



North  
Northamptonshire  
Council

# **Annual Budget Scrutiny Report for 2025/26**

**Budget Scrutiny Panel, Corporate Scrutiny Committee**

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## **Foreword from the Chair of the Corporate Scrutiny Committee**

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I am pleased to present the findings of this Budget Scrutiny Report for 2025/26, a culmination of the Panel's diligent analysis and collaborative working. The report thoroughly examines the Council's draft budget for 2025/26 and financial plans to manage both internal and external service pressures, taking into account demographic changes and the need for operational efficiencies and enhanced financial resilience. Where possible, the Team have considered the findings and recommendations of the Local Government Association (LGA) 2024 Peer Review Report, concluded and [presented](#) to the Council on 5 December 2024.

The Budget Scrutiny Panel would like to warmly thank the Council's Section 151 Officer and Finance Team for their timely provision of financial reports, documents in preparation for the budget scrutiny sessions and for providing answers to our myriad of probing questions. We recognise the sheer hard work of the Corporate Leadership Team which has achieved a balanced budget this year despite a looming budget gap. The Panel is assured that given the constraints and challenges – external and internal – the Council will act swiftly and decisively to ensure financial resilience.

As North Northamptonshire Council continues to navigate its transformative journey, this report highlights the importance of balancing statutory responsibilities, such as delivering vital services and maintaining high standards, with the imperative to achieve long-term financial sustainability amid economic constraints. However, one of the recommendations of the Panel is to revisit the original Blueprints for Transformation worked on and developed by the Shadow Authority prior to vesting day.

This report, through robust scrutiny and positive stakeholder engagement, provides recommendations to achieve long-term financial stability, strengthen strategic vision and enhance services in alignment with the Council's Medium-Term Financial Plan (MTFP).

The recommendations presented in this report for approval have been developed through a robust evidence-led approach, focusing on areas of governance, financial resilience, treasury management, innovation and service delivery. Critical friend analysis has also highlighted pockets of good practice that can be shared as areas of excellence.

I and the Budget Scrutiny Panel extend my gratitude to the Leader of the Council, Executive Members and senior officers, whose insights and dedication have been invaluable. Special thanks go to the Interim Scrutiny Manager and scrutiny team for their professional advice and support throughout the process.

**Councillor Lyn Buckingham**

Chair of the Budget Scrutiny Panel and Corporate Scrutiny Committee

## 1. Executive Summary

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This Budget Scrutiny Report for 2025/26 reflects the rigorous and evidence-based examination undertaken by the Budget Scrutiny Panel to assess North Northamptonshire Council's (NNC) draft budget proposals 2025/26.

Through constructive challenge, professional collaboration and a focus on transparency, the Panel has sought to ensure financial resilience, enhance governance and align the budget with the Council's strategic priorities and Medium-Term Financial Strategy (MTFP).

The report synthesises insights from detailed reviews of the General Fund (GF), Housing Revenue Account (HRA), Dedicated Schools Grant (DSG), Capital Programme, Treasury Management and Directorate Budgets. It captures systemic challenges, strategic opportunities and recurring patterns while providing targeted recommendations to address financial risks and service pressures.

### Objectives of the Budget Scrutiny Process

- Evaluate and challenge the robustness and sustainability of the proposed budget.
- Identify systemic risks and key opportunities to enhance financial resilience and drive innovation.
- Deliver constructive, evidence-led recommendations to strengthen governance and enhance service delivery.
- Align scrutiny with the Council's statutory responsibilities, long-term strategic vision and key priorities.

### Draft Budget 2025/26 Key Highlights:

• Net Revenue Budget	<b>£400.7 million</b> (excluding Dedicated Schools Grant)
• Budget Pressures:	<b>£51.6 million</b>
Adult Social Care	£23.7 million
Children's Services	£6.2 million
Place & Economy	£9.4 million
Public Health / Communities	£0.3 million
Enabling & Support Services	£6.0 million
Corporate	£6.0 million
• Savings & Income Proposals	<b>£26.3 million</b>
• Council Tax	<b>£10.2 million</b> up by 4.99% including the ASC Precept
• Capital Programme	<b>£180.4 million</b> (2025-2029)

### Post Local Government Settlement Update

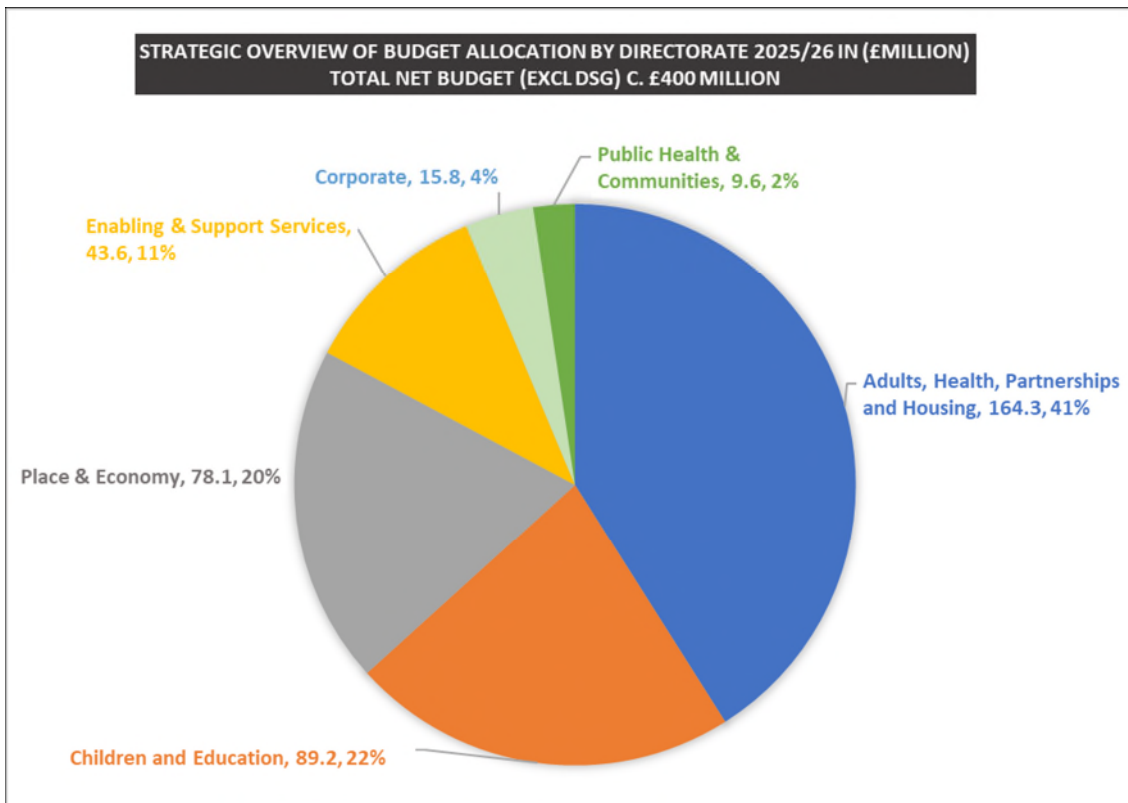
Since the Draft Budget 2025/26 proposals were shared with the Budget Scrutiny Panel, the Post-Financial Settlement Budget Update has resulted in a net funding reduction of **£0.241 million**. While this represents a relatively small adjustment to the overall budget, the following funding changes have occurred:

- **New Homes Bonus:** Increased by **£0.136 million**
- **Business Rates Funding Baseline:** Increased by **£0.956 million**
- **Revenue Support Grant:** Increased by **£0.365 million**
- **Recovery Fund:** Decreased by **£3.384 million**
- **Social Care Grant:** Increased by **£1.048 million**
- **Children’s Services Prevention Grant:** Increased by **£0.638 million**

These changes have resulted in the provisional settlement being **£0.241 million** less than the amount reported to the December 2024 Executive. To address this shortfall, a review of the original inflationary assumptions for the Waste Management Contract has been undertaken which has been reduced from **£0.746 million** to **£0.505 million**, offsetting the funding reduction.

### Strategic Overview of Budget Allocation by Directorate

The allocation of the Council’s budget prioritises high-pressure areas, such as Adults and Children’s Services, which together account for approximately 63% of the net revenue budget. This focus reflects the Council’s commitment to safeguarding essential services while balancing competing priorities across other directorates. The chart below provides a budget allocation by directorate in draft budget 2025/26.



A pie-chart showing strategic overview of 2025/26 budget allocation by directorates

## 2. Key Findings

### a. Financial Sustainability and Efficiency

- Investment in high-pressure areas like Adult Social Care (£23.7 million) and Children’s Services (£6.2 million) must be supported by rigorous savings, monitoring and delivery mechanisms. Delivering the £26.3 million savings

target requires enhanced monitoring, contingency reserves and proactive management to ensure timely delivery and avoid overruns.

- Council Tax increases (£10.2 million, up by 4.99%) are vital for balancing the budget. However, diversifying revenue streams and delivering innovative efficiencies are critical to strengthening financial resilience over the long term.

## **b. Governance and Risk Management**

- The expiration of statutory overrides on pooled investments, require strengthened oversight to mitigate future challenges.
- Lender Option Borrower Option (LOBO) loans stand at £37 million – the [principle of a LOBO loan for local authorities](#) is that the opening rate is usually cheaper than borrowing from the Public Works Loans Board (PWLB). At pre-determined future dates, such as every five years, the lender has the option to propose or impose a new fixed rate for the remaining term of the facility and the borrower has the option to either accept the new imposed fixed rate or repay the loan facility. At that point the authority would need to refinance at whatever terms were available, likely to be higher than the opening rate.
- Collaborative working, particularly between the Audit & Governance and Corporate Scrutiny Committees, is essential for addressing systemic risks and enhancing financial controls.
- Service Plans: Understanding how the Council plans to spend its budget to achieve its ambitions, has been a learning curve for the budget scrutiny process this year. As part of the deliberations, we considered the impact of the budget and whether the service plans drive the budget or the budget drives the service plans, as well as our understanding of our responsibilities as members of the Panel.

## **c. Operational Service Pressures**

- Persistent demand and external cost increase pressures in Adult Social Care and Children's services require targeted reviews, tailored interventions and investment to support vulnerable people in alternative ways and secure long-term sustainability.
- Rising service-level pressures across all directorates highlight the need for prioritisation, operational efficiencies, innovation and consistent performance monitoring to balance quality and affordability.

## **d. Savings, Performance Monitoring and Revenue Generation**

- Significant underperformance to projected savings identified in the draft budget exceeding 10% should trigger a review at the directorate level to prevent further financial drift.
- Aligning savings delivery with the MTFP and budget priorities is important to address structural funding gaps.
- Asset rationalisation, capital investment and targeted revenue generation initiatives will reduce reliance on reserves and enhance financial sustainability.

## **e. Strategic Planning and Innovation**

- The £180.4 million Capital Programme presents opportunities for innovation and revenue generation but requires continued scrutiny to ensure affordability and alignment with the MTFP.
- Embedding ESG (Environmental, Social and Governance) principles into decision-making will align financial planning with the Council's climate and social objectives.
- One Council: Embedding collaborative approaches across the Council's directorates can unlock efficiencies, particularly in cross-cutting areas like shared services and customer-facing operations.
- Original Blueprint of the Council: A review of the Blueprint developed by the Shadow Authority should be undertaken so that the vision for the new Council aligns with those principles. Examples which Panel members were keen to explore include Access Hubs, Adult Social Care and One Stop Shops.

## **3. Summary of Budget Scrutiny Process**

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The Budget Scrutiny Panel undertook a comprehensive and systematic review of the Council's draft budget for 2025/26 and the MTFP.

After each Phase 1 Directorate-specific budget scrutiny session, the Panel conducted a debriefing session to evaluate whether additional information was required for Phase 2, identify opportunities to enhance the budget scrutiny process and discuss relevant observations, potential recommendations and actionable points.

After completing all sessions, the Panel conducted a comprehensive review of the discussions and responses to the original key lines of enquiry. This review informed the development of more specific key lines of enquiry based on the latest information. The Interim Scrutiny Manager consolidated the Phase 1 findings into a newly developed budget scrutiny recommendation and action tracker, which the scrutiny team shared with each Directorate to foster proactive and positive collaboration in their investigations and preparation for Phase 2.

### **Phase 1: Strategic Overview of In-Year Analysis and Challenges**

Phase 1 leveraged in-year monitoring reports, insights from the previous budget cycle and targeted presentations to assess key issues, evaluate long-term financial sustainability and address immediate pressures requiring action:

Analysing corporate risks, governance frameworks and major budgetary pressures  
Identifying cross-cutting themes, key lines of enquiry and actionable focus areas for deeper investigation in Phase 2.

### **Phase 2: Draft Budget 2025/26 and Medium-Term Financial Plan (MTFP)**

Phase 2 focused on scrutinising the draft budget for 2025/26 and the MTFP for 2026/27 to 2029/30, emphasising directorate-specific challenges and opportunities. Dedicated sessions for each directorate concentrated on:

- Service-specific pressures and risks
- Potential efficiencies, innovations and strategies to align with long-term financial goals
- Areas requiring further refinement or prioritisation to support sustainable service delivery

## Directorate-Level Scrutiny

Key areas included:

- **Children’s Trust Contract Uplift:** Reviewing the annual contract uplift for the Children’s Trust, focusing on achieving improvements, evaluating proposals and implementing investment-to-save initiatives.
- **Enabling and Corporate Services:** Reviewing efficiency measures, workforce restructuring and IT investments.
- **Place and Economy:** Examining infrastructure investment, planning enforcement backlogs and revenue generation opportunities.
- **Public Health and Communities:** Addressing health inequalities and community programme investments.
- **Children’s Services:** Focusing on safeguarding, SEND transport costs and service improvements.
- **Adults, Health, Partnerships and Housing:** Addressing service demand pressures and savings delivery in Adult Social Care.

## Key Outcomes of the Scrutiny Process

The findings and insights from this structured process underpin the recommendations and thematic areas outlined in subsequent sections. While some overlap exists with the Key Findings section, this segment highlights process-driven achievements and strategic focus areas that supported the development of actionable recommendations.

