth

574 Apologies for absence

No apologies for absence were received.

575 Minutes of the Meeting Held on 21st December 2023

RESOLVED that the Executive agreed the minutes of the meeting held on 21st December 2023 as a true and accurate record of the meeting.

576 Members' Declarations of Interest

During debate for Agenda Item 6 Cllr Lloyd Bunday declared a personal interest following reference to the Citizen's Advice Bureau who customers of his in a business capacity.

577 Notifications of requests to address the meeting

The Chair, Councillor Jason Smithers reported that there were requests to address the meeting as set out below:

Agenda Item	Speakers
Item 5 – Corporate Scrutiny Committee – Budget Consultation Submission	Cllr Lyn Buckingham as Chair of CSC Cllr Lora Lawman, Cllr Dorothy Maxwell, Cllr Jim Hakewill
Item 6 – General Fund Draft Budget 2024-25 and MTFP	Cllr Jim Hakewill, Cllr Anne Lee

Item 7 – HRA Draft Budget 2024-25 and MTFP	Cllr William Colquhoun, Cllr Anne Lee, Cllr Lyn Buckingham
Item 8 – Capital Programme 2024-2028	Mr Michael Blissett, Mr Dave Thorley, Cllr Jim Hakewill, Cllr Lyn Buckingham, Cllr Dorothy Maxwell, Cllr Joseph Smyth

Cllr Anne Lee did not speak in relation to Item 7.

578 Corporate Scrutiny Committee - Budget Consultation Submission 2024/2025

The Chair invited Cllr Lora Lawman to address the meeting. Cllr Lawman, as Vice Chair of the Corporate Scrutiny Committee, highlighted a specific concern of the Budget Scrutiny Panel in relation to the Children’s Trust spending projections and the impact on the Council’s current budget and that for future years. It was heard that the committee would need further support to help the Children’s Trust work within its contracted financial figures. It was hoped that early intervention, support and scrutiny would result in an improved spending policy that would not impact on the necessary support for vulnerable children.

Cllr Lawman also referenced the Council’s investment in ICT and concerns raised by the panel in this regard, with the committee continuing to scrutinise plans to seek value for money for services and the speedy harmonisation of legacy systems. Cllr Lawman called for the establishment of new panel of scrutiny members and IT experts from across the authority to assess and fully understand the current arrangements with West Northamptonshire Council in regard to ICT operability and service improvements. Cllr Lawman concluded by thanking officers for their work and support in enabling the scrutiny programme to be completed in a timely manner.

The Chair thanked Cllr Lawman for the time and effort of the Corporate Scrutiny Committee in bringing its proposals through and noted that the Executive looked forward to working with the committee to review its recommendations.

The Chair then invited Cllr Dorothy Maxwell to address the meeting. Cllr Maxwell spoke to make reference to the current vacancy for a Wellbeing Advisor, waiting lists to access mental health services for young people, the number of children awaiting school places with SEND provision and officer attendance at the Phase 2 budget scrutiny session in regard to early years support.

The Chair thanked Cllr Maxwell for her contribution and invited Cllr Jim Hakewill to speak on this item. Cllr Hakewill spoke to note a lack of involvement in the budget scrutiny process by members outside of the Council’s scrutiny function as well as a lack of opportunity for the public to take part at meetings. Cllr Hakewill also stated his disappointment that Executive members did not hold in-person budget meetings with the public. Cllr Hakewill stated that while the national picture for local government appeared grim, the Council should look for ways to solve financial issues aside from ascribing deficits to external factors and concluded by querying whether legacy accounts for the former county council and Corby Borough Council had been signed off.

The Chair thanked Cllr Hakewill for his comments before inviting Cllr Lyn Buckingham to address the meeting and present the report of the Budget Scrutiny Panel as Chair of the Corporate Scrutiny Committee. Cllr Buckingham opened by offering her thanks to the Executive members, officers and all those that had contributed, attended to present and provide advice and support throughout the budget scrutiny sessions. The Corporate Scrutiny Committee noted that external influences and the move towards harmonisation had hugely impacted the Council's budget since its inception, and the committee acknowledged the hard work involved in bringing forward the draft budget. Cllr Buckingham noted there were risks moving forward that could impact the Council's budget in future years, with a fine balance to be struck between delivering services for residents and balancing the Council's budget. Cllr Buckingham concluded by responding to Cllr Maxwell's comment regarding officer attendance for Early Years representation.

The Chair thanked Cllr Lyn Buckingham as Chair of the Corporate Scrutiny Committee for the recommendations that had been submitted for consideration by the Executive. The Chair noted that it was beneficial to have an independent arm of the council to provide an overview of the budget setting process, with the Executive finding it useful to lean into the experience that the panel had. The Chair also thanked Cllr Lora Lawman and the other members that comprised the Budget Scrutiny Panel for their efforts and praised the efforts of the Chair of the Committee for keeping the scrutiny meetings in order.

Cllr Buckingham stated that the members of the panel had worked as a team and learned a significant amount as a result of their involvement in the budget scrutiny process, with these learning points to be considered by the Scrutiny Management Board to help inform future budget scrutiny sessions.

