

Minutes of a meeting of the Finance and Resources Scrutiny Committee

Held at 7.00 pm on Tuesday 16th August, 2022 in the Council Chamber, The Corby Cube, Parkland Gateway, George Street, Corby, Northants, NN17 1QG

Present:-

Members:

Councillor Mark Pengelly (Chair)
Councillor Jim Hakewill
Councillor Ken Harrington
Councillor Larry Henson
Councillor Matt Keane
Councillor Paul Marks

Councillor Richard Levell (Vice-Chair)
Councillor Dr Anup Pandey
Councillor Steven North
Councillor Mark Rowley
Councillor Malcolm Ward
Councillor Lloyd Bunday

Also present:

Members of the Scrutiny Commission – Councillors W Brackenbury, Watt, Anslow, Currall, Z McGhee, A Mercer, G Mercer and Partridge- Underwood as substitute for Cllr Wilkes.

Councillors L Bunday and G Lawman attend as Portfolio Holders.

Officers

Janice Gotts, Executive Director of Finance
Adele Wylie, Director of Governance and HR (Monitoring Officer)
George Candler, Executive Director of Place and Economy (Deputy CEx.)
Graeme Kane, Assistant Director – Highways and Waste
Lisa Hyde, Director of Transformation
Anne-Marie Dodds, Executive Director Children's Services
David Watts, Executive Director Adults, Communities and Wellbeing
Paul Goult, Interim Democratic Services Manger
Carol Mundy, Senior Democratic Services Officer (Committees/Members)
Louise Tyers, Senior Democratic Services Officer
Emma Robinson, Democratic Services Support Officer
(Councillors Lyn Buckingham, Anne Lee and J McGhee also attended as observers.)

56 Apologies

Apologies for absence were received from Councillors Jelley, Lawal, Carter, Shacklock and Wilkes.

57 Members' Declarations of Interest

Members were invited to make a declaration of interest if they wished to do so.

Resolved to note that no declarations were made.

58 Minutes of the meeting held on 21 June 2022

The minutes of the meeting held on 21 June 2022 were approved and signed as a correct record.

59 Garden Waste - Future Service Provision

The circulated report of the Executive Director of Place and Economy, Mr Candler, was received in relation to the provision of the kerbside garden waste collection service and the options for harmonisation and funding of the service in the future.

Mr Candler referenced Table 1 at 7.1.8 of the report and Option A and reported a correction to the figure in the bottom row of the table, to read £1,543.515. He also clarified that there had been over 9,000 responses to the consultation. The report detailed four options that officers had developed to explore costs and operational factors of each funding approach. The resource and financial implications were further detailed at 7.1 of the report.

The report was presented to committee by Graeme Kane, Assistant Director, who detailed the disparity in the arrangements for the garden waste service, between those residents living in the former East Northamptonshire area and the other three former sovereign boroughs of Corby, Kettering and Wellingborough. All households in North Northamptonshire paid for collection through their council tax charge but those in the former East Northamptonshire area are required to pay a subscription charge for the green waste service. Those in Wellingborough only received the service for eight months of the year, rather than 12 months as in other areas.

Following a public consultation, over 9,000 responses had been received, with the full results being provided on-line, with a link provided within the report.

The Executive resolved to defer making a decision on harmonisation to a later date to enable this to be considered through the scrutiny process.

Members of the Scrutiny Commission had been invited to attend this committee, to enable their comments to also be taken into consideration, alongside those of the committee.

The annual net cost to the council of providing the garden waste service was £2.695m, equating to a cost for each household, regardless of whether they used the service, of £22 per year.

If a subscription service was to be introduced, the cost would be set at £40 per bin, per year and this charge would contribute towards the costs of operating the service, thus improving the council's financial position by £2.010m.

A universal 12-month service would create a pressure on the council's budget of £1.543m, plus a mobilisation cost of c£687k.

Officers were aware that not all residents required a garden waste service. Many households did not have a garden, or enough room to accommodate another bin. Others chose to dispose of their garden waste through home composting or by visiting the Household Waste and Recycling Centres.

