

Finance and Resources Scrutiny Committee

Tuesday 18th April 2023

At 7:00 pm in the Council Chamber, The Cube, George Street, Corby. NN17 1QG

Present: -

Members

Councillors M Pengelly (Chair), W Colquhoun, J Hakewill, R Levell, A Pandey, M Rowley, M Ward, S Brown.

Also in Attendance – Councillor Lloyd Bunday (Executive Member).

Officers

J Gotts (Executive Director of Finance and Performance), M Dickenson (Assistant Director), C Edwards (Assistant Director), D Watts (Executive Director of Adults, Health Partnerships & Housing), T Barden (Head of Performance, Intelligence & Partnerships), R Sohal (Democratic Services), P Goult (Democratic Services).

100. Apologies

Apologies were received from Councillors K Lawal, K Harrington, L Henson, I Jelley, P Marks.

101. Minutes of the Previous Meetings held on 30th January 2023 and 27th February 2023

The minutes of the meetings held on 30th January 2023 and 27th February 2023 had been circulated.

RESOLVED that: -

- (i) The minutes of the meetings of the Finance and Resources Scrutiny Committee held on 30th January 2023 and 27th February 2023 be approved and signed as a correct record.

102. Members Declarations of Interest

No Declarations of Interest were made on this occasion.

103. Budget Forecast 2022/2023 as at Period 10

The report before Members provided details of the Council's forecast for the revenue outturn position 2022/23 which for the General Fund was indicating an overspend of £2,111m based on the information available as at Period 10 (January 2023). With regard to the Housing Revenue Account (HRA) overall there was a forecast overspend of £234k.

Councillor Pengelly raised significant concerns regarding the additional monies required by the Children's Trust and whether officers felt confident that the Trust had necessary systems in place to control its expenditure. It was noted that for Period 11, it was being detailed that the Trust overspend would be £21m, with NNC responsible for covering 44.16% of this. Members and officers registered their concerns that there seemingly was a spiral of increasing expenditure by the Trust.

It was recognised that the Trust had an important role to undertake, against a background of increasing demand on its services and rising costs, however there was concern that both NNC & WNC would see further significant financial risk due to the requirement under contract to support the Trust. These pressures were unlikely to be mitigated.

Councillor Brown noted the report and felt that there were legitimate questions to be asked to the Trust regarding accountability, as clearly the budget projections for 2022/23 were unrealistic and a forecast overspend of £21m was significant.

Councillor Hakewill cited the problems encountered by the former Northamptonshire County Council and these had been inherited by NNC & WNC, but obviously there was now less direct control due to the Trust arrangement. Councillor Hakewill felt it was important not to undermine the progress being made by the Trust and its staff in service delivery, and there was a need for stability at the Trust to address the important challenges that lay ahead.

Councillor Pengelly raised particular concern regarding residential placements and supported accommodation. It was unclear as to how many children were involved and whether the Trust were achieving value for money on accommodation. Officers confirmed they would seek further information as to the number of cases involved and a breakdown of accommodation costs.

Councillor Levell queried how NNC was going to cover this additional expenditure. Councillor Levell noted that whilst additional spend would be required to cover the Trust expenditure obviously there had been compensating underspends elsewhere as the overall General Fund position was an overspend of £2.111m. Had there been compensating cuts in spend in other services areas.

Officers confirmed that there had been no compensating cuts elsewhere and no diminution of service delivery by NNC. Where a significant overspend was identified additional control measures were put in place and clearly all spend across service areas would continue to be monitored to ensure essential services remained operational and value for money achieved. Officers recognised given the significant increases in Trust costs that the Council would need to factor these in over the medium and longer term to achieve a more sustainable position.

Councillor Hakewill raised concerns regarding the additional projected spend on Home to School Transport and sought further background information. The Committee's attention was drawn to the narrative under s.5.42 of the report. Under this item, Councillor Brown queried whether there was a way of engaging with local residents and groups who may be able to assist in meeting the shortage of drivers and passenger assistants. Officers confirmed that the service had been the subject of disaggregation late 2022 and both NNC & WNC were reviewing service delivery options for the medium/longer term. Additional spending pressures had been identified and a review of these was underway. These had been recognised in the budget-

setting process for 2023/24. The Committee further noted that NNC would soon be consulting NNC service users to help inform future considerations of the delivery of this service; WNC had already commenced a consultation process.

In discussion, the Committee noted that for the new Municipal Year it was intended to provide additional information and enhanced layout of financial information to assist future scrutiny. Members thanked officers for the improvements in reporting to date, and welcomed the changes already made. It was noted that s.4.3 of the report provided high-level information by service area, highlighting variations. Subsequent narrative was provided in the report on these variations.

Councillor Hakewill queried you £588k pressure detailed under s.5.44 of the report regarding Bereavement Services. Officers confirmed that this had resulted from a combination of factors including increased utility charges and unrealistic income targets set by legacy councils. These issues had arisen during scrutiny of the 2023/24 budget proposals, and officers confirmed had been taken into account during budget-setting.

Under s.53 of the report, Councillor Pengelly requested details of the level of Energy Support Grant received by NNC from the Government in relation to leisure services. Councillor Pengelly sought detail of the level of Grant received, its apportionment, and what the adjusted pressure on the Corby International Pool would be.