Cllr David Brackenbury thanked the Budget Scrutiny Panel for their involvement in the budget setting process, noting that, from a portfolio holder perspective, it was valuable to have additional scrutiny involvement in reviewing the process. Cllr Brackenbury welcomed the recommendations put forward by the panel. Cllr Brackenbury made specific reference to flood-risk as highlighted within the report of the Budget Scrutiny Panel.

Cllr Scott Edwards spoke to note ongoing work alongside the Children's Trust and West Northamptonshire Council to try and keep the trust within its contracted budget. Cllr Edwards also referenced mental health advisors within the education sector.

Cllr Lloyd Bunday provided an update on legacy accounts as raised by Cllr Hakewill noting that the finalisation of these was outside the Council's control.

Following the conclusion of debate, The Chair noted that the recommendations and report of the Budget Scrutiny Panel would be referred to Full Council for their consideration with the approval of Executive.

579 General Fund Draft Budget 2024-25 and Medium-Term Financial Plan

The Chair invited Cllr Jim Hakewill to address the Executive. Cllr Hakewill queried what risks were involved for the Council regarding previous legacy authority acquisition policies and whether an income pressure of £442k associated with a one-off rental pressure for the Commercial Property Portfolio would be exacerbated inf

future. Cllr Hakewill also referred to proposed revenue expenditure to fund a temporary travellers' stopping site.

The Chair then invited Cllr Anne Lee to address the meeting. Cllr Lee noted that the Labour Group was in the process of developing alternative General Fund Budget options that would be submitted prior to Budget Full Council on 22nd February. Cllr Lee queried whether the introduction of a green waste collection subscription service had been the correct decision to take given the increase in running costs and that the service operated at a loss. Cllr Lee also noted that the voluntary sector should have a longer-term contract to allow for longer-term planning, referencing the specific example of the Citizen's Advice Bureau (CAB) and the importance of the advice they provided.

The Chair thanked the speakers for their comments and invited Cllr Lloyd Bunday, Executive Member for Finance and Transformation to introduce a report that set out the final General Fund Budget for 2024-25 and Medium-Term Financial Plan for North Northamptonshire Council.

In response to Cllr Lee's comments, Cllr Bunday raised personal interest as the CAB were customers of his in a personal business capacity.

Cllr Bunday stated that the draft budget had previously been presented to the Executive at its meeting on 21st December 2023, at which it had been approved for public consultation alongside the draft Housing Revenue Account and Capital Programme. It was reported that an addendum to the main budget report setting out the provisional Local Government Finance Settlement, published shortly prior to the meeting had also been presented and was now incorporated within the Budget.

It was heard that the consultation process had concluded on 26th January 2024 and a summary of feedback received was included as an appendix to the report before members. Cllr Bunday referred to a number of areas of concern and suggestion made by respondents and encouraged all attendees to consider the responses received.

The meeting heard that draft budget had formed the subject of seven sessions of the Corporate Scrutiny Committee starting with the Children's Trust in December and ending on 23rd January 2024, with the committee's feedback considered in the previous agenda item and appended to the report before the Executive.

It was noted that report built on the draft budget proposals and reiterated the key points to ensure that this was a complete document when setting out the revenue budget for 2024-25 and the Medium-Term Financial Plan for North Northamptonshire Council, including the proposed Council Tax level for 2024-25.

The Revenue Budget and Medium-Term Financial Plan were part of a suite of reports that would be considered by Council at its meeting on 22nd February 2024. Also included for consideration would be the Housing Revenue Account Budget 2024-25, the Capital Strategy, Capital Programme 2024-25 to 2027-28 and the Treasury Management Strategy.

Since the draft budget had been presented in December, there had been a requirement to increase the net budget for Adult Services. Although actions have been taken to mitigate a growth of £9.205m it has still resulted in a net pressure of £4.096m.

The meeting noted that during January 2024, 46 MPs had written to the Prime Minister urging that help be given to local government to mitigate pressures being experienced relating to social services. As a result, a further £600m had been made available to local authorities, with details of how this funding, additional fees and charges had affected the overall budget detailed within the report.

The report detailed the level of call upon the Council's reserves which would smooth the impact of the service demand while work was undertaken on further revised service models to be delivered from 2025-26 and into future years. It was noted that that the government settlement was one of funding by growth and not new or increased grant funding. The lobbying of specific MPs to gain additional grant funding was welcomed.

The meeting was advised that the Local Government Provisional Finance Settlement published on 18th December 2023 was a one-year settlement only. Cllr Bunday stated that the failure of government to provide a forecasted settlement over several years had added to the financial pressures, risks, and uncertainties, over the short and medium term, faced by local authorities.

With the additional funding, the settlement assumed an increase of 7.5% in the Core Spending Power for local authorities to meet demand and cost pressures. Whilst this was helpful, elevated levels of inflation and demand growth had resulted in significant pressures across Council services which had outstripped this increase and required further savings to be found. It was also predicated on an expectation that Council Tax levels would be increased by the maximum allowed. The draft budget therefore assumed that the Council would increase Council Tax by 4.99%, 2.99% for the "core" Council Tax and 2% for the Adult Social Care precept.