To contribute towards meeting the financial challenges presented by the medium-term financial plan, and to create equality of service, the report recommended that the service be funded through a subscription charge for a 12-month period. The subscription charge would be £40 per bin, per year. For those who wished to have an alternative sack collection service it would be £12 for 10 sacks (each being 75 litres).

A further cost-effective and environmentally responsible option was to compost garden waste, and this could be promoted by offering subsidised compost bins. There would be a cost implication to the council of offering this service.

The committee was invited to consider the options available to the Executive and the financial implications thereof, for the future provision of the garden waste service. The Chair and Chair of the Scrutiny Commission would then be asked to provide a response to the Executive for consideration at its meeting on 15 September 2022.

The chair thanked Mr Kane for his presentation and opened the debate for discussion.

Members considered the consultation responses in detail, with the majority of responses clearly stating they did not want a subscription service.

Several questions were asked about the practicalities of how a subscription service would be run when potentially not every household would be paying for the service. Mr Kane responded to confirm that the refuse lorries had technology within their vehicles that would indicate to the driver which bins should be collected and a sticker would be provided to residents who had subscribed, which would be displayed on their bin.

The current waste collection contract in East Northants was in place until 2025 and queries were raised around whether changes could be made to negotiate a more favourable contract to reflect changes to the garden waste service. Mr Kane clarified that discussions could take place to reach a suitable outcome dependent on the Executive's decision on the future of the garden waste service.

A question was asked, about what percentage of households put out their bins each week for collection, in areas without a subscription service. Mr Kane explained that this was not a figure that the service was able to provide as the service does not take a note of when residents present their bins.

Members asked why there was a necessity to consider changes in this financial year as this had already been accounted for in the council tax calculation for 2022-23.

It was clarified that it was a political decision to look at the disparity with a view to harmonisation of the service.

It was also noted that the Government previously carried out a consultation on the future of green waste collections and that any decision made could impact the decision that the Executive would make.

Fly-tipping was raised as a potential concern should a subscription service be brought in for the whole of North Northamptonshire. Some Members commented that there had been no increase in fly-tipping in East Northamptonshire when the subscription service had been introduced. It was, however, considered that this would not be the case in other areas and that there would be a dramatic increase in fly-tipping.

Considering the current cost of living crisis, it was felt that this was the wrong time to be discussion subscription charges. The additional cost of £1.5m was money well spent to bring East Northamptonshire in line with others in North Northamptonshire and that the subscription discussion should be put on hold at the present time.

Members commented that those in East Northamptonshire, who paid a subscription, were paying for the service twice, as they paid £55 for their subscription plus £22 in council tax. These residents were subsidising others in North Northamptonshire and the disparity needed to be addressed. It was also deemed unjust that those who did not use the service were contributing via their council tax.

Feedback indicated that households were already choosing between eating and heating and that it was in extremely bad taste that this was being discussed at the current time. The service should be provided to all through the council tax charge.

It was also suggested that those East Northants residents who subscribed to the service would be offered a rebate of council tax. A further suggestion for a rebate to be paid to those who didn't use the service was also made.

Discussions about the provision of the service for either eight or 12 months took place. Mr Kane confirmed that operationally, a 12-month provision could be accommodated.

It was noted that some households with large gardens had two or three bins and it was asked if there would be an additional charge for having additional bins. Taking into consideration the climate emergency, the collection of green waste needed to be encouraged with no additional charges being levied.

Questions were raised over how a subscription charge, if agreed, would be collected and whether appropriate systems for collection would be put in place. Mr Kane clarified that discussions were underway with IT to put in place a direct debit payment option, there were also numerous other ways for households to pay, such as on-line, or via customer services. Regarding additional bins the cost of a bin was £40, and the Executive would decide on whether to make a charge for additional bins. Reference was made to composting, with concern expressed that this could cause combustion – an education programme for households would be beneficial to make sure composting was carried out correctly to avoid fires.

The option to provide compostable 75L sacks/bags for those residents who didn't need or require a bin was discussed and considered favourable.

It was clarified that the bins were the standard 240L size. It was also noted that green waste bins were different colours across North Northamptonshire, and this should be standardised.

