

Minutes of a meeting of the Finance and Resources Scrutiny Committee

At 7.00 pm on Tuesday 30th November, 2021 in the Council Chamber, Swanspool House, Doddington Road, Wellingborough, Northants NN8 1BP

Present:-

Members

Councillor Mark Pengelly (Chair)
Councillor Valerie Anslow
Councillor Scott Brown
Councillor Clive Hallam
Councillor Jim Hakewill

Councillor Ken Harrington
Councillor Larry Henson
Councillor King Lawal
Councillor Steven North
Councillor Malcolm Ward

Officers

Janice Gotts - Executive Director of Finance
Mark Dickenson – Assistant Director of Finance & Strategy
Claire Edwards – Assistant Director of Finance & Accounting
Colin Foster – Chief Executive – Northamptonshire Children’s Trust (NCT)
Andrew Tagg – Director of Finances - Northamptonshire Children’s Trust (NCT)
Olivia Ives - Assistant Director Corporate Parenting Services (NCT)
David Pope – Senior Committee Administrator

Also in attendance

Councillor Lloyd Bunday – Executive Member for Finance and Transformation
Councillor Anne Lee

22 Apologies

Apologies for absence were received from Councillors Ian Jelley and Richard Levell. It was noted that Cllr Clive Hallam was acting as substitute for Cllr Jelley.

23 Minutes of the Meeting Held on 2nd November 2021

RESOLVED that: The Finance and Resources Scrutiny Committee agreed the minutes of the meeting held on 2nd November 2021 as a true and accurate record of the meeting.

24 Members' Declarations of Interest

No declarations were received.

25 Northamptonshire Children's Trust Budget Monitoring report - Period 6

The meeting welcomed representatives from Northampton Children's Trust to the meeting, Colin Foster (Chief Executive), Andrew Tagg (Director of Finances) and Olivia Ives (Assistant Director, Corporate Parenting Services).

The meeting heard that the service had been through significant change since Vesting Day, with an ambition to make a real, sustainable difference to Children, Young People and Families in Northamptonshire. To that end, a permanent, stable leadership team had been appointed to take the service forward with the following aims:

- To secure a 'requires improvement' judgement at the next full Ofsted inspection (Summer 2022), then at least 'good' at the following full Ofsted inspection (expected 2025)
- To improve the recruitment and retention of a high-quality workforce
- To deliver the best quality services for the best possible price, including securing of efficiencies through targeted investment
- To improve placements sufficiency
- To deliver the service improvement plan

It was noted that although service improvements had been made during the course of the first year, with positive feedback received from Ofsted, expectations of the service required management having twice previously been rated "inadequate" by Ofsted, this being the legacy position of the service inherited from the former county council. One aspect that had seen significant improvement was the reliance on agency staff, with a current figure of 14.7% and an aim to reduce this further still.

A breakdown of services provided by Northampton Children's Trust and the budgetary share of these was detailed to the meeting as per the table below:

Service	Budget %
Family Support Services (including Early Help and youth offending services)	5%
Safeguarding (including MASH, Assessment and CiN/CP)	10%
Corporate Parenting (inc. Court, CiC, Adoption, Fostering, DCT)	32%
Commissioning and Quality Assurance (including placements)	43%
NCT support services (internal)	7%
Council support services (NNC/WNC)	3%

Key strategic challenges facing the service were detailed as follows:

- Service Improvement Journey, services remain judged 'inadequate' by Ofsted
- Placement sufficiency and cost / future demand for services
- Cultural change within the service
- Social worker recruitment and retention
- Developing support services
- Operational efficiency and case management system
- Premises review
- Additional Ofsted inspections (Voluntary Adoption Agencies / Independent Fostering Agencies / Children's Homes)
- Youth Offending Service inspection (expected at any time over next 12 months)
- Preventative work with partners

It was understood that the service required a substantial culture change, and this could be achieved by listening to the existing workforce while understanding the history of the service and historical decisions made to learn from the past to build a stronger future.

Members asked questions in relation to the following aspects of the service:

- The financial cost of school exclusions and resulting special education requirements
- Staff turnover, vacancy levels and staff retention scheme
- Use of agency staff
- Ongoing staff training and development

The meeting then heard that a monthly financial report was submitted to the Council to better enable the identification of budgetary pressures and trends in timely fashion. The forecast outturn position for 2021/22 was an overspend of £0.622m against the approved budget of £123.348m. The trust planned to partially mitigate this pressure through the use of the carry forward reserve of £0.812m (relating to the financial period November 2020 – March 2021). Additionally, funding bids would be submitted relating to Covid-19 pressures.