The proposed Council Tax for a Band D property for 2024-25 would be £1740.22, an increase of £82.71 per year or £1.59 per week. A Band A increase would be £1.06 per week and Band B £1.24 per week.

The final Local Government Finance Settlement was laid before parliament on 5th February 2024 after the report before members had been published. The Council had received further funding of approximately £36,000 above the sums included within this report. It was proposed that the additional funding be used reduce the call on reserves and this would be reflected in the report and recommendations to Full Council at its meeting on 22nd February 2024.

Members were asked to consider the final budget proposal in conjunction with the observations of the Council's Corporate Scrutiny Committee and the wider consultation with our residents and stakeholders and to agree the recommendations set out in the report.

Cllr Bunday offered thanks to all those who had contributed to the budget setting process, noting that setting a balanced budget in an authority of such magnitude was not a straightforward process and took considerable time and effort from many officers and members. Details of the wide range of services provided by the Council to the residents of North Northamptonshire were detailed and it was heard that the budget would underpin the priorities contained within the Council's Corporate Plan.

It was noted that the budget setting process was set against a backdrop of events and circumstances beyond the realm and control of the Council, with Bank of England

base rates remaining at a fifteen year high of 5.25%, with global conflict continuing to impact on utility and food prices. Additionally, many were still living with the effects of the Covid pandemic. Although inflation was falling, the cost-of-living crisis that these pressures contributed to, were still very real for many of the Council's residents.

Members were reminded that although the draft budget as presented was balanced, the Council's Medium-Term Financial position remained incredibly challenging, and it must continue to deliver further transformation opportunities to help create a strong and modern Council delivering quality, cost effective services for the benefit of its residents.

The meeting heard that the budget outlined an estimated net revenue of £763.994m including a Designated Schools Grant of £388.44m. Members were asked to recognise that there was a funding gap of £41.454m for 2025/26 rising to £87.67m by the end of the 2028 budget year. Approximately half of the growth in the Core Spending Power in the government settlement would come from local taxpayers through Council Tax increases, with Full Council having approved the recommendation to maintain the Local Council Tax Support scheme at 25%.

It was heard that the second largest income source for the Council was Business Rates amounting to £110.5m. While the Council had benefitted well under the present Business Rates Retention system due to an above average increase in business growth across its area, the way scheme operated in future years could have major financial implications for the authority. It was noted that the Council could be affected by the resetting of the point from which growth was measured, funding levels, growth of businesses, the number of businesses ceasing to trade or a reduction in collection rate.

It was reported that the Dedicated Schools Grant was a ringfenced grant allocated to Local Authorities by the government to support a range of education related services. The Department of Education (DfE) currently operated a four-block funding model, with the High Needs Block forecasted to overspend at the end of 2023-24. Discussions were ongoing with the School's Forum and the DfE as to how this could be best mitigated.

Cllr Bunday reported that demand-led services were the areas of greatest volatility and carried the highest risk with significant overspends noted for the current budget year in relation to Children's Service and Adult Social Care. It was recognised that safeguarding and care of those most vulnerable in society was important in all the Council did, however, there was a requirement to work hard to stay within available resources so that all services were protected for communities. The meeting heard that tackling overspends and implementing change could take time, with the position potentially deteriorating prior to improvement, however, it was necessary that services reviewed their operations and sought greater efficiencies going forward to ensure long term financial sustainability and the ability to continue to deliver services valued by residents.

Cllr Bunday detailed that background to Northamptonshire Children's Trust who had been delivering children's social care and targeted early help on behalf of North and West Northamptonshire Councils and outlined the funding mechanisms involved. It was noted that initial contract sum for 2024-25 was submitted on 15th September 2023 in accordance with the contract. The Intelligent Client Function had led a working party to undertake a detailed review of the contract submission, this had resulted in a final

contract sum being presented to the Strategic Group at the meeting on 28th November 2023 and agreed by the Northamptonshire Children's Trust Joint Committee in January 2024.

As part of delivering the contract sum for 2024-25, a Transformation and Efficiency Board had been created between the two unitary authorities and the Trust aiming to create systemic improvement in services for children in Northamptonshire whilst driving value for money to ensure that resources were used effectively to support and improve outcomes.

The contract sum for the Children's Trust was agreed at £177.4m, of which North Northamptonshire Council's share was £78.6m. In negotiating the contract sum for the Children's Trust, it was felt that stronger governance arrangements should be put in place to consider and approve transformation business cases, with funding levels for this outlined in the report. The overall contract sum for the Trust had increased from 2023/24 by £32.362m, with the Council's share of this increase being £14.291m.

It was noted that the Children's Directorate draft budget including the Children's Trust reflected a net pressure of £15.231m, of which £14.373m related to the Children's Trust and £858,000 to the Children's Service delivered within the Council.