- Critical interventions identified include SEND transport pressures, treasury management risks and service-level reviews.
- Governance recommendations were developed to enhance financial accountability, risk management and operational transparency. Some of these recommendations were informed by the key areas identified in the LGA 2024 Peer Review Report.
- Evidence-led recommendations were developed to address immediate pressures while promoting long-term sustainability through robust planning and monitoring mechanisms.



- The following timeline highlights the final key steps in the budget approval process:

Date	Action
27 January 2025	Corporate Scrutiny Committee reviews and approves the Budget Scrutiny Panel report
31 January 2025	Budget Scrutiny Panel Report submitted to Executive
6 February 2025	Budget considered by the Executive
10 February 2025	Suggested date for a written Executive response to Budget Scrutiny Panel's recommendations before the final budget is presented to Full Council.
20 February 2025	Full Council approval of the final budget 2025/26

#### 4. Statutory Context and Background

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The Budget Scrutiny Panel operates within a robust statutory framework, ensuring that the Council's financial planning and budget-setting processes comply with legal requirements and best practice.

Effective budget scrutiny ensures North Northamptonshire Council's budget-setting process meets high standards of transparency, accountability and fiscal responsibility. It aligns financial proposals with statutory requirements, corporate priorities and the needs of residents.

##### Legal Framework

The budget-setting and scrutiny process is governed by statutory requirements and best practice guidance:

- **Statutory Guidance on Overview and Scrutiny for Councils, Combined Authorities and Combined County Authorities (2024):** Emphasises effective scrutiny to strengthen governance and ensure robust decision-making.
- **Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code (FM Code, 2019):** Provides guidance for sustainable financial management in local authorities, ensuring prudent stewardship of public funds.
- **Accounts and Audit Regulations 2015:** Mandates preparation, approval and publication of annual accounts to ensure transparency and accountability.
- **Public Services (Social Value) Act 2012:** Requires consideration of economic, social and environmental well-being in commissioned services.
- **Equality Act 2010 (including the Public Sector Equality Duty):** Mandates integration of equality considerations into decision-making, advancing opportunity and fostering good relations.

- **Local Government Act 2003:** Establishes the framework for capital finance, accounting and budgeting, including prudential borrowing limits.
- **Local Government Act 2000:** Introduces the scrutiny function as a mechanism to promote accountability and transparency in decision-making.
- **Local Government Act 1999 (Best Value Duty):** Imposes a duty to secure continuous improvement in the Council's functions, balancing economy, efficiency and effectiveness.
- **Local Government Finance Act 1992:** Requires the Council to set a balanced budget with regard to the advice of its Chief Finance Officer (Section 151 Officer).
- The Council must also adhere to the CIPFA Prudential and Treasury Management Codes, ensuring financial sustainability and prudent decision-making.

### **Governance and Accountability**

- Part 4.1 of the Council's Constitution ('Scrutiny Procedure Rules') authorises the Corporate Scrutiny Committee to establish panels such as the Budget Scrutiny Panel to focus on financial and budget matters. Acting as a critical friend, the Panel ensures alignment of financial decisions with strategic priorities and statutory obligations.

### **5. Membership of the Budget Scrutiny Panel**

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The Budget Scrutiny Panel comprises the entire membership of the Corporate Scrutiny Committee, ensuring full cross-party representation and a balanced approach to financial scrutiny.

The Panel's membership approach aligns with best practices outlined in the Centre for Governance and Scrutiny (CfGS) Financial Scrutiny Practice Guide. This inclusive structure guarantees that all political groups have the opportunity to contribute to the budget scrutiny process, fostering diverse perspectives and collaborative decision-making.

The Panel's collective expertise ensures rigorous examination of the budget proposals and their alignment with the Council's strategic objectives and compliance with statutory responsibilities. By involving the full membership of the Corporate Scrutiny Committee, the process reflects transparency, inclusivity and adherence to governance best practices.

The members for the 2025/26 Budget Scrutiny Panel were:

- Councillor Lyn Buckingham (Chair)
- Councillor Scott Brown (Vice-Chair)
- Councillor Leanne Buckingham (from November 2024)
- Councillor Martin Griffiths (until January 2025)
- Councillor Anne Lee (until November 2024)
- Councillor Paul Marks
- Councillor Andy Mercer
- Councillor Steven North

- Councillor Dr Anup Pandey
- Councillor Russell Roberts

The Panel has successfully brought a wide range of perspectives contributing to a robust and balanced scrutiny process.

However, it was felt that the Panel would benefit from inviting the chairs of, or agreed representative from, all of the Scrutiny Committees as well as the Audit and Governance Committee. The rationale of this suggestion was to capture specialist expertise from their respective areas and non-duplication of examination.

## 6. Strategic Analysis

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This analysis delves into the core areas of financial planning, including the General Fund, Council Tax, Housing Revenue Account (HRA), Dedicated Schools Grant (DSG), Capital Programme and Treasury Management. These components are pivotal to delivering a balanced budget for 2025/26 and effective financial planning for future years. Building on the budget scrutiny process this year and the expertise of the Budget Scrutiny Panel, this section evaluates critical financial pressures, investment priorities and sustainability measures. These insights lay the foundation for the recommendations and inform the next steps in the timeline for budget scrutiny and setting.

### General Fund

The General Fund underpins the Council's ability to deliver essential services and comprises five main income streams: council tax, business rates, government grants, fees and charges and prudent use of reserves. Together, these revenue sources fund services such as education, adult social care, children's services and environmental management.

### Council Tax

The authority proposes a 4.99% increase in council tax, including a 2% adult social care precept, which would generate an additional £10.2 million. This increase brings the Band D rate for 2025/26 to £1,827.06 — an annual rise of £86.84 (£1.67 per week). The increase provides stability amidst inflationary pressures while supporting strategic priorities. The Local Council Tax Support Scheme remains unchanged, continuing to offer a 75% discount for eligible households and providing essential support for financially vulnerable residents.

### Housing Revenue Account (HRA)

The HRA is a ring-fenced account dedicated to the income and expenditure associated with the Council's housing stock. The Panel examined a number of considerations including:

- **Rent Increase:** A proposed 2.7% increase is expected to generate £41.2 million in rent, a £261k rise from 2024/25, noting that the previous year included 53 weeks of rent.
- **Financial Stability:** The HRA remains balanced over the medium term. As a ringfenced budget, the HRA cannot be overspent.

- **Strategic Investments:** Initiatives include improving housing standards through Decent Homes programmes, reducing spending on day-to-day repairs and meeting decarbonisation and energy improvement targets.
- **30-Year Business Plan:** A comprehensive plan, aligned with the Council's housing strategy and national priorities, will address local housing challenges and support long-term financial planning. Aligning strategies with the budget scrutiny timetable would be more productive and provide for effective scrutiny. For example, a new Housing Strategy is planned to be brought to the Executive in March 2025, but the Panel has not had oversight of those plans and how the HRA will use the budget effectively.

### **Dedicated Schools Grant (DSG)**

A ring-fenced Dedicated Schools Grant, supports schools, early years and educational settings. Allocated across four funding blocks — Schools, Central Schools Services, High Needs and Early Years — the 2025/26 allocation has been updated as follows:

- Initial allocation: £414.5 million.
- Final allocation: £427.219 million (+£12.720 million), reflecting adjustments to growth funding, pupil numbers and participation rates.
  - **High Needs Block:** Decreased by £383k due to adjustments in the number of pupils with special educational needs.
  - **Central Schools Services Block:** Reduced by £4k due to changes in pupil numbers.
  - **Early Years Block:** Increased by £12.397 million due to higher participation rates and increased hourly funding rates.

This updated funding will be incorporated into the final budget report for presentation in February 2025.

### **Capital Programme**

The Capital Programme outlines the Council's investment priorities for 2025–2029, totalling £180.7 million. Key projects include:

- Infrastructure upgrades (£43.6 million).
- Educational expansions (£27.9 million).
- Housing development and regeneration (£36.6 million).
- Digital infrastructure (£8.2 million).
- Electric Vehicle (EV) infrastructure (£2.6 million).
- Disabled facilities improvements (£8.1 million).

The programme focuses on deliverability, strategic alignment and affordability, ensuring community benefit and environmental sustainability.

### **Treasury Management and Financial Sustainability**

Treasury management underpins the Council's financial resilience, with a focus on borrowing, investments and associated risks:

- **Borrowing Portfolio:** Total borrowing of £432.4 million includes £385.2 million from the Public Works Loan Board (PWLB), £37 million in LOBO loans and £10 million in fixed-term loans.
- **Investment Balances:** Ranging from £168.9 million to £239.9 million in 2023/24, investment performance exceeded projections.
- **Risks and Mitigation:** The expiration of the statutory override on pooled funds by March 2025 presents risks, with mitigation plans including diversification strategies.
- **Compliance:** Investments align with the Prudential Code to ensure affordability and sustainability.

## Historical and Current Financial Context

The MTFP approved as part of the 2024/25 budget provided valuable insight into the financial challenges anticipated for subsequent years. Historical projections at the time identified the following indicative budget gaps, underscoring the importance of strategic long-term financial planning:

### Indicative Budget Gaps (2024/25 MTFP)

Financial Year	Net Budget Requirement (£'000)	Gap/Savings Requirement (£'000)
2024/25	375,333	0
2025/26	410,962	41,454
2026/27	442,131	60,867
2027/28	475,122	87,670

The updated 2025/26 MTFP maintains a balanced budget for the current financial year but highlights significant projected shortfalls in subsequent years. These updated projections reflect refinements based on more recent assessments and the evolving financial landscape:

### Updated Projections (2025/26 MTFP)

Financial Year	Projected Gap (£'000)
2026/27	32,976
2027/28	53,013
2028/29	73,619

## Summary of Key Insights and Observations

### 1. Addressing Financial Pressures

- Demand-led services such as adult social care (£18–£22 million annually) and children’s services (£4.5 million annually) face increasing pressures due to demographic changes and inflation.
- Projected financial gaps in the MTFP highlight the need for robust oversight; proactive and realistic budget planning.
- The election of a new Government in July 2024 brings new expectations regarding governmental income, along with rising cost pressures for contracted goods and services.

## **2. Income Generation and Financial Resilience**

- The proposed 4.99% council tax increase will generate £10.2 million while maintaining support for vulnerable households through the Local Council Tax Support Scheme.
- Expanding revenue streams is vital to reduce reliance on reserves and ensure financial sustainability.

## **3. Strategic and Sustainable Investments**

- Capital projects must prioritise deliverability and affordability, with a focus on aligning investments with environmental and community goals.
- Treasury management risks, including refinancing and pooled fund investments, require proactive mitigation to safeguard financial sustainability.

## **4. Strengthened Oversight and Collaboration**

- Regular budget reviews, Budget Board meetings and Assurance Meetings are essential to address variances early and foster accountability.
- Enhanced scrutiny mechanisms, supported by earlier and more inclusive public engagement aligned with the Gunning Principles, will promote transparency and better-informed decision-making.

## **5. Proactive Financial Planning**

- Efficiency savings, innovative income generation and service adjustments are necessary to maintain financial sustainability while delivering quality services.

## **6. Data Intelligence and Artificial Intelligence (AI)**

- Embracing and developing new insights into data capture and applications, along with the increasing use of AI, is already having a positive impact on the Council. This area of growth will improve financial stability and help identify where savings and spending can be directed to have the greatest impact.

## **7. Social Return on Investment**

- Throughout the budget scrutiny process, we have heard positive stories about investing in and growing the workforce through investment and development. This is an area where having a greater vision, plans and collaborative working with our contractors could address issues of skills gaps and staffing.

## **8. Reserve Planning**

- Budgets are continuously expanding and contracting. Good reserve management needs to be understood by all members of the Council.

Based on the evidence examined and responses to key lines of enquiry by the Panel, this analysis, grounded in Centre for Governance and Scrutiny (CfGS) and CIPFA best practice, provides a solid foundation for the recommendations and timeline that follow.

## **7. Timeline for Budget Setting and Budget Scrutiny 2025/26**

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The Council is statutorily required to set a balanced General Fund Budget and determine Council Tax levels for 2025/26 at its meeting on 20 February 2025. Additionally, it must approve a balanced Housing Revenue Account (HRA) Budget, including rent levels and adopt a Capital Programme for both the General Fund and HRA.

The budget-setting timetable — subject to adjustments for government announcements or other mitigating factors — was agreed as follows:

<b>Date</b>	<b>Activity</b>
During Year	Budget monitoring reports produced and presented to Executive and Corporate Scrutiny Committee.
28 October to 21 November 2024	Phase 1 of budget scrutiny process.
30 October 2024	Autumn Statement delivered.
5 November 2024	Children's Trust - Business and Budget Plan proposals discussed at the Operational Commissioning Group.
14 November 2024	Children's Trust - Business and Budget Plan proposals discussed at the Strategic Commissioning Group.
30 November 2024	Children's Trust – Draft Budget Proposals agreed.
2 December 2024	Children's Trust - Scrutiny to review the Trust's budget.
w/c 16 December 2024	Provisional Local Government Finance Settlement announced.
19 December 2024	Draft Budget 2025/26 presented to Executive; formal consultation commenced.
6 to 20 January 2025	Phase 2 of budget scrutiny process.
15 January 2025	Latest date for the Council to seek approval of the Children's Trust contract sum.
16 January 2025	Budget update by Section 151 Officer to the Executive following the Local Government Finance Settlement.
24 January 2025	Formal consultation ends at midnight.
6 February 2025	Final Budget Scrutiny Report, updated budget reports presented to Executive.
20 February 2025	Final Budget presented to Full Council for approval.

The Budget Scrutiny Panel was of the view that the budget scrutiny process should start earlier, particularly in light of contract sum negotiations relating to the Children's Trust's budget.

## 8. Directorate Budgets

The Budget Scrutiny Panel conducted a comprehensive review of the financial and operational challenges faced by various directorates.

### Strategic Funding Shifts

Applying a strategic budget scrutiny perspective, the Panel examined the emergent funding shifts from the last to this financial year. The table below illustrates the significant shifts in funding between 2024/25 and 2025/26, highlighting a total net funding reduction of £25.353 million. Key changes include increases in Council Tax (£13.236m), Extended Producer Responsibility (£6.652m) and the Business Rates Funding Baseline (£5.355m). This is partly offset by a net gain in the Business Rates Collection Fund (£6.173m). This insight, detailed below, underscores the financial challenges and opportunities arising from year-on-year funding adjustments, emphasising the importance of strategic resource allocation to manage pressures effectively.