Councillor Brown raised a query seeking clarification of what was covered by “Other” in the two Neighbourhood Accounts (s.6.2 & 6.5 of the report). Officers provided a brief explanation but would follow this up with more detail outside of the meeting.

Councillor Pengelly noted that both Neighbourhood Accounts seemed to be in a reasonably healthy position at this time. Officers agreed, particularly when taken against the current difficult economic circumstances.

RESOLVED that: -

- (i) The report attached as Appendix A be noted.

104. Performance Indicator Report for Corporate Services as at Period 10

The report before Members provided an update on the performance of the Council’s corporate support services as at Period 10 2022/23 as measured by Key Performance Indicators.

The Committee noted that 57% of Indicators were showing GREEN, having met their respective targets. There were some good performing areas including payment of invoices, low level of complaints, response to requests for environmental information etc.

There were three particular areas of concern noted –

- MPS12 % of FOI Requests completed in 20 working days.
- CNC03 Registration of Deaths within 5 days.
- MPS07 Average number of working days lost FTE (long term).

Councillor Brown queried whether considered had been given to adjusting some of the target Performance Indicators. Councillor Brown cited CNC03 Registration of Deaths within 5 days, where NNC were missing its target but was 2nd highest performing authority in the region. Councillor Brown suggested that a target should be achievable.

The Committee noted that some targets were statutory targets and could not be adjusted locally, this may be one such target.

Officers confirmed that going forward they would seek to add to the presentation those targets which were set by Government, and those that were locally set.

Councillor Brown, with reference to MPS11 Agency Spend, noted that no target had been set and wondered whether one should be considered. It was very difficult to forecast agency spend in advance, as often this was to cover sickness absence or vacancy cover. In addition, some agency spend can be linked to one-off Government grant provision.

Councillor Hakewill noted the continuing high level of vacancies and wondered what steps were being taken to alleviate service pressures on staff in-post. Officers confirmed that the use of agency staff provided short-term relief for permanent staff, and the Council had a number of initiatives to promote health and sign-post agencies who can assist staff who felt they needed assistance with their health and welfare.

Officers confirmed that it was difficult to assess how the Council compared with neighbouring authorities as each were different. In addition, the Council only had two-year's worth of data which would not necessarily allow for long-term trends to be clearly identified.

Councillor Pengelly queried MPS02, % of actual spend with local suppliers, and what additional steps could the Council take to try to ensure that local contractors and suppliers were used, thus retaining monies within the local economy. Officers confirmed that the level of "social value" within the procurement process could be utilised, but it was important that any procurement complied with law, financial regulations and was open and transparent. Officers confirmed that a review of the Council's Procurement Strategy was underway, and the issue of "social value" when awarding contracts would be considered.

RESOLVED that: -

- (i) The report and appendices be noted.

105. Verbal Update – Scrutiny Review of ICT

Councillor Rowley provided a brief verbal update on the progress of the review into corporate ICT. There had been two meetings of the task & finish group to date, to assist in setting the parameters of the review with some discussion of timelines.

One of the key areas for scrutiny by the group would be the £3.8m paid by NNC to West Northamptonshire Council (WNC) for provision of ICT services. The group were keen to establish what was provided for the £3.8m and that NNC were receiving value for money. WNC had taken over lead responsibility for a number of legacy systems from the former Northamptonshire County Council (NCC), which were still in operation and used by both WNC & NNC.

Meetings with key officers were being set up including with representatives of WNC. Councillor Rowley also indicated there would be a user survey relating to ICT to be circulated to NNC officers and members.

Councillor Hakewill queried whether the review would extend to ICT services provided to the Children's Trust. It was confirmed that the Trust had a separate arrangement

direct with WNC, although any services provided by WNC would be paid by the Trust from the monies provided by NNC/WNC under the contract with the Trust.

Councillor Hakewill cited examples where perceived poor software and hardware support was a contributory factor to poor morale and motivation quoted by those working in certain service areas e.g. social workers. The Committee noted that separate to the work of the task & finish group, certain capital projects were being investigated to replace existing systems.

With reference to the proposed user survey, Councillor Hakewill queried whether the Trust's staff would be consulted. NNC staff and members would be surveyed, Trust staff would not automatically be consulted as NNC were not the employer.

Councillor Rowley stressed that to complete its tasks, the group was likely to require more time, and to undertake a comprehensive scrutiny process may take 6-months. This was noted by the Committee and it was agreed that the process needed to be thorough. Any final report would be presented to a future scrutiny committee meeting.

106. Verbal Update – Chair's Closing Remarks

It was noted that this was the final meeting of the Finance and Resources Scrutiny Committee prior to the new scrutiny governance arrangements being enacted for the new Municipal Year 2023/24.

Councillor Pengelly (Chair) thanked all Members and officers for their support to the Committee over the previous two years, and to representatives from external partners who had attended and assisted the Committee with its work.

Councillor Pengelly felt that significant progress had been achieved and that this would provide a basis for the new scrutiny structures going forward. Councillor Pengelly stressed the importance of the support received from across service areas from officers.

Councillor Hakewill thanked Councillor Pengelly for his work and guidance as Chair of the Committee.

107. Close of Meeting

Meeting closed at 20:17 pm.

Chair

Date