It was heard that the Adult Social Care draft budget reflected a net pressure of £19.826m, an increase of £4.096m from the draft budget presented to Executive at its December meeting. The main pressures affecting the service were detailed to the meeting, including contractual inflation, increases for independent care placements, provisions for the national living wage as well as general fee movements in line with market factors. In addition, there had been a significant increase in the number of clients requiring care.

The meeting recognised that risk remained in the budget assumptions for Adult Social Care due to the influence of the demand within the system. A reserve had been set aside to help underwrite such risk and to smooth any impact over the longer-term whilst alternative mitigations were sought.

Cllr Bunday reported that the Council's Treasury Management Debt Portfolio and other associated Treasury Management costs were £12.5m and there continued to be risks around the overall cash and loan position for North Northamptonshire Council, not only from a volatile marketplace, but also due to the outstanding legacy audits for 2020/21 and the disaggregation of the opening position from Northamptonshire County Council.

It was reported that in his written statement to Parliament when announcing the Local Government Settlement, the Secretary of State highlighted that local authorities were encouraged to consider, where possible, the use of their reserves to maintain services in the face of service pressures. Cllr Bunday reminded members that CIPFA, as part of their Financial Management code states that a core element of a financially sustainable and resilient council was to maintain a prudent level of reserves with a responsibility on the Council's Section 151 officer to ensure that this requirement was met.

Concluding, Cllr Bunday provided details of the Council's reserves, with meeting noting that the majority of reserves were earmarked for specific purposes or ringfenced, with just over £24m of general reserves held by the Council providing a

working balance to help cushion the impact of unexpected events or emergencies. Cllr Bunday cautioned that once reserves were spent, they were gone and therefore a strategy for replenishing any reserve that was to be used must be in place. The Reserves Strategy included a range for the level of general fund balances to be at a minimum of 5% and a maximum of 10% of the net revenue budget. The level of reserves included within the proposed budget were £24.2m, approximately 6.4% of the proposed net revenue budget of £375.3m.

Cllr David Brackenbury offered thanks to Cllr Bunday for his detailed analysis of the budget as well as the Finance Team for their work in its preparation. Cllr Brackenbury noted that demand-led services were impacting upon every area of the Council, this being a national issue that affected the ability of the authority to fund the statutory demands placed upon it. This issue had been raised with the government and strategic decisions would need to be taken in the fullness of time. It was heard that generation of local growth was key in assisting some of the financial predicaments faced by the Council, with its Big50 vision aiming to articulate that North Northamptonshire was an attractive place to live, visit and set up business.

Cllr Brackenbury noted that all directorates had been extensively scrutinised with spending reigned in as tightly as possible, the recent Spending Panel introduction providing a welcome check where taxpayer funds were spent. Cllr Brackenbury welcomed an increase in statutory planning fees that would add an additional £801,000 into the budget.

Cllr Binley referred to Cllr Hakewill's comment regarding the one-off rental pressure within the Council's Commercial Property Portfolio, noting it was already budgeted for and was common practice within commercial leases. Regarding Cllr Lee's green waste collection comment, it was heard that this was not a statutory service, although new legislation was due to come through requiring such waste to be collected where requested. There was no requirement for this service to be operated free of charge to residents, with most authorities charging for such a service. Cllr Binley reported that the operation of the Council's service was proceeding well, with far greater subscription uptake than originally forecast.

Cllr Gill Mercer welcomed the government's recognition of the pressures affecting Adult Social Services by announcement additional funding that would result in a lower level of reserves being utilised. It was heard that current service demand was unprecedented, and officers were to be congratulated in reducing the overspend with mitigations to reduce pressure on reserves.

Cllr Scott Edwards spoke to note the Children's Services was also demand-led, with pressures affecting the higher needs block for SEND, with work ongoing with the government to increase funding in that regard. Cllr Edwards thanked the officers within the service for the hard work they undertook in putting children's needs at the centre of everything they did.

Cllr Helen Howell welcomed the budget before members, noting that whilst the Council had many statutory obligations resulting in financial pressures, it also wished to encourage people to live, work and play in North Northamptonshire and therefore needed to provide other services that would enhance and enrich residents' lives such as the provision of libraries, heritage assets and open spaces which benefitted the health and wellbeing of residents. Referring to the budget consultation results, Cllr Howell noted that, 44.3% of respondents supported the raising of Council Tax,

indicating residents understood that despite the cost-of-living crisis the Council faced financial pressures too.

Cllr David Howes spoke to reference the Northamptonshire Traveller Unit budget pressure and that an enhanced out of hours service would be impactful in dealing with unauthorised encampments in a timely manner.

Concluding debate, the Chair spoke to note that the Council's financial position was not unique to the authority and offered his thanks to the entire Finance Team for providing a balanced budget in an organisation that provided over 800 services with annual transactions of £1.5bn. It was noted that the Council needed to listen to residents and articulate its concerns regarding statutory service provisions, and the unprecedented demand for those services. The Chair stated that he had written to the Secretary of State to request multi-year settlements for local authorities and to examine funding nationally to enable the Council to deliver its services with sufficient funding to do so. It was heard that lobbying in this regard was ongoing to ensure that Council received the support that both it and its residents deserved.