Funding	2024/25 £000	2025/26 £000	Change in Funding £000
New Homes Bonus	(2,610)	(3,223)	(613)
Business Rates Funding Baseline	(110,525)	(115,880)	(5,355)
Business Rates Collection Fund	(2,764)	3,409	6,173
Council Tax	(201,599)	(214,835)	(13,236)
Council Tax Collection Fund	(1,986)	(2,297)	(311)
Revenue Support Grant	(6,121)	(6,588)	(467)
Extended Producer Responsibility	0	(6,652)	(6,652)
Social Care Grant	(23,842)	(27,767)	(3,925)
Social Care - Market Sustainability and Improvement Fund	(4,444)	(5,522)	(1,078)
Children's Services Prevention Grant	0	(2,018)	(2,018)
Improved Better Care Fund	(11,523)	(11,523)	0
Discharge Funding	(2,693)	(2,693)	0
Social Care Workforce Fund	(1,078)	0	1,078
Services Grant	(396)	0	396
Rural Services Delivery Grant	(46)	0	46
Transfer to / (From) Reserves / FUCR	(5,706)	(5,097)	609
<b>Total</b>	<b>(375,333)</b>	<b>(400,686)</b>	<b>(25,353)</b>

*Table showing breakdown of funding shifts 2024/25 to 2025/26 (£000)*

The Panel also reviewed the mechanisms to address financial pressures and examined savings totalling £25.6 million through diverse income streams and operational efficiencies to ensure financial stability. A visual representation of both pressures and savings is provided below:



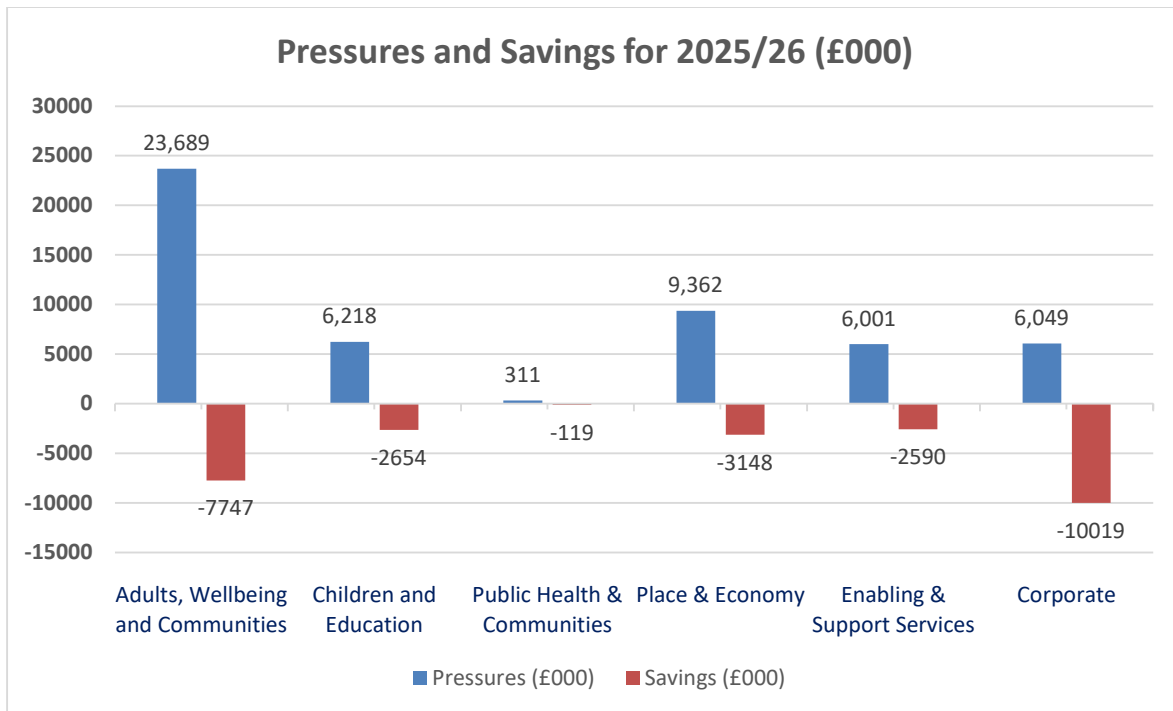


Chart providing a visual representation of key contributors to balancing pressures and savings.

## 9. Budget Scrutiny Timeline

The timeline below highlights key scrutiny milestones, ensuring continuous engagement and informed decision-making through structured activities:

Date	Activity
28 October to 21 November 2024	Phase 1: In-year financial performance review, with sessions including Service Directors and the Children's Trust to inform the requirements for 2025/26.
22 November 2024 to 6 January 2025	Panel consideration of requested information to inform Phase 2.
2 December 2024	Phase 2: Budget Scrutiny of the Children's Trust.
12 December 2024	All-Member Budget Briefing.
6 to 21 January 2025	Phase 2: In-depth review of all Directorate Budget Proposals, including rigorous scrutiny of draft budget proposals and HRA rent increase consultation with tenants' forums.
23 January 2025	Concluding session of the Budget Scrutiny Panel.
27 January 2025	Final Budget Scrutiny Panel Report submitted to Corporate Scrutiny Committee and onward to Executive.
6 February 2025	Final Budget Scrutiny Report presented to Executive.

## 10. Key Findings (Phase 1)

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The Budget Scrutiny Panel conducted an in-depth review during Phase 1, focusing on the analysis of in-year financial performance, emerging pressures and constructive key lines of enquiry to develop a foundation for subsequent scrutiny and strategic recommendations at the conclusion of Phase 2. The findings are summarised below by thematic areas:

### a. Education and Children's Services

- **Financial Pressures:** Significant costs were identified for placements of 16-17-year-olds and care leavers, requiring targeted cost control and oversight.
- **Transformation Activities:** Emphasis on local provision development and strategic partnerships to improve efficiency and outcomes.
- **Workforce Strategy:** Ongoing efforts to reduce reliance on agency staff through robust recruitment and retention strategies.
- **Increased Demand:** A 24% rise in contacts to the Multi-Agency Safeguarding Hub (MASH) and a 38% increase in Section 47 investigations were noted as critical challenges.
- **Children's Trust:** Key areas for scrutiny included: Progress against the improvement plan; Value for money in service delivery; Financial sustainability of the Trust model; and Alignment of spending with improvement objectives.
  - The Trust faces a noted pressure of £3.5 million related to contract costs for 2025/26.
  - Scrutiny focused on aligning financial performance with service improvement goals.
  - Contract discussions required agreement on the proposed contract sum by 30 November, with internal approval by 15 January.

### b. Enabling and Corporate Services

- **IT Investments:** Consolidation of data rooms and infrastructure upgrades aimed at enhancing efficiency.
- **Workforce Planning:** Utilisation of the apprenticeship levy and promotion of careers in local government to address workforce gaps.
- **AI Systems:** Exploration of AI technologies to improve customer service.
- **Financial Pressures:** Challenges such as housing benefit overpayments due to Universal Credit migration were identified.

### c. Adults, Health Partnerships and Housing

- **Demographic Growth:** Pressures from increasing demand by younger and older adults with complex needs were highlighted.
- **Provider Market Risks:** Challenges included provider hand-backs, failures and workforce demands.
- **Debt Recovery:** Emphasis was placed on supporting vulnerable residents before pursuing debt recovery.
- **Service Improvements:** Initiatives like the Shaw Healthcare pilot were noted for enhancing efficiency and outcomes.

#### d. Place and Economy

- **Financial Pressures:** Increased demand for home-to-school transport and staffing resources.
- **Growth and Regeneration:** Efforts were focused on ensuring necessary infrastructure in sustainable urban extensions.
- **Highways and Waste Management:** Recruitment, retention and environmental impact posed challenges.
- **Capital Programme:** Significant projects were scrutinised for forecasting accuracy and managing slippage.

#### e. Public Health and Communities

- **Substance Abuse and Mental Health:** The interlink between substance abuse, mental health and homelessness was monitored closely.
- **Reserve Commitments:** Managing reserves to ensure long-term sustainability.
- **Community Safety:** A comprehensive review of CCTV systems and funding for community safety initiatives was undertaken.
- **Inflationary Pressures:** Strategies to address the impact of inflation on staffing and service costs were explored.

### 11. Key Findings (Phase 2)

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Following the publication of Draft Budget 2025/26 on 19 December 2024, the Panel undertook an in-depth and structured budget scrutiny of the budget proposals as outlined below:

#### Enabling and Corporate Services

The Phase 2 scrutiny of Enabling and Corporate Services highlighted critical challenges and priorities, including financial monitoring, digital inclusivity and managing transformation delays:

- **Financial Monitoring:** Strong oversight is essential to achieve the proposed £26.3 million savings, particularly for demand-led services like adult and children's social care.
- **Digital Inclusivity:** The Council must balance digital transformation with traditional communication methods to support all residents, including those preferring non-digital channels.
- **Transformation Delays:** Workforce restructuring and IT infrastructure delays must be addressed urgently to accelerate efficiency gains.

#### Place and Economy

The Phase 2 scrutiny of Place and Economy highlighted critical challenges and priorities, including highway repairs, Home to School Transport and planning enforcement:

- **Financial Stability:** Strong oversight is needed over the budgets for highways maintenance, planning enforcement and Home to School Transport.

- **Workforce Planning:** Restructures and recruitment must continue to maintain good progress.
- **Performance Monitoring:** Changes to government targets, including the collection of soft plastic waste.

## Children's Services

The Phase 2 scrutiny of Children's Services highlighted critical challenges and priorities, including Education Health Care Plans, DSG and High Needs Block and the impact of COVID-19 on special needs:

- **COVID-19 Impacts:** Early help interventions are needed to mitigate future demand for SEND due to children experiencing the long-term effects of COVID-19.
- **Financial Sustainability:** Risk of not investing in early help would lead to escalating costs and pressures.
- **Enhancing Local Partnerships:** Vital to support the early help model by integrating community-based approaches and collaboration with the voluntary sector.

## Adults, Health Partnerships and Housing

The Phase 2 scrutiny of Adults, Health Partnerships and Housing services highlighted critical challenges and strategic priorities, including demographic growth pressures, evolving care models and cost management:

- **Demographic Growth and Service Pressures:** Significant growth in demand for older adults and younger adults with complex needs necessitates refined forecasting models and targeted interventions, particularly in rural areas with limited-service availability.
- **Long-Term Care Contracts:** Existing care contracts require adjustments to align with modern care demands and maximise efficiency. Preparations are underway to explore future options for service delivery post-2034.
- **Transport Policy and Enablement Initiatives:** A review of transport services aims to promote independence through community-based and cost-effective solutions, particularly for younger adults, with implementation planned in the next financial year.
- **Cost Management and Contingency Planning:** Proactive commissioning and reassessment of care packages are critical to managing high-cost placements and financial risks. The Council has set aside contingency reserves to address unforeseen pressures.
- **Future Care Models and Housing Investments:** Development of extra care housing to reduce reliance on residential care aligns with financial sustainability

and resident preferences. Investments in community-based care solutions are being prioritised.

## Public Health and Communities

The Phase 2 scrutiny of Public Health and Communities highlighted key challenges and strategic priorities, centred on mitigating funding pressures, advancing public health initiatives and ensuring service resilience. In its examination, the Panel placed a strong emphasis on bolstering financial sustainability, improving health outcomes and fostering collaborative approaches. This comprehensive focus aimed to ensure that Public Health and Communities services remain robust, responsive and aligned with the evolving needs of local populations, even amid economic uncertainties and changing health demands.

- **Funding Uncertainty:** The ring-fenced public health grant (£19m) and additional revenue streams face financial challenges due to inflation and temporary funding arrangements. Strong oversight and contingency planning are essential.
- **Service Priorities:** Key initiatives include mobilising new contracts for sexual health services, addressing substance misuse funding uncertainty and advancing the Health and Wellbeing Strategy with a focus on smoking cessation, mental health and financial resilience.
- **Pandemic and Health Emergency Planning:** Maintaining a £2m contingency fund for potential pandemics and disease outbreaks is critical to safeguarding public health.
- **Collaborative Working:** Strong partnerships with the voluntary sector, health providers and community groups will support the delivery of tailored, preventative health services across the region.

## 12. Engagement and Collaboration

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The Panel carefully examined a wide range of documents, including the Draft Budget 2025/26, Medium-Term Financial Plan (MTFP), Capital Programme, Housing Revenue Account, Treasury Management papers, directorate presentations, previous public consultation feedback and insights from previous scrutiny reports.

The Panel also engaged with the decision-makers to build a robust evidence base for its key findings and recommendations. For example, the Panel engaged with the Executive Members, Section 151 Officer, Finance Team, Executive Directors and their teams, as well as the Interim Scrutiny Manager to ensure clarity and accountability throughout the process.

A bespoke budget briefing, prepared by the Interim Scrutiny Manager in consultation with the Chair of Corporate Scrutiny Committee, provided a structured perspective to Panel Members. This briefing highlighted potential key lines of enquiry and resultant emergent themes to guide the Panel's evidence-led discussions and recommendations. Feedback from members and stakeholders helped ensure that the proposed budget aligned with residents' priorities while balancing corporate objectives, financial stability and statutory responsibilities.

## Public Consultation

Public consultation is a critical component of the budget-setting process, ensuring that the voices of North Northamptonshire's communities are heard and considered.

The Budget Scrutiny Panel acknowledges that a budget consultation undertaken by the Council started on 19 December 2024, running until midnight on January 24th, 2025. The budget consultation process (ongoing at the time of writing this report) aims to gather feedback from various stakeholders, including residents, businesses and community groups, to shape the final budget proposals. Final feedback from the ongoing public consultation will be incorporated into the Executive's decision-making process. Public consultation feedback will provide critical insights into resident priorities before the final budget proposals.

### 13. Equality, Diversity and Inclusion (ED&I)

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Robust monitoring and consultation processes actively engage communities to address emerging concerns and ensure budget proposals are inclusive. These mechanisms align with the Council's Public Sector Equality Duty, reinforcing its commitment to equality and fair treatment.

The budget proposals have been assessed to ensure compliance with the Equality Act 2010, which mandates the Council to have due regard to eliminating discrimination, promoting equality and fostering good relations.

