

## **Finance and Resources Scrutiny Committee**

Monday 30<sup>th</sup> January 2023

At 7:00 pm in the Council Chamber, The Cube, George Street, Corby. NN17 0QG

### **Present: -**

#### Members

Councillor Mark Pengelly (Chair), Councillor King Lawal, Councillor William Colquhoun, Councillor Jim Hakewill, Councillor Larry Henson, Councillor Richard Levell, Councillor Paul Marks, Councillor Anup Pandey, Councillor Mark Rowley, Councillor Malcolm Ward, Councillor Scott Brown.

#### Officers

J Gotts (Executive Director of Finance and Performance), M Dickenson (Assistant Director), C Edwards (Assistant Director), G Holloway (Assistant Chief Executive), R Atkins (Interim Head of Performance, Intelligence and Partnerships), D Watts (Executive Director of Adults, Health Partnerships and Housing), P Goult (Democratic Services), R Sohal (Democratic Services).

### **85. Apologies**

Apologies for absence were received from Councillors Harrington, Jelley and North.

### **86. Minutes of the meetings held on 18 October 2022**

The minutes of the meeting held on 18 October 2022 were received.

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

- (i) the minutes of the meeting held on 18 October 2022 be approved and signed as a true and correct record of the meeting.

### **87. Minutes of the Meeting held on 13 December 2022**

The minutes of the meeting held on 13 December 2022 were received.

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

- (i) the minutes of the meeting held on 13 December 2022 be approved and signed as a true and correct record of the meeting.

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

No Declarations of Interest were made on this occasion.

### **89. Budget Forecast 2022/23 as at Period 8**

The circulated report of the Executive Director of Finance and Performance was received to inform the committee of the Budget Forecast for 2022/23 as at Period 8, which had previously been presented to Executive at its meeting on 12<sup>th</sup> January 2023.

Assistant Director, Mark Dickenson, presented the report to committee and referenced Appendix A to the report which set out the material financial issues identified since the 2022/23 budget was set in February 2022, based on the income and expenditure as at end of November 2022. The General Fund was showing an overspend of £5.752m and the Housing Revenue account an overspend of £281k.

Members thanked the officers for the clear and concise report and the indication of the risks identified.

Reference was made to the contingency budget for 2022/23, set at £4.760m, and the fact that it appeared to have been used in full after period 7. This presented a real concern as there remained four months of the financial year with no contingency in place. It was noted that the contingency had been used for Salary increments, Maintained Nurseries and energy costs, however, Members asked what would happen if there were further pressures over the coming months and how the contingency would be replenished.

The Assistant Director clarified that the contingency budget had been utilised but that any further pressures would be paid for from reserves to supplement the general fund, with replenishment from the 23-24 budget.

Members expressed that this would not be sustainable in the long term. There was also much concern over the Children's Trust and the potential overspending and continuing impact of increasing social care and how this would affect the budget.

The Executive Director confirmed that there had been a significant inflationary impact generally along with increases to energy costs. Other areas such as Home to School transport had also had an impact. Many of the additional expenses had been unforeseen when setting the budgets. The expectation was that in the first-place reserves would be used.

The committee raised concern over using reserves until they were exhausted and considered that this was not the best way forward and commented that NNC would not be the only council in a similar situation and having to do the same.

It was also noted that the impact of the increases to the Home to School transport would be significant with an additional £7m budgeted for. The Executive Director clarified that there was a review taking place as the service had only been disaggregated in November 2022. Contracts were being reviewed to see if costs could be reduced; transport arrangements which were already in place would not cease. It was also noted that during Covid several transport arrangements changed to 'single user' options which had a significant impact on finances, and this was being reviewed to see if 'multi-user' options could return.

A question was also raised over the impact of pressures on business rates from any High Street liquidations. The Executive Director clarified that there were indications of growth in this area, particularly with the new Prison, and warehousing. Some High

Street businesses were already in receipt of rate relief. The impact would continue to be monitored.

Regarding car parks a question was asked about why a car park in Corby was being rented for staff car parking when there were already spaces available in the town centre. The details were not known, and a response would be provided outside of the meeting.

Reference was also made to the cost of the running of the Corby Pool, which was significant. David Watts, Executive Director Adults, Health Partnerships and Housing, responded to this and informed the committee that work was ongoing to reduce the spend with all lighting being replaced with LED lamps and investigations to reduce the water temperature also taking place, the cost of chemicals had also increased but options would continue to be investigated.

**RESOLVED that: -**

- (i) the report on the Budget Forecast for 2022/23 as at Period 8 be noted.

**90. Performance Indicator report for Corporate Services 2022/23 - Period 8**

The circulated report of the Assistant Chief Executive, Guy Holloway, was received in relation to the performance indicators for corporate services for monitoring period 8.

Appended to the report were the detailed performance indicators along with Human Resources workforce data.