(Cllr Mark Rowley arrived part-way through debate and therefore did not vote in relation to this item)

RESOLVED

KEY DECISION

That the Executive endorsed the contents of the report and recommended the budget proposals on to Council for approval. This includes:

- a) the 2024-25 revenue budget for approval and adoption as set out in this report, which sets:
 - i. a budget requirement of £763.773m including Dedicated Schools Grant of £388.440m resulting in a net revenue budget requirement of £375.333m as set out in **Appendix A**.
 - ii. a total Council Tax requirement for the Council's own purposes of £201.599m as contained in paragraph 5.25.
 - iii. An average Band D Council Tax of £1,740.22 for North Northamptonshire Council, representing a 2.99% increase in the 'core' Council Tax and a further 2% for the Adult Social Care Precept, noting that a separate Council Tax Resolution Report will be presented to Council.
 - iv. the detailed proposals of savings, pressures and income generation for 2024-25 as set out within the report and **Appendix B**.
 - v. the provisional Dedicated Schools Grant budget of £388.440m for 2024-25, as detailed in **Appendix C**, and summarised in paragraphs 5.42 – 5.56.

- vi. the draft planned use of, contribution to, and movement in, reserves as identified in paragraph 5.57, section 9 and **Appendix D** of this report, subject to the final call on reserves as a result of the Final Financial Settlement or other changes.
 - vii. the corporate budget requirements as set out in paragraph 8.1, including a contingency sum of £4.101m as set out in paragraph 8.2.
 - viii. the Treasury Management Strategy for 2024-25 as set out in **Appendix H**, including the Authorised Borrowing Limit of £907m and to note a further update to the Strategy will be provided once the disaggregation of the former Northamptonshire County Council's Balance Sheet has been finalised.
 - ix. the recommended Flexible Use of Capital Receipts Strategy as set out in Section 10 and **Appendix J**.
 - x. that Council delegate authority to the Executive Member for Finance and Transformation in consultation with the Executive Director of Finance and Performance (Section 151 Officer) to agree any necessary variations to the budget prior to 1st April 2024.
 - xi. that Council delegate authority to the Executive Member for Finance and Transformation in consultation with the Executive Director of Finance and Performance (Section 151 Officer) to agree the use of the following reserves which will provide the flexibility to manage the overall budget during 2024-25.
 - Transformation Reserve
 - Public Health Reserve
 - Waste Management Reserve
 - Adult Social Care Reserve
 - Budget Delivery Reserve
 - Business Rates Retention Reserve
 - General Risk Reserve
- b) the forecast financial position for 2025-26 to 2027-28, noting that this will be reviewed as further information becomes available and updated as part of the budget process for 2025-26 onwards.

That the Executive:

- a) noted that the financial position has been based on the Provisional Local Government Finance Settlement announced on 18th December 2023 together with any further announcements and updates to the forecast budget position as at the date of the publication of this report;
- b) noted the net movement of £3.875m in 2024-25, together with the associated funding, against the draft budget reported to December Executive and as summarised in paragraph 2.5, noting that any impact in the medium term has been reflected in the table under paragraph 5.1;

- c) noted that, at the time of writing, the Final Local Government Finance Settlement is yet to be published and, therefore, some figures may be subject to change;
- d) considered the consultation feedback as summarised in the report and attached at **Appendix E**;
- e) considered the Equality Impact Screening Assessment as at **Appendix F**;
- f) considered the outcome from the Corporate Scrutiny Committee, as detailed at **Appendix G** and any separate representations to this Committee;
- g) noted the legal background for setting the revenue budget and Council Tax as set out in **Appendix I**.
- h) considered the Section 25 Report of the Executive Director of Finance and Performance (Section 151 Officer) as set out in Section 15, including her review of the robustness of the estimates and the adequacy of the reserves;
- i) delegated authority to the Executive Member for Children, Education and Skills and the Executive Member for Finance and Transformation in consultation with the Executive Director for Adults, Health Partnerships and Housing (and Children's Services – Interim) and the Executive Director of Finance and Performance (Section 151 Officer) to approve North Northamptonshire's Schools Funding Formula and to finalise the funding allocation for schools, in line with North Northamptonshire's Schools Funding Formula;
- j) delegated authority to the Executive Member for Finance and Transformation in consultation with the Executive Director of Finance and Performance (Section 151 Officer) to draft the recommended budget resolution for Council in accordance with the necessary legal requirements and to take into account the decisions of the Executive and any final changes and other technical adjustments that may be required;

Reason for Recommendations: To ensure that the Council complies with its Constitution and legislative requirements in setting the budget for North Northamptonshire Council from 2024-25.

Alternative Options Considered – The budgets have been subject to a formal budget consultation and scrutiny and the feedback has been considered as part of this process.

580 Housing Revenue Account (HRA) Draft Budget 2024-25 and Medium-Term Financial Plan Proposals

The Chair invited Cllr William Colquhoun to address the meeting. Cllr Colquhoun raised the issue of void properties within the Council's housing stock and the consequent lack of income. Cllr Colquhoun suggested that the Council could realise a significant saving by turning void properties round in a more efficient manner.