The [Equality Screening Assessment \(ESA\)](#) has been conducted to evaluate the impact on protected groups, ensuring that the budget supports the Council's commitment to inclusivity and fairness. Key areas of focus include:

- **Protecting Service Levels**

- **Objective:** Ensure that essential services, particularly in adult social care and children's services, are maintained and enhanced to support vulnerable residents.
- **Current Efforts:** The Council has prioritised maintaining service levels despite financial pressures, recognising the importance of these services for vulnerable groups.

- **Local Council Tax Support Scheme**

- **Objective:** Support vulnerable residents by providing financial relief.
- **Current Efforts:** The scheme has been retained with continued 75% council tax relief, providing crucial support to low-income households and helping to alleviate financial hardship.

- **Investment in Adult Social Care**

- **Objective:** Enhance specialist care provision and support strength-based working to improve outcomes for service users.
- **Current Efforts:** Significant investments have been made to improve specialist care services and to empower service users. Commissioning teams are having a positive impact on procuring services to meet specialist needs.

- **Reviewing Fees and Charges**
  - **Objective:** Recognise inflationary impacts while ensuring accessibility and fairness in the application of fees and charges.
  - **Current Efforts:** Scrutiny may wish to consider this in-depth.
- **Monitoring and Consultation.**
  - **Objective:** Ensure ongoing monitoring and consultation to address any emerging concerns and to prevent disproportionate impact on protected groups.
  - **Current Efforts:** The Council has established mechanisms for monitoring and consultation, actively engaging with communities to understand and address their concerns.

The Council is committed to ensuring that the final budget promotes equality and inclusivity, supporting the diverse needs of communities.

## **14. Emergent Themes from Budget Scrutiny (Phases 1 and 2)**

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Drawing from the detailed findings of Phase 1 and Phase 2, as well as overarching analysis General Fund (GF), Housing Revenue Account (HRA), Dedicated Schools Grant (DSG), Capital Programme, Treasury Management and Directorate Budgets, the following emergent themes highlight systemic challenges, recurring patterns and strategic opportunities. These themes synthesise insights from scrutiny sessions, public consultations and directorate-level reviews, providing the critical foundation for actionable recommendations.

### **1. Financial Monitoring and Sustainability**

- **Enhanced Oversight of Savings Delivery:**
  - Monitoring the £26.3 million savings target requires robust mechanisms, including expanded service-level KPIs, monthly assurance meetings and contingency reserves to address unforeseen pressures in demand-led services like Adult Social Care.
  - Broader financial trends from the General Fund highlight the importance of aligning savings delivery with the MTFP to ensure balanced and sustainable outcomes.
- **Treasury Management and Strategic Risks:**
  - £37 million LOBO loans and the expiration of statutory overrides on pooled investments require ongoing risk management to maintain fiscal stability.
  - Strategic diversification of income sources is critical to ensuring resilience in the face of evolving financial risks.
- **Revenue Diversification:**
  - While the 4.99% Council Tax increase (£10.2 million) supports the budget framework, exploring innovative income generation opportunities remains essential for reducing pressure on residents and building long-term financial sustainability.

## 2. Governance and Risk Mitigation

- **Strengthened Oversight Structures:**
  - Collaborative governance between the Audit and Governance Committee and Corporate Scrutiny Committee is essential for maintaining robust financial controls and addressing systemic risks.
  - Positioning Enabling and Corporate Services budget scrutiny sessions as a key final review ensures cross-cutting risks and transformation delays are identified and addressed constructively.
- **Transparency in Decision-Making:**
  - The Capital Programme (£180.4 million) would benefit from enhanced monitoring dashboards to track progress and ensure alignment with Environmental, Social and Governance (ESG) principles. Transparent reporting can also demonstrate value for money to stakeholders.
- **Long-Term Care Contract Planning:**
  - Preparations for managing long-term care contracts post-2034 are underway, exploring options that align with evolving care needs and financial sustainability.

## 3. Service-Level Pressures and Innovation

- **Adult and Children's Social Care and SEND Challenges:**
  - Persistent financial pressures in Adult Social Care (£23.7 million) and SEND transport costs highlight the importance of operational efficiencies and tailored interventions. Demographic trends point to the need for enhanced care models, such as extra care housing and community-based solutions.
  - Reassessing high-cost care placements and improving commissioning practices are essential for balancing quality and cost-effectiveness.
- **Digital Transformation Opportunities:**
  - AI-driven automation and IT upgrades offer opportunities to improve efficiency, particularly in resource-intensive areas like Adult Social Care assessments. A phased pilot programme could evaluate effectiveness and scalability before wider implementation.
- **Transport Policy and Enablement Initiatives:**
  - A revised transport policy aims to encourage independence through cost-effective, community-based transport options, particularly for younger adults. This approach aligns with financial sustainability goals while prioritising resident empowerment.

## 4. Capital Programme and Strategic Investments

- **Innovation and Income Generation:**
  - Leveraging the £180.4 million Capital Programme provides opportunities for innovation and sustainable income generation. Strategic alignment with long-term priorities ensures that these investments yield both community and financial benefits.
  - ESG-aligned infrastructure projects can deliver long-term value while meeting community and environmental objectives.



- **Environmental and Sustainability Goals:**
  - Embedding ESG principles into decision-making supports the Council's climate objectives and reflects public expectations for environmentally responsible governance.

## 5. Children's Services and NCT Enhancements

- **Workforce Development:**
  - Addressing capacity challenges through targeted workforce strategies and reducing reliance on agency staff remain critical for long-term efficiency and service improvements.
- **Data-Driven Planning:**
  - Dashboards to track spending, outcomes and alignment with the NCT MTFP will provide stronger oversight and accountability.
- **Cost Efficiencies in Placements:**
  - Establishing targeted programmes to manage placement costs and negotiate improved service contracts can enhance financial resilience while maintaining service quality.

## 6. Directorate-Level Priorities and Community Impact

- **Place and Economy:**
  - Funding for Waste Education, planning enforcement and procurement functions addresses immediate operational needs and supports long-term strategic objectives.
  - Expanding Graduate Planning Apprenticeships builds capacity and aligns with the Social Value Act's objectives.
- **Public Health and Communities:**
  - **Funding and Financial Resilience:** Seek new funding for substance misuse programmes post-2026, with resources allocated for grant applications.  
Inflation and Contingency: Integrate inflation adjustments into budgets and maintain a £2m emergency reserve.  
Projection Updates: Plan for demographic and financial scenarios through 2029/30.
  - **Health and Wellbeing Priorities: Strategy Delivery:** Focus on smoking cessation, mental health and financial resilience.  
Mental Health Services: Enhance 0-19 services, prioritising underserved communities.  
Vaccine Uptake: Combat misinformation with targeted education and rural outreach initiatives.
  - **Community Engagement and Partnerships:** Develop a resident engagement strategy within Local Area Partnerships (LAPs) and Integrated Care Board (ICB).  
Tailored Services: Partner with Voluntary and Community Sector (VCSs) for rural and preventative health services.  
Leisure Facility and Playing Pitch Strategies reflect the importance of aligning service delivery with resident demand.

- **Tourism, English Heritage and Economic interconnectivity:**  
Chester House and heritage assets sustainability ensures these investments provide tangible community and economic benefits.
- **Adults, Health Partnerships and Housing:**
  - Investments in extra care housing reduce reliance on residential care and support sustainable, community-based care models.
  - Enhanced domiciliary care services and tailored interventions address localised needs, particularly in rural areas.

## 7. Stakeholder Engagement and Public Consultation

- **Inclusive Consultation Mechanisms:**
  - Consultation processes that adhere to the Gunning Principle can foster meaningful public engagement and align decision-making with community priorities.
  - Public feedback highlights the importance of demonstrating how budget allocations translate into tangible benefits for residents.

These emergent themes synthesise findings from all aspects of the scrutiny process, offering a balanced and evidence-based framework for addressing systemic challenges and leveraging strategic opportunities. The following recommendations, after the conclusion section, directly respond to these themes, focusing on practical and measurable solutions.

## 15. Conclusion

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This year's scrutiny process has further strengthened the Council's approach to financial and operational planning. The recommendations in this report build on the solid foundations already established, offering evidence-based enhancements that address systemic challenges and support long-term financial sustainability.

This Budget Scrutiny Report for 2025/26 reflects a rigorous, collaborative and forward-thinking approach. Through detailed analysis of the MTFP, HRA, DSG Treasury Management Strategy and the Capital Programme, it identifies opportunities to refine existing strategies, mitigate risks and ensure resources are directed towards achieving the Council's statutory and strategic objectives.

The report aligns with best practices outlined by the LGA 2024 Peer Review Report, the CfGS and the CIPFA. It underscores the importance of meaningful consultation and inclusivity in decision-making, ensuring residents' needs remain central to the Council's statutory and strategic obligations.

The Budget Scrutiny Panel invites the Executive to adopt these recommendations as part of its continued commitment to transparent and effective governance. A formal response to the Chair of the Corporate Scrutiny Committee will ensure clear accountability and demonstrate a shared dedication to delivering a sustainable, equitable and impactful budget. By incorporating these enhancements, North Northamptonshire Council can strengthen its financial resilience, optimise service delivery and support the communities it serves.

## 16. Draft Recommendations

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The Budget Scrutiny Panel commends the Executive and the Section 151 Officer for their diligent preparation of the draft budget for 2025/26. Building on this robust foundation and following a comprehensive scrutiny process from October 2024 to January 2025, the Panel presents the following evidence-based recommendations to enhance the Council's financial resilience and to align with its strategic priorities. The Panel invites the Executive to adopt these recommendations as part of the final budget proposals. To ensure transparency, collaboration and adherence to best practice, the Panel requests a formal written response addressed to the Chair of the Corporate Scrutiny Committee, to be provided in advance of the February Budget Council meeting.

### 1. Financial Resilience and Long-Term Planning

- **Savings Monitoring:**
  - Implement directorate-level dashboards for monthly savings monitoring to track the £26.3 million target effectively. Oversight should be provided by a Budget Board (Local Government Association 2024 Peer Review, Recommendation 2; Centre for Governance and Scrutiny: Financial Scrutiny Guidelines, 2023).
  - Define variance thresholds (e.g. deviations exceeding 10%) to trigger automatic corrective actions.
  - Provide quarterly updates to the Corporate Scrutiny Committee, detailing:
    - The status of the 10 largest savings initiatives.
    - Progress dashboards/update linked to the Medium-Term Financial Plan (MTFP) and final budget.
    - Update on significant underperformance to projected savings identified in the final budget exceeding 10%.
- **Revenue Generation:**
  - Prioritise large-scale capital projects within the Capital Programme that deliver sustainable, long-term returns and income generation opportunities (Chartered Institute of Public Finance and Accountancy (CIPFA): A Practical Guide for Local Authorities on Income Generation, 2019; Local Government Association (LGA): Enterprising Councils: Supporting Councils' Income Generation Activity, 2018)
- **Medium-Term Financial Plan and Deficit Management:**
  - Develop directorate-specific strategies to address the £53 million forecast deficit by FY 2027/28, focusing on high-pressure areas such as Adult Social Care (£23.7 million) and Children's Services (£6.2 million).
- **Treasury Management:**
  - Mitigating impacts from statutory overrides on pooled investments (Chartered Institute of Public Finance and Accountancy (CIPFA): Prudential Code for Capital Finance, 2021).

### 2. Governance and Stakeholder Engagement

- **Committee Collaboration:**
  - Foster collaboration between the Audit and Governance Committee and Corporate Scrutiny Committee by aligning scrutiny timelines to avoid

duplication (Centre for Governance and Scrutiny: Financial Scrutiny Practice Guide, 2020/23).

- Raise awareness of defined roles clearly: Audit and Governance Committee focuses on financial controls and risk management, while Corporate Scrutiny Committee leads on, inter alia, policy development/alignment, scrutiny and resource allocation and scrutiny (Chartered Institute of Public Finance and Accountancy (CIPFA): Financial Management Code).
  - The Budget Scrutiny Panel would benefit from inviting chairs of, or agreed representative from, all Scrutiny Committees as well as the Audit and Governance Committee. The rationale of this suggestion is to capture specialist expertise from their respective areas. This should be reflected in time for next year's budget scrutiny.
  - Budget scrutiny for the Children's Trust should start earlier – at the end of August and beginning of September to allow for meaningful understanding and insights into what had been achieved and what is planned for the future in terms of contract asks and budget setting.
- **Children's Services Oversight:**
    - Establish a dedicated Children's Services Scrutiny Committee to enhance oversight and improve outcomes for vulnerable children and families. This aligns with the Local Government Association 2024 Peer Review, Section 4.2, which emphasised the need for robust governance in high-priority areas. (**Good Practice note:** Children's Services are leveraging advanced analytics to pinpoint opportunities for greater savings. Data analysis has focused on the top 20% of high-cost users, successfully identifying over £2 million in potential savings. This innovative approach demonstrates how data-driven insights can enhance financial efficiency while maintaining service quality, an approach that can be replicated in appropriate areas across the council.)
- **Consultation Mechanisms:**
    - Strengthen the application of the Gunning Principle to ensure consultations and pre-consultations are meaningful, inclusive and timely. Develop feedback loops to address resident concerns and incorporate public input into the budget process (Local Government Association: The Gunning Principles; Centre for Governance and Scrutiny: Financial Scrutiny Practice Guide, 2023).
- **Scrutiny of Future Drafts Budgets:**
    - Future scrutiny of draft budget proposals should include an overarching budget scrutiny session on the cumulative impact of these proposals on North Northamptonshire Council as a whole.
    - Strengthen scrutiny of how the proposed budget and MTFP aligns with and supports the delivery of the Big-50 and the transformation agenda.

### 3. Service Transformation and Efficiency

- **Transformation Roadmap:**
  - Develop a comprehensive service transformation plan with clear milestones, identifying opportunities for shared services, streamlined operations and automation Local Government Association 2024 Peer Review, Section 3.1).