The Assistant Chief Executive presented the report to committee and introduced Rob Atkins, Interim Head of Performance, Intelligence and Partnerships to the committee as the recently appointed officer who would be presenting future reports to the committee.

Members spoke at length about their concerns over the number of vacancies detailed in the data and expressed concern that council tax was being levied to support and potentially pay for these posts which, in some cases, would never be recruited to.

Mr Holloway responded to the concerns and explained how the establishment was set up; he gave an example of an employee who had been seconded to a post for say a year, however, their substantive post would remain on the establishment, as they would be entitled to return to that post after the conclusion of the secondment. There were also many casual posts shown on the establishment for tasks such as delivering newsletters maybe twice per annum, these would show as a vacancy. The methodology of reporting would always show vacant posts. He confirmed that this would be one of the areas that Mr Atkins would be working and reporting on.

Mr Watts, Executive Director, Adults, Health Partnerships and Housing also explained that ERP Gold was somewhat cumbersome to use and produce data, and that it also contained information from all five previous councils. There were several challenges with the system and there was a lot of work going on behind the scenes to ensure that the data was accurate with a cleansing exercise being undertaken of the data.

Members asked for more detailed information to be provided, such as whether a vacant post was to be filled and needed to remain on the establishment, maybe due to

an impending restructure or whether it was a casual vacancy used a few times per year, so that more context could be put into the data received.

They also considered it would be helpful to have information on where and why agency staff would be used and whether agency staff were ever encouraged to join the establishment.

Mr Watts clarified that agency staff, who provided a good level of service to the council, would where appropriate be considered for a permanent position. They also had access to all the internal systems whilst working as agency staff and this detailed permanent vacancies for which they could apply.

He explained that his service area used agency staff when pressures on services called for it. He used the annual Winter Discharge monies received from the NHS, as an example, where for four-month period additional employees were required to carry out the work. In this circumstance he would appoint agency staff to cover that work. Likewise, he recently received money to assist with Ukraine and the Rough Sleepers Initiative. It was not known how long such funding would be available for and agency staff would be appointed to assist.

Members appreciated the information received and understood why this would necessitate the use of agency staff.

Regarding the ERP software members asked if there were any plans to improve the system or change to another provider.

Mrs Gotts, executive Director Finance and Performance, informed committee that NNC had joined in a contract with West Northants, Milton Keynes and Cambridge councils which commenced in 2021 and as such the council would continue to use ERP for the foreseeable. As previously mentioned, there was a review and cleanse of data taking place to ensure the information was accurate.

A lengthy discussion continued about options for better and improved ways to report the information.

The Executive Director of Customer & Governance (HR), Adele Wylie, informed the committee that she would be taking a report to the Scrutiny Commission about the national recruitment and retention issues in both the public and private sector. It was noted that after the Covid pandemic many 50 plus employees had chosen not to return to work and this had left a huge gap in the workplace market. A people plan and recruitment and retention plan would be put in place with thoughts of bringing in apprenticeships and career pathways to encourage people to join and stay in local government.

**RESOLVED that: -**

- (i) the report and comments made be noted.

**91. Maintained Nurseries Supplementary Fund**

The circulated report of the Chair, Councillor Mark Pengelly was received to provide the committee with a summary of the activity undertaken by the Maintained Nursery

Supplement Task & Finish Group and to agree the recommendations to be made to the Executive at its meeting on 9<sup>th</sup> February 2023.

Councillors Mark Pengelly (Chair), Valerie Anslow, Jim Hakewill, Richard Levell, Paul Marks, Steven North and Malcolm Ward had formed the task and finish group. It was noted that due to other commitments both Councillors Levell and North had been unable to attend the various meetings and visits so had withdrawn from the group.

The following had been actioned:

**Finance and Compliance Audit**

An in depth financial/compliance audit of each of the four maintained nurseries has been completed and the final reports with minimal recommendations were agreed with Heads and were circulated to Scrutiny Panel for oversight. All recommendations and actions will be re-visited in spring/summer term 2023.

**Maintained Nursery Schools Review – Task & Finish Group**

The task and finish group had made a visit to each of the nurseries, supported by an officer during the visits and with the compilation of questions and gathering of additional information, the outcome of the visits and questions were summarised for consideration by the panel.

**One-year Transition Grant**

The Council awarded the four maintained nurseries a one-off LA Transition Grant from the Council's Contingency Budget to support the nurseries and ensure their sustainability moving forward. The award was as follows:

- £350k to Pen Green
- £100k each to Croyland, Highfield and Ronald Tree

All grant agreements had been signed, and nurseries were in receipt of funding. The first monitoring meeting had taken place and there was a plan in place to evidence spend of the grant by March 2023. The second monitoring meetings would take place in February 2023.