It was heard that the placements market was exceptionally volatile and challenging and was therefore flagged as an ongoing budgetary pressure risk. It was anticipated that nationally from 2021 to 2025 a 10% increase in the cost of social care for children was expected. A further budgetary pressure was agency staff recruitment, typically costing in the region of 35-40% more than a permanent appointment. It was noted that when staff vacancies had previously been running at 22%, additional agency costs could be offset against the vacancies. As recruitment became more successful there was a thinner margin for offsetting these costs. A sustainable workforce was therefore key to improving services.

Following the financial update, Members asked further questions in relation to:

- Unaccompanied asylum-seeking children
- High numbers of care leavers
- Emergency placement costs and budgetary pressures associated with these
- Use of Council assets for service-related accommodation

It was heard that regarding costs around placements, strong early intervention social work was required to reduce the need for the use of emergency placements on a regular basis.

A £3.2m savings programme for the service was planned, with investments in services and technology designed to flag pressures to ensure effective lobbying for additional funding. Should the demand for placements increase, this would be approached in a joined-up way in partnership with health and education services to drive out efficiencies whilst reviewing processes and infrastructure to assist in moving away from crisis payments.

The Committee thanked the officers for their attendance before it was

RESOLVED that: the Committee noted the contents of the Budget Monitoring report and made comments as outlined above.

26 Budget Forecast 2021/22 as at Period 6

Members received the Budget Monitoring Report 2021/22 for Period 6. The report sought to advise the Finance and Resources Scrutiny Committee of the budget monitoring position for the Council as at the end of September 2021. The report was based on the latest monitoring report as presented to the Executive on 18th November 2021. The Committee was asked to note the decisions of the Executive made at that meeting in respect of the report.

The Committee noted a forecast General Fund overspend of £26,000 against an approved budget of £292.5million net. This showed a favourable movement of £47k since Period 5 where an overspend of £73k had been reported. The main budgetary movements were outlined, with details for the variations provided.

A variation in the Corby Neighbourhood Housing Revenue Account (HRA) was reported, with the meeting noting an increased pressure of £109k to that reported in Period 5. It was anticipated that this would be managed through seeking mitigation in year or the use of the HRA reserve. A combination of factors including increased Right to Buy sales and a slightly higher void property rate were the main reasons behind the variation. The Kettering Neighbourhood account remained largely on budget.

Progress regarding the closure of the final accounts for the former sovereign authorities was detailed, with accounts for Kettering and Wellingborough having been reported to the Audit and Governance Committee at its November meeting, with the 2019/20 accounts for East Northamptonshire and Corby to be taken to the January 2022 meeting and the 2020/21 accounts to the March meeting. Positive progress continued to be made in terms of closure of the former county council accounts.

Members asked questions in relation to:

- Commercial income and performance and requested a break-down of the composition of commercial investments
- Provision of additional detail regarding the Council's asset register
- The cost to the Council of vacant commercial properties

- The impact on the Council of the recent “living wage” increase
- The use of the Household Support Fund and its future continuation
- The impact of the withdrawal of West Northamptonshire Council in regard to the Chester Farm project and the associated financial impact

The Chair, Cllr Mark Pengelly requested the attendance of the Assistant Director for Assets and Environment at a future meeting to discuss the Council’s commercial portfolio. The Chair also noted that a report relating to Chester Farm would be submitted to a future meeting of the committee.

RESOLVED: That the Committee

- i) noted the content of the report; and
- ii) noted the recommendations approved by the Executive at its meeting on 18th November 2021 in respect of the Budget Forecast 2021/22 (Period 6) report

27 Capital Monitoring 2021/22 - Period 6

The Committee considered a report that set out the provisional capital outturn position for 2020/21 for all the sovereign North Northamptonshire Council authorities, and the subsequent carry forward requests from each authority due to the rephrasing of scheme expenditure profiles.

The report also detailed the latest revised capital budgets (2021/22) for the General Fund (GF) and the Housing Revenue Account (HRA) Capital Programme, including new schemes which have been approved since 1st April 2021.

It was noted that the report before members had been submitted to the Executive at its meeting held on 18th November 2021.

Members received details of draft outturn 2020-21 positions for the former sovereign councils as well as re-profiling of scheme budgets. Further re-profiling of £40.1m in delivery of the Capital and HRA programmes represented an addition to the Capital Programme for the Council, however the funding requirement and overall treasury position reported as part of the budget would not be affected as these schemes were part of an approved programme.

The Capital Outturn for Period 6 of the General Fund Capital Programme showed a forecast spend of £70.4m, an underspend of £27.6m, compared to budget and an underspend of £2.3m compared to the previous month.

Members asked questions in relation to:

- Processes involved in the potential transfer of service operation to/from town and parish councils
- Capital Programme slippage
- Underspend to the Disabled Facilities Grant
- S106 monies committed and received and trigger points for future payments

Following discussion, it was

RESOLVED that: the Finance and Resources Committee noted the contents of the report as reported to the Executive on 18th November 2021.

Chair

Date

The meeting closed at 8.51 pm