- Original Blueprint of the Council: A review of the Blueprint developed by the Shadow Authority should be undertaken so that the vision for the new Council aligns with those principles. Examples which the Panel members were keen to highlight include Access Hubs, Adult Social Care and One Stop Shops.
- Performance, Intelligence and Partnership department is making a significant contribution by delivering robust and insightful narratives based on data and information. By enabling comprehensive trend analysis and leveraging intelligence, the department supports the development of financial and performance resilience. This proactive approach ensures informed decision-making and a stronger foundation for sustainable service delivery. The Council should seek to further develop this data-led approach across all areas of services.
- **Contract Optimisation:**
  - Review underperforming contracts in high-cost areas (e.g., waste management, IT services) to explore renegotiation or in-sourcing opportunities for improved efficiency.
- **Investment in Key Functions:**
  - Strengthen procurement and contract management functions to achieve long-term operational benefits.
  - Education brings about positive change, which adds value to the work of the Council and also improves community cohesion, bringing about pride of place and positive behavioural changes. (For example, the proposed reduction in the Waste Education Team seems counterproductive given the changes to waste regulation)

#### 4. Innovative Funding and Risk Management

- **Alternative Financing:**
  - Explore social impact bonds for health and social care, leveraging the Social Value Act to foster community-focused investments.
- **Public-Private Partnerships (PPPs):**
  - Investigate transparent collaborations with private entities to fund large-scale projects, reducing dependency on reserves (Local Government Association 2024 Peer Review, Section 2.5; Local Government Association: Public-Private Partnerships: Driving Growth, Building Resilience)
- **Extended Producer Responsibility (EPR):**
  - Accelerate the implementation of EPR savings within the Place and Economy directorate to achieve earlier delivery by FY 2026/27. (Department for Environment, Food & Rural Affairs: PackUK Launch Announcement, 2025; UK Government: Extended Producer Responsibility for Packaging Guidance, 2024)
- **Dedicated Schools Grant(DSG):** Careful consideration should be given to allocating additional resources to the Early Years and High Needs Blocks. The Early Years Block has increased by £12.397 million, which presents an opportunity to enhance early childhood education and support working parents. Despite a £383k reduction in the High Needs Block, maintaining

adequate funding remains crucial for pupils with special educational needs. It would be beneficial to adjust allocations within these blocks, engage with early years providers and special educational needs coordinators for their valuable input and monitor the impact on educational outcomes to ensure the increased DSG funding is utilised effectively.

## 5. Technology and Innovation

### • **Efficiency Audits:**

- Conduct audits targeting carefully considered areas (e.g. back-office functions) for potential AI-driven automation by Q1 FY 2026/27. (National Audit Office: Use of Artificial Intelligence in Government, 2024; McKinsey & Company: How Governments Can Harness the Power of Automation at Scale, 2017; Oxford Commission on AI and Good Governance: Artificial Intelligence in Local Government, 2021; and UK Government: AI Opportunities Action Plan, 2025)

### • **Digitalisation Savings:**

- Submit a briefing report by November 2025 outlining:
  - KPI benchmarking against projections.
  - Savings achieved through digital transformation.
  - Feasibility of artificial intelligence (AI) in Adult Social Care assessments and/or in similar areas to enhance efficiency, impact and deliver consistent and objective outcomes.

## 6. Equality, Diversity and Inclusivity

### • **Enhanced Equality Screening Assessments (ESA):**

- Strengthen ESA processes to identify and mitigate impacts on protected groups early in the planning process.

### • **Inclusive Consultation:**

- Develop mechanisms for ongoing consultation to address emerging concerns and ensure inclusivity, prioritising meaningful engagement with underrepresented groups.

## 7. Monitoring and Reporting Enhancements

### • **Integrated Progress Dashboards:**

- Develop accessible dashboards to monitor savings, capital projects and service delivery performance, integrating them into existing reporting systems. (Chartered Institute of Public Finance and Accountancy (CIPFA): Integrated Reporting, 2021; Centre for Governance and Scrutiny (CfGS): Financial Scrutiny Practice Guide, 2023)

### • **Quarterly Reporting:**

- Establish quarterly updates for the Corporate Scrutiny Committee to highlight financial risks, recovery plans and project milestones. (Chartered Institute of Public Finance and Accountancy (CIPFA): Financial Management Code, 2021; Centre for Governance and Scrutiny (CfGS): Financial Scrutiny Practice Guide, 2023)

## 8. Fees and Charges

- **Equity and Accessibility:**
  - Analyse proposed changes to fees and charges to ensure a balance between revenue generation and accessibility for residents, prioritising essential services.
  - Incorporate a review of fees and charges into the Corporate Scrutiny Committee's work plan for ongoing oversight and refinement. (Centre for Governance and Scrutiny (CfGS): Financial Scrutiny Practice Guide, 2023; Chartered Institute of Public Finance and Accountancy (CIPFA): Fees and Charges – A Significant Income for Councils)

## 9. Public Health and Communities

- **Leisure Provision and Voluntary and Community Sector (VCS)**
  - Develop a compact with the VCS as soon as possible.
- **Funding and Financial Resilience**
  - **Sustainability:** Seek new funding for substance misuse programmes post-2026, with resources allocated for grant applications.
  - **Inflation and Contingency:** Integrate inflation adjustments into budgets and maintain a £2m emergency reserve.
  - **Projection Updates:** Plan for demographic and financial scenarios. For example, develop Asset and Workforce Development Management Strategy.
- **Health and Wellbeing Priorities**
  - **Strategic Delivery:** Focus on substance misuse, smoking cessation, mental health and financial resilience.
  - **Mental Health Services:** Enhance 0-19 years services, prioritising underprivileged communities and finding solutions to reduce the waiting times.
  - **Vaccine Uptake:** Combat unsubstantiated misinformation with targeted education and rural outreach initiatives.
- **Community Engagement and Partnerships**
  - **Resident Involvement:** Develop a resident engagement strategy within Local Area Partnerships (LAPs) and Integrated Care Board (ICBs).
  - **Tailored Services:** Partner with Voluntary and Community Sector (VCSs) for rural and preventative health services.

## 17. Background Information and Supporting Documents

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- [Draft Budget 2025/26 and Medium-Term Financial Plan](#)
- [Update on Local Government Settlement](#)
- [Housing Revenue Account Draft Budget 2025/26 Proposals](#)
- [Draft Capital Programme 2025/29](#)
- [Indicative Budget Timeline and Scrutiny Process 2025-26](#)
- Notes of Budget Scrutiny Sessions (Appendices 1 – 5)

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January 2025



### **Budget Scrutiny Panel – Phase 2 Meeting**

**Session Title:** Enabling and Corporate Services

**Session Number:** Session 6 of 11

**Date of Meeting:** 6 January 2025

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#### **1. Attendance and Apologies:**

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##### **Panel Members:**

Cllr Lyn Buckingham (Chair)

Cllr Scott Brown (Vice Chair)

Cllr Leanne Buckingham

Cllr Paul Marks

Cllr Andy Mercer

Cllr Steven North

##### **Executive Members:**

Cllr Lloyd Bunday (Executive Member – Finance and Transformation)

##### **Observers:**

Cllr Martin Griffiths

Cllr Graham Lawman

##### **Officers in Attendance:**

Claire Edwards – Executive Director of Finance

John Morley – Executive Director of Strategy and Change

Sanjit Sull – Director of Law and Governance

Guy Holloway – Assistant Chief Executive

Dean Mitchell – Assistant Director of Finance and Accountancy

Mark Dickenson – Assistant Director of Finance and Strategy

Nana Barfi-Sarpong – Chief Information Officer

Simon Mills – Assistant Director of Customer Experience

Lucy Hogston – Assistant Director of Revenues and Benefits

Kamila Coulson-Patel – Assistant Director of Legal and Democratic

Tom Barden – Head of Performance, Intelligence and Partnerships

Jeff Abbott – Strategic Finance Business Partner

Niall Blowfield – Senior Finance Business Partner

Kunwar Khan – Interim Scrutiny Manager

Louise Tyers – Governance Officer

##### **Apologies:**

Cllr Anup Pandey

Cllr Russell Roberts

#### **2. Purpose of Meeting:**

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Scrutiny of the Draft Budget 2025/26 for Enabling and Corporate Services.

The primary focus of this session was Finance and Performance, Customer and Governance, IT, Chief Executive's, and Corporate Services.

#### **3. Enabling and Corporate Services Presentation**

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Presented by: Claire Edwards, Executive Director of Finance and Performance.

### Summary Overview:

- The draft net budget for these service areas was £59.463m in 2025/26, which was around 15% of the overall budget. Summary by directorate table below shows the opening budget.

Summary by Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>Enabling &amp; Support Services</b>				
<b>Opening Budget</b>	<b>40,255</b>	<b>43,666</b>	<b>43,048</b>	<b>42,622</b>
Finance & Performance - Pressures	1,880	53	56	57
Finance & Performance - Savings	(1,308)	(10)	(10)	(10)
Customer & Governance - Pressures	2,596	(600)	0	0
Customer & Governance - Savings	(367)	(14)	0	0
IT - Pressures	1,525	(2)	(472)	100
IT - Savings	(915)	(45)	0	0
Chief Executive - Pressures	0	0	0	0
Chief Executive - Savings	0	0	0	0
<b>Closing Budget</b>	<b>43,666</b>	<b>43,048</b>	<b>42,622</b>	<b>42,769</b>
<b>Corporate Services</b>				
<b>Opening Budget</b>	<b>19,767</b>	<b>15,797</b>	<b>23,898</b>	<b>31,434</b>
Corporate - Pressures	6,049	8,214	7,651	5,345
Corporate - Savings	(10,019)	(113)	(115)	(117)
<b>Closing Budget</b>	<b>15,797</b>	<b>23,898</b>	<b>31,434</b>	<b>36,662</b>

- Services provided explanation of the movements in the draft budget for their areas by spend type, highlighting movements, including pressures and savings of more than £500k.
- The Enabling Services draft Capital Programme 2025/29 was £8.244m, within ICT.
- Additional information as requested in Phase 1 budget scrutiny session was also provided and noted.

### 4. Key Lines of Enquiry:

- Query 1:** Members noted that Windows 10 would no longer be supported later this year, how did this fit in for forthcoming newly elected councillors and staff and their ICT requirements?
  - Response:** The Chief Information Officer advised that they were currently assessing where we needed to be in relation to IT hardware. A number of

Windows 11 devices were now being procured and this work was strongly aligned to ensure that it did not impact service delivery. The Director of Law and Governance also advised that a piece of work was currently being undertaken ready for Members' induction on devices and the training members would need to be provided with as well.

- **Query 2:** Members highlighted that some of the former legacy councils had borrowed from the Public Loans Board before vesting day. Was the Council looking at ways of paying some of the borrowing back early to reduce the Council's burden?
  - o **Response:** The Executive Director of Finance and Performance advised that Minimum Revenue Provision, which looked at the whole borrowing envelope, was looking at that provision. The best model was the annuity model, which was supported by our treasury advisors and our auditors. It was based on benefit realisation so that the benefit was realised up front when the asset was newer and not at the back end when the asset would be older. It was felt that this was more representative in terms of a fairer distribution of the costs to residents. Due to the cost of borrowing being borne by council taxpayers, we were not currently looking at different ways of how to finance borrowing because our average investment borrowing rate was significantly lower than the actual bank rate. Early repayment of our borrowing would also cost a lot more as we would have to make early redemption payments on those loans, and it would not be in our best interest to do that.
  
- **Query 3:** Members raised that they were hearing services reviews and other factors was delaying the transformation journey. It would be helpful to have an understanding on what we would be spending on transformation and when that funding would be spent.
  - o **Response:** The Assistant Chief Executive acknowledged that the Corporate Leadership Team had recognised that there had been an element of delay and that being a new council, there had been a significant amount of change. We had wanted to control the transformation journey until the pay and grading project was fully in place, which had now happened, and this will allow us to speed up the transformation journey. We also want to empower staff, at all levels of the organisation, to be able to drive change. We want to avoid staff thinking that improvements could not happen until a restructure had taken place as that should not be the only tool to deliver improvements. The One Council Programme has been highly successful in building positivity and confidence amongst staff, but we realise that there is more work to do. Enabling Services was a key component of reviews, but we needed to ensure that we did not hold back the progress of the organisation.
  - o The Executive Director of Finance and Performance stated that she was keen to ensure that we addressed and unblocked those areas which we were finding were stopping us from moving forward. The transformation work will be starting to address what sort of organisation we wanted to be and how did that look. The budget should be based on where we should be and our budgets will show members what a full establishment looked like. They will show a fully costed organisation and the in-year monitoring will show where we actually are. The budget for 2025/26 has included investment in services, particularly within Children's and Adult Social Care, as they are the biggest drivers that could cause financial distress to the organisation.

- **Query 4:** Members highlighted that in previous scrutiny committee meetings it was acknowledged that some areas of the district had a very high aging population. Some areas are also very rural and there is a culture that some residents prefer to use the telephone and other traditional communication methods to contact the Council rather than moving onto digital channels. There is a need to take this into careful consideration during transformation to ensure that we deliver what residents want.
  - o **Response:** The Assistant Chief Executive acknowledged that this was an important point and we are not proposing to go down the route, as other organisations have done, by requiring everything must be done digitally. It was important to get things right first time, so to avoid unavoidable contact. We needed to provide more choice but to also be there to support those who need more support. The Assistant Director of Customer Experience advised it was about smarter ways of working. There were over 500,000 interactions a year via customer services and he was bringing together a number of teams and processes to ensure there was a consistent way of dealing with customer contacts. If we are able to get out to customers and signpost at the earliest point, we will be in a better place to help them in a more proactive way which is better for the customer.
  
- **Query 5:** Members highlighted that for the whole budget there were pressures identified of £26m. Officers had advised that this would be offset from various areas such as Council Tax, but how realistic did officers believe it was to find savings against those pressures?
  - o **Response:** The Executive Director of Finance and Performance confirmed that there would be some risks in delivering savings and she would cover those when she prepared the section 25 statement for the final budget. For children's services, the ongoing pressures would be the SEND High Needs Block and the DSG. There was also significant demand within the demographics for adult social care and the continuing pressures around that. Investment has been put in around family hubs and for adult social care it is looking at those complex cases and needs and how we can deliver those services differently but still maintain outcomes for residents. The Performance Team were doing a lot of work around understanding the data and data quality to ensure that we make informed decisions based. We have inherited vastly under invested services, but it needs to be remembered that we have had to make significant investments over the last 3-4 years to ensure our services met the standard minimum requirements.
  - o The Head of Performance, Intelligence and Partnerships highlighted some of the work his team had undertaken working with Adult Social Care to improve the data being used by decision makers and planners within that service. This included looking at commitment data for social care packages and building some interactive dashboards to view that data, back to vesting day, to be able to see the overall trends in services. Additional capacity, particularly analytical capacity has also been provided. The team were also working hard on the demographic forecasts for adult social care in preparation for this year's budget. It was unfortunate that due to timing, we did not have population forecasts for North Northamptonshire, but we have worked on combining the forecasts of the legacy councils to understand the prevalence rate of adult social care usage amongst our residents. There has been a lot of work in that area to fine tune assumptions about what the growth demand was going to be.