The Chair thanked Cllr Colquhoun for his comments and invited Cllr Lyn Buckingham to speak on this item. Cllr Buckingham also made reference to void properties and the impact on the Housing Revenue Account budget and also the General Fund through temporary accommodation provision.

The Chair thanked Cllr Buckingham for her comments before inviting the Executive Member for Finance and Transformation, Cllr Lloyd Bunday to introduce the report, the purpose of which was to present the proposed Housing Revenue Account budget for 2024-25 and Medium-Term Financial Plan to the Executive.

Cllr Bunday stated that the Housing Revenue Account (HRA) was a separate ring-fenced account within the Council for the income and expenditure associated with its housing stock. It was noted that the HRA did not directly impact on the Council's wider General Fund budget or on the level of Council Tax, with income primarily received through the rents and other charges paid by tenants and leaseholders.

It was reported that the approach to the HRA budget setting had focused on three key areas: -

- Revenue income, rent and service charge levels
- Revenue expenditure plans that reflected service delivery patterns
- Capital expenditure plans that would deliver essential maintenance to the stock as well as ensuring the Decent Homes Standard is maintained and support the new build programme

The Council, at present, operated two neighbourhood accounts for Corby and Kettering, although it was required to move towards consolidating these into one account, with work underway in this regard. It was noted that this amalgamation was a substantial piece of work and would require a 30-year Business Plan to be produced, informed by the Housing Strategy for North Northamptonshire that was currently being developed.

It was heard that the draft HRA budgets had been presented to the Tenants' Advisory Panel on 16th November 2023, and further discussed at its meeting on 18th January 2024 where formal recommendations were made to the Executive pertaining to rent levels and the budget itself. The Corporate Scrutiny Committee were also invited to consider these proposals as part of their wider scrutiny of the budget.

It was noted that alongside the General Fund Budget and Capital Programme, recommendations would be made to Full Council on 22nd February 2024 seeking approval of the 2024/25 HRA Budgets consisting of the Corby and Kettering Neighbourhood Accounts, an increase in dwelling rents for 2024/25 for both the Corby and Kettering, and the HRA Medium Term Financial Plan consisting of the Corby and Kettering Neighbourhood Accounts for 2025/26 to 2028/29.

It was noted that the Council was required by law to avoid budgeting for a deficit on the HRA. Accordingly, the budget must not be based on total HRA revenue reserves falling below zero, with the Council expected to maintain a reasonable balance of reserves to cover contingencies. The Chief Finance Officer reviewed the level of balances required to support the HRA spend annually as part of their risk assessment of the budget, with the assessment indicating that the minimum level of balances,

taking all known risks into account, should remain unchanged at £800,000 for Corby and £650,000 for Kettering, approximately 3.5% of the total budget.

Numbers of Right to Buy (RtB) properties and empty properties had also been taken into account, with the number of RtB sales assumed across 2023/24 and the medium-term for Corby at 40, and for Kettering at 20. It was further assumed that 0.9% of the Corby Neighbourhood housing stock and 2% of the Kettering Neighbourhood housing stock would be void at any one time, and therefore rent could not be charged. This reduced the total income expected to be achieved by £205,000 for Corby and £375,000 for Kettering.

Cllr Bunday reported that acquisition and new-build programmes would increase the quantity of properties within the HRA housing stock, and it was anticipated that within the Kettering Neighbourhood Account a further eight homes would be delivered at The Grange during 2024/25, this part-year effect having been reflected into the revenue account. Further schemes would be reflected in the Medium-Term Financial Plan when there was more certainty around their timed delivery.

It was noted that the HRA budget for 2024/25 showed a balanced position for both Corby and Kettering Neighbourhood Accounts, amounting to an overall budget of £42.425m. The Corby Neighbourhood Account showed a deficit over the period of the Medium-Term Financial Plan to the end of 2027-28 of £736,000, whilst over the same period the Kettering Neighbourhood Account shows a surplus of just over £2m, predominantly arising as a result of the structuring of self-financing loans.

Cllr Bunday stated that to achieve a balanced state, the proposal was for an average rent increase of 7.7%, reflecting the Consumer Price Index +1% and was in line with the recommendations from government, amounting to an average rental increase of £6.68 to £93.42 per week for Corby and £7.05 to £98.58 per week for Kettering. It was noted that the HRA was self-balancing so a smaller rent increase would require reductions in expenditure, as an example, a 1% reduction in rent would result in a cumulative impact on the 30-year business plan of some £11m across both neighbourhood accounts.

Cllr Mark Rowley spoke to reference the hard work of the Council's Housing Team, the budgetary impact of major void properties and damage caused to properties by a very small number of tenants as well as new-build property plans for North Northamptonshire.

RESOLVED

KEY DECISION

That the Executive recommended to Full Council the following:-

- a. The draft 2024/25 Housing Revenue Account Budgets consisting of the Corby Neighbourhood Account and the Kettering Neighbourhood Account as set out in **Appendix A**.
- b. An increase in dwelling rents for 2024/25 of 7.7% which adheres to the Department for Levelling Up, Housing and Communities (DLUHC) formula

on rents for social housing for both the Corby Neighbourhood Account and the Kettering Neighbourhood Account.