Members also commented that they had received several comments from households in the subscription area that they were happy with the current service. They noted that the new service (at £40/yr) equated to only 77p per week. The disparity, however, needed to be addressed.

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The options for consideration in the report were as follows:

Option A – Universal service with no subscription charge operating all year (12 months)

Option B – Universal service with no subscription charge operating during the growing season (8 months)

Option C – Subscription based service operating all year (12 months)

Option D – Subscription based service operating during the growing season (eight months)

Members discussed the options in more detail.

It was proposed that Option A be put to the Executive as follows:

Household garden waste collections be provided to every property in North Northamptonshire irrespective of individual household participation. Each property to be allocated one 240 litre container which will be collected from the point where the property meets the public highway on a fortnightly basis. The garden waste service will be suspended for two weeks over the Christmas and New Year period and residents would be able to dispose of Christmas trees through the service on resumption in January.

In addition, the following to also be included:

- An additional bin be provided, on request, free of charge;
- Households will be offered the option of a paper sack as an alternative to a bin;
- A review of the service be undertaken when the Government's consultation on green waste is concluded.

Some Members considered that Option B was adequate with the service being provided over an eight-month period and one member felt that Option C would be a better alternative for those who wished to have the service.

Concerns were raised over the financial implications and budgetary impact and it was suggested that officers also look at service efficiencies.

The Portfolio Holder, Councillor Lawman responded to some of the concerns raised. Regarding the need to consider harmonisation now, he cautioned that the council could be subject to legal challenge because of the current disparity. A Universal Service in year one would cost £2.62m, which was a substantial sum, and this would considerably impact the medium-term financial plan.

Committee asked if there was a current legal challenge or judicial review against the council and if so what the implications of such would be.

It was clarified that there was no legal challenge. The Director of Governance advised that there was no automatic requirement to harmonise the service, however there was more chance of, and more risk of, a challenge, the longer the period for harmonisation took.

The Executive Director of Finance advised the committee to consider the financial position of the Council and the impact on the budget when making its recommendations to the Executive. She advised that the proposed submission would place a significant additional financial pressure on the Council, and this would need to be met through efficiencies and/or income generation elsewhere.

The Chair and Chair of the Scrutiny Commission would submit the following to the Executive for consideration:

- That a Universal service, with no subscription charge, operating all year (12 months), be provided;
- That multiple bins be provided free of charge;
- That paper sacks be provided for those who do not require a bin;
- That a review be carried out, once the Government's consultation on Green Waste was concluded.

Reasons:

- The current disparity was unfair;
- Harmonisation of the service was required;
- The views of the 9,000 plus residents, who had responded to the consultation, were taken into consideration;
- The current impact of the financial crisis on those living in North Northamptonshire.

Resolved that the Chair and Chair of the Scrutiny Commission present the committee's findings to the Executive on 15 September 2022.

60 Revenue Budget - Draft Outturn Forecast 2021/22

The circulated report of the Executive Director of Finance was received setting out the draft outturn forecast for 2021/22 (period 12) as previously present to the Executive at its meeting on 14 July 2022.

The Executive Director of Finance presented the report to committee.

The forecast outturn position for the general fund showed an underspend of £1,771k, being a net reduction of 137k from the position reported in period 11. The Housing Revenue account detailed an underspend of £538k. The report set out the reasons for the movements against the budget.

Committee welcomed the report and the information relating to the underspend and savings. Reference was made to the smoothing reserves and particularly to the provision set aside for Home to School Transport of £2.500m. The Executive Director of Finance clarified that the increase in the cost of school transport was highlighted as a potential future pressure on budgets to be considered as part of the development of the medium-term financial plan.

A question was raised over point 5.23. The Executive Director for Adults clarified that there had been additional temporary measures put in place in response to the Covid-19 pandemic. A query was raised regarding the accuracy of the narrative and this would be discussed further outside of the meeting.

Reference was also made to the net underspend of £872k on salaries. It was explained that budgets were always put in place for a full establishment allowing for a vacancy (turnover) factor.