- **Query 6:** Members highlighted that previously they had been told that the Council could be seriously affected by any business rates rebased, due to being successful in attracting businesses to North Northamptonshire.
  - **Response:** The Executive Director of Finance and Performance advised that officers had made assumptions that within the 2026/27 funding envelope business rates would be rebased. For 2025/26, we had assumed around £115m, and with our assumptions on being rebased this would go down to around £88m, so we would lose out significantly, however those assumptions could change. Those assumptions also show that we would gain in the income coming back for social care funding, and overall, we would be a net gainer of about £5m.
  
- **Query 7:** Members highlighted the rationalisation of the Council's buildings and questioned what impact that would have on enabling services.
  - **Response:** The Chief Information Officer advised that the workplace transformation project had already factored in a lot of this, and significant savings have already been made. Work is taking place to look at what buildings we will be keeping. The conversations the various work streams are having means that ICT is effectively supporting those buildings. The Assistant Chief Executive also advised that some pre-planning has taken place and because of the new contract for the Wide Area Network and the work happening to install a new local area network, this has helped to reduce costs.
  
- **Query 8:** Members questioned what was happening with the ICT Value for Money Scrutiny Review and when would a report or briefing come to the Corporate Scrutiny Committee.
  - **Response:** The Assistant Chief Executive advised that the membership of the group had now been agreed and there was a need to set up a number of meetings as soon as possible. It was acknowledged that the deadline for the report was soon.

## 5. Key Discussion Points:

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- **Financial Stability and Outlook:** Members welcomed that we were giving strong consideration to contingency budgeting. We are in very uncertain times politically and later this week we would be looking at the possibility of further local government reorganisation.
  
- **Budget Scrutiny Process:** Members felt comfortable with what had been considered today and felt that officers were fully aware of the impact of the budget on their service areas. The proposed budget seems solid, stable and under control. Members acknowledged that this year's budget scrutiny process was greatly improved from past years. Information which had been requested had been received promptly which allowed for more effective scrutiny – this early engagement needs to continue in future years. In addition, it was felt that it would be helpful if the Enabling and Corporate Services session was the last one held, due to the impact of those services on other service areas.

## 6. Executive Member's Priorities and Challenges

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As recommended by the Panel during Phase 1 of the budget scrutiny this year, the Chair invited the Executive Member for Finance and Transformation, Cllr Lloyd Bunday, to highlight his top portfolio priorities and challenges. The Executive Member made the following points to the Panel:

### **Top Three Priorities:**

- **Transformation of the organisation to deliver the Medium-Term Financial Plan:** The Panel heard that the Council had a balanced budget for 2025/26 which had been done without reducing frontline services or utilising reserves. The Council have significant budget challenges going forward and these need to be addressed by continuing the transformation journey.
- **Bringing ICT back in-house:** A lot of lessons have been learnt since April 2021 and he believed that the Council needed to deliver key services ourselves.
- **Improving the customer journey and experience:** When interacting with the Authority – this includes creating new channels so that those who want to can communicate with us in different, more efficient ways, whilst creating the capacity for those that need to use more traditional methods. It was about getting the right balance and making a more modern customer focused council.

### **Challenges:**

- **Uncontrollable Pressures and Demand-led Services:** The biggest challenges are the pressures which are beyond our control, such as children's services, adult social care and inflation. Effective management of our demand led services was needed.
- **Transformation and Resources:** The Executive Member highlighted that the Council was creating a resources project team to help transformation and disaggregation of our services, by ensuring that there were adequate resources, in a timely manner, to deliver change. The Executive Member mentioned that he would be happy to report back to the Corporate Scrutiny Committee on how that is moving forward.
- **Uncertainty of Finance Settlement:** An area of concern was that the Council still only had a one-year settlement and a multi-year settlement would help us to plan the Medium-Term Financial Plan more effectively. Next year's business rates reset will inevitably create new challenges. Also, the One Council project means that all areas of the organisation need to own their part of the budget and Medium-Term Financial Plan and to encourage our staff and partners to live within their budgets.

## **7. Resolutions and Recommendations**

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1. The Executive Member for Finance and Transformation to attend a Corporate Scrutiny Committee by September 2025 to provide an update on the Resources Project Team and its impact in delivering transformation.
2. That in future years budget scrutiny process, the Enabling and Corporate Services session should be the last one held, due to the impact of those services on other service areas.

3. While appreciating efforts to prepare a balanced draft budget proposal, there was a need for effective monitoring to ensure efficient and timely delivery.

## **8. Actions and Follow-Up:**

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- Members to be supplied with a breakdown of loans held by North Northamptonshire Council. **(Action by: Assistant Director of Finance and Accountancy – 21 January 2025)**
- The Panel to be provided with the details of the impact the rationalisation of the Council's buildings will have on enabling services costs **(Action by: Chief Information Officer – 21 January 2025)**
- Meetings for the ICT Value for Money Scrutiny Panel to be set up to enable a report from the Scrutiny Panel to be considered by the Corporate Scrutiny Committee **(Action by: Assistant Chief Executive – 11 February 2025)**

## **9. Date of Next Meeting:**

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- **Date:** Thursday 9<sup>th</sup> January 2025
- **Focus/Agenda Items:** Scrutiny of Place and Economy Services Draft Budget Proposals

**Notes Prepared by:** Louise Tyers

**Date Prepared:** 7 January 2025

Template and edits by Kunwar Khan

### **Budget Scrutiny Panel – Phase 2 Meeting**

**Session Title:** Place and Economy

**Session Number:** Session 7 of 11

**Date of Meeting:** 9 January 2025

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#### **1. Attendance and Apologies:**

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##### **Panel Members:**

- Cllr Lyn Buckingham (Chair)
- Cllr Scott Brown (Vice Chair)
- Cllr Paul Marks
- Cllr Steven North
- Cllr Russell Roberts

##### **Executive Members:**

- Cllr David Brackenbury (Executive Member – Growth and Regeneration)
- Cllr Harriet Pentland (Executive Member – Climate and Green Environment)
- Cllr Matthew Binley (Executive Member – Highways, Travel and Assets)
- Cllr Lloyd Bunday (Executive Member - Finance and Transformation)

##### **Observers:**

- Cllr Anne Lee
- Cllr Graham Lawman

##### **Officers in Attendance:**

- George Candler, Executive Director of Place and Economy
- Graeme Kane, Assistant Director Highways & Waste
- Jonathan Waterworth, Assistant Director, Assets
- Iain Smith, Assistant Director, Regulatory Services
- Dean Mitchell and Carolyn Bland, Finance Officers
- Carol Mundy, Senior Democratic Services Officer (Committees/Members)

##### **Apologies:**

- Cllr Andy Mercer
- Cllr David Howes
- Cllr Mark Rowley
- Claire Edwards, Executive Director of Finance
- Mark Dickenson, Assistant Director of Finance and Strategy
- Kunwar Khan, Interim Scrutiny Manager.

#### **2. Purpose of Meeting:**

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The purpose of the meeting was to scrutinise the budget proposals for the Place and Economy Service area to include the four key areas of, growth and regeneration, assets and environment, highways and waste and regulatory services.

#### **3. Place and Economy Presentation**

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Presented by: George Candler, Executive Director of Place and Economy



## **Introduction:**

- The executive director explained the areas covered within his service and provided details of the opening financial position, the MTFP, pressures and savings, along with details of the proposed budget for 2025-26 and the percentage changes to the budget.
- He further explained the proposed expenditure details and any expected income giving further details of the net budget.
- The presentation detailed the draft budget for 2025-26 along with projections to 2028-29.
- He further referenced the responses to the queries raised after the Phase 1 session relating to the Green Budget. Regeneration and Growth, Assets, Sale of Assets, Kettering Library and Play Equipment. Graeme Kane, Assistant Director Highways and Waste gave a verbal update in relation to the query over the difficulties in recruiting to planning. He explained that there was a national shortage of planning officers. This had been exacerbated by delays in recruitment whilst awaiting the outcome of the Pay and Grading policy. The advert for the position of Head of Development Management and Enforcement was currently on the website and it was hoped that an appointment would be made in the coming weeks. He also explained that three apprentices had joined the council as alternative ways of 'growing our own' planners had been encouraged, which was through the LGA scheme sponsored by MHCLG. They were doing a great job with support, and each is undertaking a Masters degree.
- GC also referenced the capital programme for 2025-26 and the long-term programme to 2028-29. This was made up through different funding sources from Capital, Discretionary, Grants & Section 106 monies.
- Reference was also made to the draft development pool with the main expenditure being for the Isham By-pass, Sywell Dam and the Estate Stock amongst other items totalling £14,723 for 2025-26.

## **Summary Overview:**

The service area had a draft net budget of £78.383m in 2025/25 equivalent to 20% of the overall budget. Details of the pressures and savings for each directorate can be found on the table below for the period from 2025 to 2029:

Summary by Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>Place &amp; Economy</b>				
<b>Opening Budget</b>	<b>71,928</b>	<b>78,383</b>	<b>81,166</b>	<b>86,151</b>
Growth & Regeneration - Pressures	(21)	0	0	0
Growth & Regeneration - Savings	(86)	0	0	0
Assets & Environment - Pressures	2,246	(1,457)	362	250
Assets & Environment - Savings	(699)	(507)	(131)	(100)
Highways & Waste - Pressures	7,281	4,214	4,813	5,154
Highways & Waste - Savings	(2,195)	634	(59)	(54)
Regulatory Services - Pressures	97	29	0	0
Regulatory Services - Savings	(168)	(130)	0	0
Directorate Costs - Pressures	0	0	0	0
Directorate Costs - Savings	0	0	0	0
<b>Closing Budget</b>	<b>78,383</b>	<b>81,166</b>	<b>86,151</b>	<b>91,401</b>

Executive Lead member Cllr Brackenbury introduced the medium-term financial plan for Growth and Regeneration and for Regulatory Services and detailed the three top priorities, current challenges and expectations and the areas of concern and focus for the service. He commented on the complex transformation programme that was taking place in regard to the planning service, the development of a single case management system for the service area and the updating of many policies and procedures. Work had been ongoing with the licensing service and harmonisation of fares and zones for hackney carriage and private hire drivers. The updated policy would be presented to the Licensing and Appeals Committee next week. Income from planning applications was less as fewer applications were being submitted. Income was still received for burials and cremations and a new policy had been agreed late last year. Pressures were noted in regard to the Traveller Unit. Other areas of concern related to the enforcement service area.

Councillor Harriet Pentland, Executive member introduced the medium-term financial plan for the Green Environment. Her three top priorities were around the Carbon Management Plan, Climate Change Strategy and Implementation of the Local Nature Recovery Strategy. There would be financial challenges as implementation of many aspects of the plans and strategies would be expensive. Some external funding would be available and focus would be put on finding this additional funding.

Councillor Matthew Binley, Executive member introduced the medium-term financial plan for Assets & Highways and Waste. The top three priorities were around asset rationalisation, the investment estate and traffic enforcement. With challenges around the financial aspect of decarbonisation of assets such as council buildings and the council's fleet, the workplace transformation project to ensure that employees worked in relevant and appropriate fit for purpose buildings, and receipt of funding from government decisions. With regard to highways and waste the implementation of food waste collections had been approved to commence in April 2026. There were still administrative challenges around the garden waste collection service, take up had been good and continued to increase. Work was ongoing with securing the on-going operation of the Corby HWRC for when the current lease expired. Most of the waste streams across NNC are now harmonised with the only

principal difference being that food waste was collected in Corby and the East Northants area. Changes to government targets would also include the introduction of the collection of 'soft plastic' waste as part of the recycling mix.

Challenges continued with highway repairs and the need for more funding to enable proper road surfacing to be carried out rather than patch repairs. Cllr Binley confirmed that less than 1% of repairs were temporary and where that was the case, it was scheduled to be made permanent as soon as possible.

A further challenge for the service related to Home to School Transport. There was a large demand on this service area with year on year increases particularly around the provision of SEND transportation with a 25% increase this year. This formed a significant part of the budget.

Each assistant director detailed their service area budgets, challenges, income and savings along with proposals for the forthcoming years.

#### 4. Key Lines of Enquiry:

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- **Query 1: The cost of Household Waste Containers.**
  - **Response:** Officers explained that North Northamptonshire was a high growth area and the containers were required for new properties and to replace existing containers that had a shelf life of around 10 years.
- **Query 2: Disabled Facilities Grant** – it was noted that the projections indicated a year-on-year reduction and this was queried.
  - **Response:** Officers clarified that monies were provided via top-up grant funding. An updated policy had been through scrutiny and was awaiting the approval of the Executive.
- **Query 3: Upper Nene Valley Gravel Pits** – it was noted that there was funding for 2025-26 but nothing projected for future years.
  - **Response:** Mr Candler would clarify this with the officer.
- **Query 4: Haylock House** - it was noted that some of the current tenants had exercised a break-clause contained within their lease to leave. This had resulted in space being made available for council teams to be relocated to these officers.
  - **Response:** Whilst this would result in a loss of income it had enabled the transformation project to consider other options for the relocation of employees.
- **Query 5: Highway Funding** – it was noted that the government settlement proposal was not as expected. It was also noted that criteria for funding streams was changing and more detail was awaited. The chair asked if Mr Kane could provide an update as soon as possible.
- **Query 6: Highway monitoring** – It was asked how the contract with Kier was monitored.