- c. The draft Housing Revenue Account Medium Term Financial Plan consisting of the Corby Neighbourhood Account and the Kettering Neighbourhood Account, for 2025/26 to 2028/29 as set out in **Appendix B**.

That the Executive

- d. Noted the forecast reserves for the Corby Neighbourhood Account and the Kettering Neighbourhood Account up to 2028/29 as set out in **Appendix C**.

Reason for Recommendations: To ensure that the Council complies with its Constitution in setting the budget for North Northamptonshire.

Alternative Options Considered: This HRA Budgets have been the subject to a formal budget consultation and comments from the consultation have been considered as part of this process.

581 Capital Programme 2024-2028

The Chair invited Mr Michael Blissett to address the Executive. Mr Blissett spoke to object to a budget line within the Capital Programme 2024-28 regarding a proposed temporary stopping site for travellers at Junction 3 of the A14 Rothwell. Mr Blissett raised concerns regarding the initial and ongoing costs of the project, the assertion that the site would remain unused for extended periods of time and suggested that the topic had not been sufficiently considered by the Council's scrutiny function when referred to them following call-in of the initial approval decision. Mr Blissett suggested a number of alternative sites for the development, stating that these would offer a significant cost reduction over the proposal. Mr Blissett concluded by suggesting there was no government requirement for such a site and that the proposal did not offer best value for money.

The Chair thanked Mr Blissett for his attendance before inviting Mr Dave Thorley to address the Executive. Mr Thorley also spoke to reference the proposed stopping site and suggested that the site would cost a significant sum that could negatively impact other areas of the Council's budget and service offer as well as stating that such a site would have implications for the police.

The Chair thanked Mr Thorley for his comments before inviting Cllr Jim Hakewill to speak. Cllr Hakewill also spoke in relation to the proposed stopping site and raised concerns at the potential loss of green space, noting that it was not too late to remove the funding line from the Capital Programme. It was suggested that that proposal was likely to consume capital and revenue funds outside of best value criteria that could be directed to mitigate pressures on demand-led services. Cllr Hakewill stated that it was not in the public interest to proceed with the proposal and that 25 pages of comments relating to the site concerned had not been provided to either the Executive of the Scrutiny Management Board as part of their considerations.

The Chair then invited Cllr Dorothy Maxwell to address the Executive. Cllr Maxwell referred to village hall grants as well as rural street lighting, SEND capacity and the number of new houses being built by the Council.

The Chair thanked Cllr Maxwell for her contribution before inviting Cllr Buckingham to speak on this item. Cllr Buckingham referred to the Corby Towns Fund spend being less than originally stated across its various individual projects.

The Chair thanked Cllr Buckingham for her attendance and invited Cllr Joseph Smyth to address the Executive. Cllr Smyth spoke to object to the proposed traveller stopping site in terms of value for money considerations and the strong opposition of Rothwell Town Council. Cllr Smyth queried why the proposal was continuing when the site was unlikely to be utilised regularly and suggested that a lack of proper consultation had been undertaken as well as referencing the destruction of a green space. Cllr Smyth concluded by noting that the Council's budget was overspent and requested that the project be cancelled in line with the wishes of the public.

The Chair spoke in response to comments regarding the stopping site, stating that travellers should not be discriminated against, and that creation of a stopping site would offer a dry, sanitary area for travellers entering North Northamptonshire to park up and rest. A significant planning process remained to be completed in relation to the site, at which interested parties could provide their comments on any associated planning application

The Chair then invited the Executive Member for Finance and Transformation, Cllr Lloyd Bunday to introduce a report that set out the baseline Capital Programme for 2024-25 and the indicative Medium-Term Financial Plan for North Northamptonshire Council.

In response to Cllr Buckingham's comments, Cllr Bunday noted that funding for the Corby Towns Fund had been allocated in the previous financial year and therefore appeared to be a reduced amount in the figures for the current year.

The meeting heard that the Capital Programme formed part of the budget consultation process and had been considered by the Corporate Scrutiny Committee in January. The programme, Capital Strategy and Treasury Management Strategy would be considered for approval by Full Council on 22nd February 2024 alongside the General Fund and Housing Revenue Account budgets.

It was reported that the Capital Programme assumed various sources of funding including capital receipts and grants, together with support from external and internal borrowing, which was at the discretion of the Council for essential capital expenditure. The current Capital Strategy was set out as an appendix to the report and demonstrated how the Council would make expenditure and investment decisions in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability, and affordability.

Cllr Bunday referred to the key principles underpinning the report and the governance and approval process of new capital schemes stating that new capital investment would only be permitted if it contributed to the achievement of the Council's strategic priorities.

The Capital Programme totalled £171.8m, consisting of the General Fund baseline programme of £113.1m and Housing Revenue Account (HRA) baseline programme totalling £58.7m. There was also a Development Pool of £169.6m containing scheme indicative of future investment, subject to the completion of satisfactory business case prior to Executive approval and inclusion within the formal programme.