Resolved that the report and comments made be noted.

61 Capital Outturn 2021/22 - Draft Outturn as at Period 12

The circulated report of the Executive Director of Finance was received to set out the draft Capital Outturn 2021/22 as presented to the Executive on 14 July 2022.

The Executive Director of Finance presented the report to committee.

The report set out the position on the capital programme for 2021/22 compared to budget. This showed an underspend of £57.9m on the general fund and £15.7m for the Housing Revenue Account. The Executive Director of Finance highlighted the level of slippage in her introduction and some of the main causes for this, which included that some legacy projects were budgeted for in full at the time of approval, whilst others were profiled over the likely period of delivery. The position on the carry forward of slippage from 2021/22 to 2022/23, together with the in-year budget approval for 2022/23 demonstrated the requirement to further examine the deliverability of the programme.

Committee commented that slippage on the capital programme did not look good and had a knock-on effect on the cost of projects coming forward and progressing. The Executive Director of Finance advised that work was taking place with directorates to review the position in 2022/23 and beyond, which included an assessment of the delivery of each project.

Reference was made to the administration and monitoring of Section 106 monies, as it was noted that such funds were at risk if not spent in line with the requirements of the agreements. It was confirmed that, an internal audit had been undertaken of the position on S106 agreements and that an action plan was being finalised to address the recommendations. Reference was also made to the Community Infrastructure Levy and the Director of Place would respond to this outside the meeting.

Resolved that the report and comments made be noted.

62 Budget Forecast 2022/23 as at period 2

The circulated report of the Executive Director of Finance was received to set out the budget forecast 2022/23 as at period 2 and as presented to the Executive on 14 July 2022.

This was based on the income and expenditure as at end of May 2022 and of the view of the budget managers. The forecast position for the General Fund was showing an overspend of £237k, with an underspend of £257k for the Housing Revenue account.

The Executive Director clarified that there was expected to be further challenges around inflation, which was continuing to rise. The Employer pay offer had been proposed but was yet to be agreed and would present an additional pressure to the budget, which would need to be considered against available contingency in year.

Concern was expressed over the increasing cost of home to school transport and the Executive Director for Place and Economy responded regarding the position and that the service was due to disaggregate and was under review but that there were challenges in the current environment.

A question was asked as to whether payments to the Grant Maintained Nurseries had been made. The Director of Children's Services confirmed that some payments had been made but that not all the nurseries had completed and returned their

documentation yet. Once they did so payments would be finalised. She further advised that she would share the details of the payments to date with the committee.

Resolved that the report and comments made be noted.

63 Performance Indicator Report for Corporate Services 2022/23 - Period 2 (May)

The circulated report of the Assistant Chief Executive was received to provide the following information, provided as appendices to the report:

- Summary Performance Indicator report for Corporate Services Period 2 (May 2022);
- Detailed Performance Indicator report for Corporate Services Period 2 (May 2022);
- Human Resources Workforce Data Report Period 2 (May 2022)

Reference was made to the number of vacancies reported as 866 full time equivalents with some directorates having considerable numbers of vacancies.

The Director of Adults, Communities and Wellbeing Services explained that in his service area, there was a legal requirement for certain posts to be staffed at all times. Consequently during school holiday times, where permanent staff wished to take annual leave, there were positions on the establishment to account for these periods.

Similarly, in the elections area, there would be posts on the establishment for polling station and count staff, which may only be called on in an election year, but which remained on the establishment.

This was a process used in most large authorities and was therefore not unusual and was always the best use of resources and time to keep services operational.

There was, however, a 'cleansing process' being undertaken to remove any posts that were no longer required.

A member suggested that it would be useful to reflect this in future in the performance reporting. Officers would investigate this.

Resolved to note the report and comments made.

64 Verbal update on Maintained Nurseries

The Chair reported on the progress made in relation to the review of the Maintained Nurseries. In discussion with officers an action plan was in place with dates agreed to visit the nurseries in September and report back in due course.

Resolved that the update be noted.

65 Close of meeting

The meeting concluded at 9.55pm.

Chair

Date