- **Response:** It was clarified that there were weekly, monthly and quarterly meetings with Kier, and the contract was being well managed with targets being met.
- **Query 7: Highway Repairs** – Members were concerned that temporary repairs were not adequate and that full repairs that were more durable be carried out immediately.
- **Query 8: Flooding** - Concern was expressed over the continuing issues with flooding across North Northamptonshire. Some members considered this was due to over development of certain areas. There were also issues around surface water.
  - **Response:** Officers clarified that they were aware of growing concerns and there was ongoing work taking place through planning and with discussions between ourselves and the Environment Agency and Anglian Water. Members considered that developers need to ensure that they were taking flooding seriously.
- **Query 9: Isham By-pass** – it was noted that a planning application had been submitted for the bypass and there was ongoing work taking place with funding being provided to progress investigation work.
- **Query 10: Food Waste Collection** – it was noted that this was included. Members considered that there would need to be a good education programme to run alongside implementation.
  - **Response:** Officers clarified that this was a compulsory government scheme to be introduced across the whole of the country. Some grant funding from the government had been allocated for this. Officers confirmed that an education programme would happen.
- **Query 11: Bus Gates – Corby and Wellingborough** – both were operational and bringing income.
  - **Response:** The changes in Corby had been in full operation for two months and more data would be available in the coming weeks.
- **Query 12: Newland Street** traffic restrictions.
  - **Response:** Officers confirmed that a provision for new enforcement schemes had been made in the development pool for 2026/27. The Newland Street scheme is being explored but the complexity of the access arrangements means a quick solution is not possible and this would take time to implement and make the relevant Traffic Regulation Orders.
- **Query 13: Town Centre Shopping** – There had been considerable change to the way in which people shopped and where they chose to spend their money. This was of concern as town centre shopping was poor. This was noted.
- **Query 14: Home to School Transport** – Concern over the considerable increase in spend on transport, which was expected to increase.

- **Query 15: Lack of Enforcement** - there was concern expressed over the 900 planning enforcement cases which were still unresolved. It was considered that due to the lack of enforcement planning issues were not being enforced under any circumstances.
  - **Response:** Officers were aware of this concern and seeking to address it with the current resources within the team. The proposed restructure seeks to further enhance the resources focused on planning enforcement to reflect the concerns of Members.
- **Query 16: Recycling Education:** We have a team that carries out awareness and education in relation to waste presentation and recycling. If successful, this can reduce the costs to the authority. There is a financial adjustment in the budget to reflect the decreasing cost in disposal because of improved compliance with the Council's recycling policies. This does not reduce the funding available for the waste enforcement and education activities. Further funding is expected from Government to support the roll out of food waste collections, which will include significant education and awareness raising.

## 5. Key Discussion Points:

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- **Financial Stability and Future Outlook:** Members considered that the budget was balanced but expressed particular concern over highways maintenance, planning enforcement and home to school transport costs.
- **Workforce Planning and Service Delivery:** Members considered that the restructures and emphasis on recruiting additional employees was making good progress. They were conscious though that some teams were small with a considerable amount of work to get through. It was also felt that the Waste Education Team should be reinstated, as this would bring savings benefit now and for future budgets.

## 6. Resolutions and Recommendations:

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1. Details of the final government settlement be provided to the panel, particularly in relation to potholes, LTP Maintenance and Incentive maintenance once discussions with government have concluded.
2. That funding be included for the Waste Education Team, as this was considered a good investment in the long term.
3. That funding for both traffic enforcement and planning enforcement measures be included in the budget and that the 900 outstanding planning enforcement cases be prioritised.
4. That within the highways area there be further narrative included in the final report breaking down each element of expenditure on potholes, LTP Maintenance and Incentive Maintenance.
5. That home to school transport be added to the scrutiny workplan for a deep dive on how the service can be managed in the future

## 7. Actions and Follow-Up:

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- Nene Valley Gravel Pits – why no costings for after 2025-26 (**Action by: Executive Director of Place and Economy, following clarity from Stacey Wylie**)
- Details of the Kier Inspections to be circulated to Panel (**Action by: Assistant Director of Highways, Waste and Growth/Executive Member for Highways, Travel and Assets**)
- Details of a briefing report in relation to the rationale for completing Temporary repairs, be sent to the Panel (**Action by: Assistant Director of Highways, Waste and Growth/Executive Member for Highways, Travel and Assets**)
- Details of the final government settlement update for highways be circulated to the Panel. Panel (**Action by: Assistant Director of Highways, Waste and Growth/Executive Member for Highways, Travel and Assets**)

## 8. Date of Next Meeting:

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- **Date:** 14 January 2025 at 2pm – Budget Scrutiny of Children’s Services

**Notes Prepared by:** Carol Mundy

**Date Prepared:** 10 January 2025.

Template by Kunwar

### **Budget Scrutiny Panel – Phase 2 Meeting**

**Session Title:** Scrutiny of Children's Services

**Session Number:** Session 8 of 11

**Date of Meeting:** 14 January 2025

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#### **1. Attendance and Apologies:**

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##### **Panel Members:**

- Cllr Lyn Buckingham (Chair)
- Cllr Paul Marks
- Cllr Andy Mercer

##### **Executive Members:**

- Cllr Lloyd Bunday (Executive Member – Finance and Transformation)
- Cllr Scott Edwards (Executive Member – Children, Families, Education and Skills)

##### **Observers:**

- Cllr Graham Lawman

##### **Officers in Attendance:**

- David Akinsanya – Senior Finance Business Partner
- Fran Cox – Assistant Director of Education
- Claire Edwards – Executive Director of Finance and Performance
- Callum Galluzzo – Scrutiny Officer
- Yoke O'Brien – Strategic Finance Business Partner
- Dean Mitchell – Assistant Director of Finance and Accountancy
- Charisse Monero – Executive Director of Children's Services
- Rajvir Sohal – Scrutiny Officer
- Chris Stephenson – Scrutiny Manager

##### **Apologies:**

- Cllr Anup Pandey

#### **2. Purpose of Meeting**

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The session focused on the 2025/26 budget for Children's Services (excluding the Northamptonshire Children's Trust). The discussion included a thematic deep dive into the Dedicated Schools Grant (DSG), highlighting key pressures, mitigations, and strategic priorities.

#### **3. Children's Services Presentation**

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Presented by: Charisse Monero, Executive Director of Children's Services

## Summary of Key Points:

### General Fund Overview

- The Children's Services budget included £89 million, focused on four key areas led by assistant directors for education, transformation, inclusion, and partnerships.

Summary by Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>Children and Education</b>				
<b>Opening Budget</b>	<b>85,644</b>	<b>89,208</b>	<b>91,390</b>	<b>93,363</b>
Assistant Director of Education - Pressures	571	197	161	15
Assistant Director of Education - Savings	0	0	0	0
Assistant Director of Transformation - Pressures	316	18	4	(71)
Assistant Director of Transformation - Savings	1,314	0	(298)	0
Assistant Director of Inclusion - Pressures	1,842	(241)	(102)	0
Assistant Director of Inclusion - Savings	(1,250)	0	0	0
NCT - Pressures	3,489	2,208	2,208	2,208
NCT - Savings	(2,718)	0	0	0
<b>Closing Budget</b>	<b>89,208</b>	<b>91,390</b>	<b>93,363</b>	<b>95,515</b>

### Budget Pressures and Allocations

- Key pressures arose in the Assistant Director for Inclusion's portfolio, including Education Health Care Plans (EHCPs) and the Education Psychology Service.
- Measures included reducing reliance on interim staffing and enhancing permanent structures to manage demand.

### DSG and High Needs Block Pressures

- The DSG was allocated into four blocks (schools, central services, high needs, early years).
- The High Needs Block faced the highest pressure, with a cumulative deficit of £25 million, driven by rising demand for specialist independent sector provision.

### Mitigation Strategies

- A high needs delivery programme was addressing high-cost placements and implementing early intervention through family hubs and partnerships.
- Alternative education resources were being developed on school sites to reduce reliance on independent sector placements.

### Transformational Activities

- Officers introduced early help multidisciplinary squads in schools to support children at earlier stages, reducing escalations into statutory services.



- Strategic partnerships with colleges were strengthening post-16 SEND education pathways.

### Capital Programme

- Investments were being made in school expansions and SEND sufficiency planning to accommodate increasing demand while mitigating revenue risks.

## 4. Key Lines of Enquiry

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- **Query 1:** Impact of COVID-19 on Special Needs Growth: Members queried whether the rise in special needs, particularly ADHD and autism, could be attributed to the effects of the COVID-19 pandemic.

- **Response:** Officers confirmed that the pandemic had significantly contributed to the surge in complexity and volume of SEND needs. Lockdowns had exacerbated mental health issues, including anxiety, and increased diagnoses of conditions such as ADHD and autism. It was noted that children impacted during this period were likely to experience long-term effects throughout their educational journeys. A detailed analysis of referrals to independent sector provisions during the pandemic was planned as part of the wave two evaluation.

Members also suggested that the impact of the pandemic could persist for up to 15–20 years, creating long-term financial and service pressures. Officers acknowledged this and emphasised that early help interventions were critical in mitigating future demand.

- **Query 2:** Post-16 SEND Education Pathways: Members expressed concern about the limited focus on post-16 SEND provision, highlighting challenges faced by young people transitioning to further education.
  - **Response:** Officers reassured the Panel that post-16 provision was a priority within the SEND transformation programme. Strategic partnerships were being developed with local colleges, including Tresham College, to create pathways for SEND students. Pilot programmes for alternative resource provision on college campuses were underway, alongside efforts to support students earlier (at age 14) to ensure smoother transitions. Multidisciplinary squads would include transition workers to provide targeted support.
- **Query 3:** Predictive Analytics for Demand Forecasting: Members asked why predictive analytics were being outsourced, given the council's existing investment in data capabilities.
  - **Response:** Officers explained that while the council had strong data systems, there was a gap in expertise for long-term forecasting and predictive modelling. External expertise was being commissioned to provide detailed insights into trends over the next 5–10 years, enabling more effective financial and service planning.
- **Query 4:** Risks Identified: Members queried the key risks associated with the proposed transformation programme.

- **Response:** Officers identified financial sustainability as the primary risk, with particular reference to the DSG deficit and reliance on high-cost independent sector placements. Additional risks included the unpredictability of central government funding policies and the potential for migration-driven demand growth. Officers also stressed the risk of not investing in early help, noting that failing to act would likely lead to escalating costs and pressures.
- **Query 5:** VAT Impact on Independent Sector Placements: Members asked about the financial impact of VAT on independent sector placements.
  - **Response:** Officers clarified that independent sector placements referred to specialist educational provisions, not private schools, and were not subject to VAT changes.
- **Query 6:** Reinstating Youth Services: Members suggested exploring opportunities to reinstate youth services, such as youth clubs, and leveraging partnerships with the voluntary sector to provide community-based support.
  - **Response:** Officers agreed that enhancing local partnerships was vital for the early help model. They highlighted that the proposed early help framework aimed to integrate community-based approaches and collaborate with the voluntary sector to create a more comprehensive support network for children and families.

## 5. Resolutions and Recommendations

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1. The Panel supported the development of the early help multidisciplinary squads and alternative provision plans.
2. The importance of prioritising predictive analytics and robust financial planning was emphasised.

## 6. Actions and Follow-Up

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- Officers to conduct deeper analysis of COVID-19 impacts on SEND referrals. **(Action by: Executive Director of Children’s Services – February 2025)**
- Provide a detailed breakdown of post-16 SEND strategic partnerships. **(Action by: Executive Director of Children’s Services – January 2025)**
- Explore feasibility of expanding voluntary sector collaboration for youth services. **(Action: Executive Director of Finance – March 2025)**

## 7. Date of Next Meeting:

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- **Date:** Friday 17<sup>th</sup> January 2025
- **Focus/Agenda Items:** Scrutiny of Adults, Health Partnerships and Housing Services Draft Budget Proposals

**Notes Prepared by:** Rajvir Sohal  
**Date Prepared:** 14 January 2025

### **Budget Scrutiny Panel – Phase 2 Meeting**

**Session Title:** Scrutiny of Adults, Health Partnerships and Housing Services

**Session Number:** Session 9 of 11

**Date of Meeting:** 17 January 2025

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#### **1. Attendance and Apologies**

**Panel Members:**

Cllr Lyn Buckingham (Chair)

Cllr Paul Marks

Cllr Andy Mercer

Cllr Steven North

Cllr Russell Roberts

**Executive Members:**

Cllr Lloyd Bunday (Executive Member - Finance and Transformation)

Cllr Gill Mercer (Executive Member - Adults, Health and Wellbeing)

Cllr Mark Rowley (Executive Member - Housing and Communities)

**Observers:**

Cllr Graham Lawman

**Officers:**

Evonne Coleman-Thomas (Assistant Director - Strategic Housing, Development and Property Services)

Claire Edwards (Executive Director - Finance)

Samantha Fitzgerald (Assistant Director - Adult Services)

Maria Idoine (Strategic Finance Business Partner)

Matthew Jenkins (Assistant Director - Commissioning and Performance)

Dean Mitchell (Assistant Director - Finance and Accountancy)

Raj Sohal (Scrutiny Officer)

Chris Stephenson (Scrutiny Manager)

David Watts (Executive Director - Adults, Health Partnerships and Housing)

#### **2. Purpose of Meeting**

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The session focused on reviewing the proposed 2025/26 budget for Adults, Health Partnerships, and Housing Services. The meeting examined financial pressures, key savings and strategic approaches to service delivery.

#### **3. Adults, Health Partnerships and Housing Services Presentation**

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Presented by: David Watts, Executive Director of Adults, Health Partnerships and Housing

**Summary of Key Points:**

The Executive Director provided an overview of the proposed budget for Adults, Health Partnerships, and Housing, amounting to £148 million, representing approximately 39% of the Council's General Fund.

Summary by Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>Adults Health Partnerships and Housing</b>				
<b>Opening Budget</b>	<b>148,326</b>	<b>164,268</b>	<b>177,462</b>	<b>192,997</b>
Commissioning & Performance - Pressures	336	346	356	0
Commissioning & Performance - Savings	(116)	0	0	0
Adult Services - Pressures	23,353	17,848	19,929	22,252
Adult Services - Savings	(6,951)	(4,500)	(4,750)	(5,000)
Safeguarding & Wellbeing - Pressures	0	0	0	0
Safeguarding & Wellbeing - Savings	(180)	0	0	0
Housing - Pressures	0	0	0	0
Housing - Savings	(500)	(500)	0	0
<b>Closing Budget</b>	<b>164,268</b>	<b>177,462</b>	<b>192,997</b>	<b>210,249</b>

The presentation highlighted:

- **Key Pressures:** Including contractual inflation, demographic growth in demand for adult social care and challenges in housing provision.
- **Savings Initiatives:** Focused on enabling independence, optimizing transport arrangements and reducing temporary accommodation costs.
- **Strategic Focus Areas:** Addressing changes in care models, supporting aging populations and ensuring robust debt recovery processes sensitive to vulnerable adults.
- **Future Planning:** Work underway to manage long-term care contracts and potential transitions from external partnerships, such as the Shaw Healthcare Public Private Partnership (PPP).