A meeting with the Chair and Vice Chair of the School Forum had assisted in helping to understand the history and process of previous allocations of MNS funding; and to understand the role of the School Forum in this process. Various YouTube videos were viewed of previous School Forum meetings as part of the scrutiny process.

The report also detailed the background of how Maintained Nurseries had been formed and the history of each of the four within the North Northants area. The options for future funding had also been investigated and details of the findings and recommendations were contained in Appendix 1.

The committee particularly expressed its thanks to officer colleagues for the help given to the task and finish group along with the organisation of the visits to the Nurseries and the support given following the findings of the group. They had found all the nurseries to be of an excellent standard of education for the early years, with staff who were very accommodating.

It was proposed by Councillor Hakewill that an amendment be made to the recommendation at 3.1 of the report; he suggested the removal of the words 'for the de-delegation of the Maintained Nurseries Supplement of the Dedicated Schools

Grant.’ This amendment was seconded by Councillor Marks and on being put to the vote declared carried.

This substantive motion, with this amendment, was put to the vote and declared carried.

**RESOLVED that: -**

- (i) the report of the Maintained Nursery Funding Task & Finish Group be noted and the following approved: -
  - Support be given to the Executive’s decision to adopt a participation-based rate of funding; and
  - The Executive continues to engage with, and offer support to, the Maintained Nurseries, in relation to all aspects of finance outside of the Maintained Nurseries Supplement.
- (ii) officers should continue to work with Pen Green to support it in managing its funding gap moving forward;
- (iii) the decision of the Executive be supported in 2022/23 but that this should be a matter for the Executive to determine in future years.

**92. Budget 2023/24 – Scrutiny Response**

The circulated report of the Interim Democratic Services Manager (Paul Goult), was received to provide the committee with feedback from the budget scrutiny sessions conducted between 6<sup>th</sup> and 23<sup>rd</sup> January 2023.

The report detailed the process undertaken by the Budget Scrutiny Task and Finish Groups, in reviewing the proposed draft budget for 2022-23. Appended to the report were the following notes of the sessions held for the relevant service areas:

Appendix A – Session 1 Children’s Services 6<sup>th</sup> January 2023

Appendix B – Session 2 Place and Economy 17<sup>th</sup> January 2023

Appendix C – Session 3 Enabling Services 18<sup>th</sup> January 2023

Appendix D – Session 4 Adults, Health Partnerships and Housing 23<sup>rd</sup> January 2023

The committee was asked to consider the budget proposals and whether these proposals were robust and to also indicate any areas of concern it had, whilst considering any other priorities that the Executive should consider.

The committee considered the report and appendices provided and felt they should be submitted in their entirety to the Executive.

Reference was made for the need to provide councillors with more detail and information, such as in relation to fees and charges which were expected to result in additional revenue of £227k due to an increase in charges, which needed to be communicated to Members.

It was also commented that when discussing increases or savings the initial base figure needed to be provided so that members could ascertain whether an increase or

saving was of concern. A percentage increase on a small amount was of less concern than a percentage increase on a larger amount so they considered this was necessary for future scrutiny of budgets.

Mr Goult responded to the comments raised and agreed that the base figure was imperative to enable any increases or decreases to be put into perspective.

He also agreed that councillors should be provided with the current fees and charges as soon as possible and that future changes or proposals should be forwarded to them.

Mr Goult also informed the committee that in the Municipal Timetable for 2023-24 provision had been made for Stage 1 and Stage 2 Budget Scrutiny Task and Finish groups to take place.

The Chair referenced the Children's Trust, which had presented to the task and finish group on two occasions. There were very serious concerns about the expected overspend of £5.2m on the NNC budget. For the future much more detail needed to be provided by the Trust to the Executive and officers on an ongoing basis. He asked if this provision could be added to the notes.

The Chair suggested that a small working group meet to discuss the submission to the Executive and enable him to represent the committee at the Executive. Councillors Lawal, Marks and Hakewill, along with the chair, offered to sit on this working group.

The committee thanked Mr Goult and others involved from all services for the information ascertained through the scrutiny task and finish groups, which they had found to be very useful and informative.

It was proposed by Councillor Hakewill that the report and appendices before committee be submitted to the Executive, with the addition of the concerns regarding the Children's Trust, and that the Chair would supplement this with a verbal update at the Executive meeting. This was seconded by Councillor Marks and on being put to the vote declared carried.

**RESOLVED that: -**

The report and appendices before committee be noted and submitted to the Executive, with the addition of the concerns raised relating to the Children's Trust;

- (i) The chair would in addition give a verbal update to the Executive with the findings of the committee;
- (ii) It be noted that provision had been made in the Municipal Timetable 2023-24 for Stage 1 and Stage 2 Budget Scrutiny task and finish groups to meet.

**93. Close of Meeting**

Meeting closed at 8:20 pm.

Chair.....

Date .....