The meeting heard that the General Fund baseline programme included key projects such as highways, disabled adaptations, school improvements and extensions, and various property and environmental projects across North Northamptonshire, together with significant investment in the highway infrastructure network, over and above the Integrated Transport Grant funding.

The HRA baseline programme covered the Kettering and Corby housing stock, together with significant investment of £20.2m proposed for the Housing Development and New Build Programmes.

Cllr Bunday detailed the following new investments that had been put forward as part of the revised main programme from 2024-25 for approval by Council:

- £9m over the three-year period 2024-2027 (£3m each year) funded from borrowing for investment into the highway infrastructure across North Northamptonshire.
- £1.3m across 2024-25 (£164,000) and 2025-26 (£1.136m) to develop a Traveller's Temporary Stopping Site, funded from borrowing.
- £123,000 investment into play facilities at Sywell Country Park during 2024-25, funded through Capital Receipts.
- £749,300 investment into Alfred Street/Tennyson School. This has been moved from the Development Pool to the Main Programme to be funded through DfE Basic Needs grant.
- £125,000 to support the upgrading of the public library network to be met from Capital Receipts.

Cllr Bunday referred to the Minimum Revenue Provision that reflected the minimum amount a Council must charge to the revenue budget each year to set aside a provision for repaying external borrowing. It was heard that there had been an increase in this provision of £1.735m to ensure that the provision was aligned to the Council's policy moving into the medium term.

It was noted that disaggregation of the capital assets, balances and debt were still to be finalised and subject to the final certification audit of the 2020-21 financial accounts for Northamptonshire County Council and Corby Borough Council, and that this may have implications for the current assumptions.

Concluding, Cllr Bunday reminded members that there had been an amendment to the draft budget proposals presented to the Executive at its December meeting. The amendment included reprofiled items within the Capital Programme in 2023/24 across the medium-term Capital Programme for 2024-25 within Public Health and Communities, and a transfer from the Development Pool of £1.75m into Place and Economy for Workspace Transformation.

Cllr Brackenbury spoke to note that the stopping site referred to by speakers had not yet been decided and would undergo a full and proper planning process, but, if approved, would provide a safe space for travellers and provide police with additional

powers in regard to unauthorised encampments. Cllr Brackenbury welcomed the Capital Programme and its ambitious projects that reflected the Council's corporate priorities. Cllr Brackenbury referenced the Shared Prosperity Fund and Towns Fund which would result in material improvements to the lives of visitors, residents and students as well as welcoming work in relation to SEND provision, school improvements and library provision. Concluding, Cllr Brackenbury also noted the inclusion of flood alleviation considerations within the Development Pool.

Cllr Harriet Pentland welcomed the number of projects within the Capital Programme relation to the green environment and sustainability, noting funding for the Treescape and LEVI projects, alongside new play equipment at Sywell Country Park and continued investment into the Homes for the Future project.

Cllr Mark Rowley noted the £57.8m Housing Revenue Account Capital programme, welcoming the continuation of the Homes for the Future project alongside plans to improve heating, energy efficiency, kitchens and bathrooms for the Council's housing stock and further work on major voids.

Cllr Scott Edwards spoke to welcome the £3.489m of funding for the provision of SEND places within schools.

Cllr David Howes spoke in response to comments from speakers regarding the proposed traveller stopping site, clarifying a number of points regarding the weekly charge for those using the site, confirming that there would be no reduction in Council services to pay for the proposal should it be approved and referencing police powers regarding unauthorised encampments.

Cllr Helen Howell referred to the funding for the replacement of Kettering Library roof and noted that the project was now underway with updates to be received by members, stakeholders and the press going forward. Cllr Howell also referred to the Shared Prosperity Fund that would enable the development of the Council's Tourism Strategy to bring additional growth and income into the area as well as the development of a business case for the cultural, heritage and tourism sector that had resulted in a £172,000 saving.

Cllr Matt Binley spoke to reference the funding relating to the Isham Bypass and A43 dualling as being very positive projects that showed the Council's continued commitment to investing in infrastructure and future-proofing North Northamptonshire. Cllr Binley also referred to rural LED streetlighting and the proposed traveller stopping site, with particular reference to highways rights preventing the use of laybys as stopping sites.

RESOLVED

KEY DECISION

That the Executive recommended to Full Council:

- a) the General Fund Capital Programme 2024-28 and HRA Capital Programme 2024-28.

- b) that Council delegate authority to the Executive Member for Finance and Transformation in consultation with the Executive Director of Finance and Performance (Section 151 Officer) to agree any necessary variations to the capital budget prior to 1st April 2024.

That the Executive noted:

- a) the Development Pool 2024-28 and that schemes within the pool will be subject to further approval prior to inclusion in the programme.

Reason for Recommendations: To ensure that the Council complies with its Constitution and legislative requirements in setting the budget for North Northamptonshire Council for 2024-25.

Alternative Options Considered - any comments from the consultation have been considered as part of this process.

Chair

Date

The meeting closed at 12.27pm