#### 4. Key Lines of Enquiry

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- **Query 1: Housing and Long-Term Care Contracts**

Members queried the flexibility of the Shaw Healthcare PPP contracts and whether they were adaptable to current care needs, given that the contracts were based on care hours rather than bed occupancy.

Response: Officers acknowledged that the contracts required adjustments to align with evolving care demands and maximise efficiency. The contracts were originally designed for lower acuity care, but most current users require high-acuity support. This limited the Council's ability to fully utilise the available beds. Officers outlined ongoing negotiations to unlock additional care hours and improve contract efficiency.

- **Query 2: Planning for the Expiration of Shaw Contracts**

Members raised concerns about the Council's preparedness for managing services post-expiration of the Shaw Healthcare contract in 2034, emphasising the need for a comprehensive strategy.

Response: Officers assured Members that planning for the contract's expiration was underway. Preparations were underway to explore future options for care service delivery post-2034. Officers highlighted the need for early, high-level option modelling but noted that specific financial projections would depend on assumptions around costs and demand closer to 2034.

- **Query 3: Transport Policy and Independence**

Members sought clarification on measures to improve transport services and encourage independence, particularly for younger adults.

Response: Officers outlined the review of the current transport policy, which aimed to prioritise cost-effective and independent transport solutions. A new policy draft was under review, with consultation and implementation planned in the next financial year. Additionally, an enablement initiative was being developed to help younger adults use public or community transport rather than Council-funded options.

- **Query 4: Demographic Growth and Service Pressures**

Members questioned how demographic growth and associated service pressures were being modelled to support budget planning.

Response: Officers described the integration of local population data with national Office for National Statistics (ONS) projections to refine forecasting. Significant growth in demand was noted, particularly for older adults, requiring adjustments in modelling to reflect these trends. Officers emphasised that understanding these trends was crucial for long-term strategic planning.

- **Query 5: Financial Impact of High-Cost Placements**

Members expressed concerns over the financial burden of high-cost placements, especially for younger adults transitioning from children's services.

Response: Officers revealed that some cases involved significant costs due to complex care needs, underscoring the importance of proactive commissioning. Efforts were being made to reassess these packages, negotiate with providers, and explore alternative models to reduce costs. Officers highlighted the importance of proactive commissioning to prevent such high costs in the future.

- **Query 6: Contingency Planning for Volatile Demand**

Members asked about the contingency measures in place to manage unforeseen financial pressures resulting from volatile demand.

Response: Officers confirmed that the Council has set aside contingency reserves to manage financial risks associated with volatile demand. Sensitivity analyses were conducted regularly to monitor financial risks. However, officers cautioned that individual high-cost cases could significantly impact the budget.

- **Query 7: Localised Needs and Rural Challenges**

Members raised concerns about addressing localised needs, particularly in rural areas with aging populations and limited service availability.

Response: Officers explained ongoing efforts to tailor services to rural communities. Examples included enhanced domiciliary care and the development of extra care housing models, which provided cost-effective, community-based care solutions.

- **Query 8: Future Care Models and Investments**

Members queried the Council's strategy for future care models to reduce reliance on residential care.

Response: Officers outlined initiatives such as developing extra care housing to enable older adults to remain at home for longer, reducing demand for residential and nursing care. This approach aligned with both resident preferences and financial sustainability goals.

- **Query 9: Addressing Data Gaps in Forecasting**

Members sought assurances on the accuracy of demographic forecasts and whether data gaps from legacy councils were being addressed.

Response: Officers acknowledged historical data gaps but noted progress in developing comprehensive forecasting tools. They highlighted collaborative efforts with public health teams to create accurate, North Northamptonshire-specific demographic models, helping to refine service planning.

- **Query 10: Balancing Financial and Service Pressures**

Members asked about the balance between achieving savings and maintaining service quality.

Response: Officers emphasised that savings initiatives focused on improving efficiency rather than reducing frontline services. Examples included renegotiating contracts and promoting independence through enablement

programs. However, officers acknowledged the ongoing challenge of managing demand-led services like adult social care.

- **Query 11: Housing Revenue Account (HRA) Benchmarking, Performance and Standards**

Members queried the Council's approach to managing the Housing Revenue Account (HRA), particularly whether benchmarking against neighbouring authorities or national standards was possible and how the Council was addressing regulatory requirements. They also sought clarification on efforts to optimize HRA spending to ensure compliance with emerging regulatory standards.

Response: Officers explained that benchmarking HRA performance was inherently difficult due to significant variations in factors such as property profiles, local housing demand, and the age and condition of housing stock. These variations meant that comparing the Council's performance to others would provide limited actionable insights. Officers noted that no national benchmarking framework currently existed to support such comparisons.

Officers further noted that the Council had prioritised regulatory compliance as part of its housing strategy. The Housing Improvement Board was actively monitoring progress on meeting new regulatory standards, which included safety, quality and service expectations set by national regulators. Future updates on these efforts were planned to be reviewed by the Place and Environment Scrutiny Committee to provide members with further assurance.

Additionally, officers emphasised that managing HRA spending effectively was a core priority. Investments were being made to address historical underinvestment in areas such as property maintenance and housing standards, while simultaneously seeking efficiencies through procurement and contract management. The Council was also exploring opportunities to address housing demand through innovative approaches, such as developing partnerships and considering different housing models

## **5. Resolutions and Recommendations**

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1. **Future Planning for Shaw Healthcare Contract:** Officers to develop a high-level options paper outlining potential strategies for managing the PPP contract post-2034, including cost implications and service models.
2. **Transport Policy Update:** Officers to provide an update on the progress of the transport policy review and enablement initiatives.
3. **Demographic Analysis:** Further detailed demographic modelling and trends analysis to be presented to aid strategic decision-making in subsequent sessions.

## **6. Actions and Follow-Up**

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1. **High-Level Options for Shaw Contract:** To be presented by June 2025.  
(Action: David Watts)

2. **Transport Policy Consultation:** Final policy to be shared by September 2025. (*Action: David Watts*)
3. **Detailed Demographic Trends Report:** To be prepared by the Public Health and Performance teams by October 2025. (*Action: David Watts*)

**7. Date of Next Meeting:**

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- **Date:** Monday 20<sup>th</sup> January 2025
- **Focus/Agenda Items:** Scrutiny of Public Health and Communities

**Notes Prepared by:** Rajvir Sohal

**Date Prepared:** 17 January 2025



### **Budget Scrutiny Panel – Phase 2 Meeting**

**Session Title:** Scrutiny of Public Health and Communities

**Session Number:** Session 10 of 11

**Date of Meeting:** 20 January 2025

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#### **1. Attendance and Apologies:**

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##### **Panel Members:**

Cllr Lyn Buckingham (Chair)

Cllr Scott Brown

Cllr Paul Marks

Cllr Andy Mercer

Cllr Steven North

Cllr Russell Roberts

##### **Executive Members:**

Cllr Lloyd Bunday (Portfolio Holder - Finance and Transformation)

Cllr Helen Howell (Portfolio Holder – Sport, Leisure, Culture and Tourism)

Cllr David Howes (Portfolio Holder – Rural Communities and Localism)

Cllr Gill Mercer (Portfolio Holder - Adults, Health and Wellbeing)

##### **Observers:**

Cllr Leanne Buckingham

Cllr Graham Lawman

##### **Officers:**

Jane Bethea (Director of Public Health)

Mark Dickenson (Assistant Director of Finance and Strategy)

Maria Idoine (Strategic Finance Business Partner)

Dean Mitchell (Assistant Director of Finance and Accountancy)

Shirley Plenderleith (Assistant Director for Public Health)

Kerry Purnell (Assistant Director of Housing and Communities)

Raj Sohal (Scrutiny Officer)

#### **2. Purpose of Meeting**

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The session focused on scrutinising the Public Health and Communities budget for the 2025/26 financial year. Discussions examined funding sources, pressures and strategic initiatives.

#### **3. Public Health and Communities Presentation**

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Presented by: Jane Bethea, Director of Public Health

The Director of Public Health introduced the directorate's budget context. Key points included:

- **Budget Overview:** The Directorate operated primarily on a ring-fenced public health grant (£19m) and additional revenue streams totalling £8.94m.

Public Health & Communities				
Opening Budget	9,413	9,605	9,605	9,726
Public Health - Pressures	0	0	0	0
Public Health - Savings	0	0	0	0
Communities - Pressures	311	0	0	0
Communities - Savings	(119)	0	121	500
Closing Budget	9,605	9,605	9,726	10,226

- **Funding Challenges:** There was uncertainty around the public health grant allocation for the next year, with hopes for an uplift given national prevention priorities.
- **Key Priorities for 2025/26:**
  - Mobilisation of new contracts for sexual health services.
  - Substance misuse funding, incorporating a mix of grant and supplemental funding, though only secured until March 2026.
  - Recommissioning of weight management services and implementation of a new health improvement team.
  - Implementation of the Health and Wellbeing Strategy focusing on smoking cessation, financial resilience, and mental health initiatives.

Challenges identified included funding uncertainties, cost pressures and the realignment of spending to meet emerging priorities.

#### 4. Key Lines of Enquiry

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- **Query 1:** Members raised concerns about the sustainability of funding for substance misuse services given the temporary nature of some grants.
  - **Response:** Officers acknowledged the uncertainty and emphasised contingency planning. Long-term strategies involved advocating for stable funding streams.
- **Query 2:** Members queried how the directorate was addressing public health grant uncertainties and inflationary pressures.
  - **Response:** Officers explained a cautious financial planning approach, aligning spending with critical priorities. Reserves were utilised judiciously to cover staffing and contract costs.

- **Query 3:** Members expressed concerns about the rise in vaccine avoidance post-COVID.
  - **Response:** Officers described initiatives including vaccination buses, healthy schools' teams and catch-up programmes for unvaccinated children. Collaboration with NHS colleagues remained central to combating misinformation and improving vaccination uptake.
- **Query 4:** Members sought clarification on the contingency plans for potential pandemics and disease outbreaks.
  - **Response:** Officers confirmed the maintenance of a £2 million contingency reserve for emergencies. Regular reviews were conducted to ensure alignment with projected needs.
- **Query 5:** Members inquired about the directorate's partnership with the voluntary and community sector (VCSE).
  - **Response:** Officers highlighted the Aspire NN collaboration, which consolidated six VCSE organizations. The new infrastructure contract was designed to strengthen VCSE capacity.
- **Query 6:** Members questioned the adequacy of mental health services for young people, particularly around waiting lists.
  - **Response:** Officers outlined plans under the new 0-19 service contract to enhance mental health support provisions through partnerships with the NHFT and REACH.
- **Query 7:** Members asked about the directorate's ability to address local health inequalities and provide services in rural areas.
  - **Response:** Officers discussed tailoring services to rural needs, including investment in domiciliary care, family hubs and integrated support systems.
- **Query 8:** Members emphasised the need for increased public education regarding self-care and prevention.
  - **Response:** Officers described the promotion of NHS health checks and preventive initiatives under the Health and Wellbeing Strategy to encourage proactive health management.
- **Query 9:** Members raised concerns about the management of reserves and the inclusion of inflationary adjustments in contingency planning.
  - **Response:** Officers explained the use of reserves for targeted projects and confirmed discussions with finance about indexing contingency funds to inflation.
- **Query 10:** Members emphasised the importance of integrating resident feedback into partnership strategies.

- **Response:** Officers acknowledged this as a future step in the development of local area partnerships (LAPs) and Integrated Care Systems (ICS).

## 5. Resolutions and Recommendations

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### 1. Funding and Financial Planning Assurance

- **Explore Additional Funding:** Investigate new funding sources for substance misuse programs beyond March 2026. This will require budget allocation for research and potential grant applications, ensuring the sustainability of these services.
- **Adjust for Inflation:** Integrate inflationary adjustments into financial contingency plans. This will affect budget planning and reserve allocations, ensuring financial stability amid public health grant uncertainties and inflationary pressures.
- **Update Projections:** Incorporate updated demographic projections and budget scenarios up to 2029/30. This will require resources for data analysis and scenario planning, ensuring preparedness for potential future crises and maintaining a £2 million contingency reserve for emergencies.

### 2. Health and Wellbeing

- **Combat Vaccine Misinformation:** Implement enhanced communication strategies, including Member briefings and public education campaigns. This will require budget allocation for communication efforts and materials, addressing the rise in vaccine avoidance and improving vaccination uptake.
- **Address Rural Health Inequalities:** Maintain collaborative efforts with VCSE and health partners, tailoring services to rural needs through investment in domiciliary care, family hubs, and integrated support systems. This will involve budget considerations for partnerships and service delivery, addressing local health inequalities.
- **Mental Health Service Improvements:** Present progress on mental health service improvements under the 0-19 contract at the next meeting. This will require budget allocation for service enhancements and partnerships, addressing concerns about the adequacy of mental health services for young people.

### 3. Community Engagement

- **Engage Residents:** Include residents in LAP and ICS discussions to improve service design and responsiveness. This will require budget for engagement activities and feedback integration, ensuring that resident feedback is incorporated into partnership strategies.
- **Resident Engagement Strategy:** Develop a comprehensive strategy for resident engagement within partnership frameworks, promoting NHS health checks and preventive initiatives under the Health and Wellbeing Strategy. This will involve budget considerations for strategy development and implementation, promoting increased public education regarding self-care and prevention.

#### **4. Tourism, English Heritage and Economic interconnectivity:**

- Chester House and heritage assets sustainability ensures these investments provide tangible community and economic benefits.

#### **6. Actions and Follow-Up**

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- Updated budget scenarios to include 2029/30, accounting for potential future crises.
- Progress on mental health service activities under the 0-19 contract to be presented at the next meeting.
- Development of a comprehensive strategy for resident engagement within partnership frameworks

**Notes Prepared by:** Rajvir Sohal

**Date Prepared:** 20 January 2025