



**NOTES OF THE BUDGET TASK AND FINISH GROUP FOR
ADULTS, COMMUNITIES AND WELLBEING (INCLUDING HRA)
SESSION 2 – 19 JANUARY 2022 held at 1.30pm using the Zoom platform**

Attendees:

Cllrs Mark Pengelly, Richard Levell, Valerie Anslow, Scott Brown, Jim Hakewill, Ken Harrington, Larry Henson, Ian Jelley, Steven North and Malcolm Ward.

Executive Members/Officers: Cllrs Lloyd Bunday, Helen Harrison, Helen Howell, David Howes and Andy Mercer. David Watts, Kerry Purnell, Susan Hamilton, John Ashton, Zakia Loughhead, Samantha Fitzgerald and Catherine O'Rourke.

(Councillor Wendy Brackenbury also attended).

Finance Officers: Mark Dickenson, Claire Edwards and James O'Connor.

Democratic Services: Carol Mundy, Raj Sohal and Emma Robinson.

Prior to the meeting formally commencing the chair raised the issue of consultation with the public and asked how the public would be made aware of the budget discussions taking place at the Executive meeting in February. He had been informed that a considerable number of community groups were unaware of the consultation. Would there be a separate consultation meeting arranged for the public to attend to express their views?

Executive members clarified that they were not aware of a separate consultation meeting being planned. They were, however, aware that there had been community engagement with town and parish councils as well as extensive publicity around the consultation process.

Cllr David Howes referenced the former engagement process held in Kettering, where a meeting was held for the public to attend, along with senior officers, where the budget would be presented, and the public had the opportunity to ask questions. He also referenced the Rural Forum, which in future years could be held during the consultation period, to aid the process.

Members also asked if Executive Members could consider visiting communities generally to take on board people's concerns for next year.

1. Presentation

David Watts had circulated a consolidated set of slides to members, which included the slides from session 1 along with a second slide giving the responses to the queries raised at that session.

There were no further questions in relation to public health, and Susan Hamilton left the meeting.

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A question was asked about when Lucy Wightman would leave her post. DW did not have an exact leaving date but would circulate this when agreed, her official leaving date was the end of March 2022.

The slides provided members with the additional information requested and Kerry Purnell explained the position in relation to voids for the HRA and Kettering and Corby.

She reported that the data for each area was collected differently. Her response detailed the number of live voids, properties with the depot, properties ready to let and those expected to come forward within a four-week period.

In Kettering the voids turn-around times for a three-month period averaged between 50 and 70 whilst comparable data for Corby for December 2021 indicated between 90 and 126.

She explained the difference between a standard void, when remedial work would take a shorter time to complete, compared to a major void when a property would need considerable work to bring it to a rentable standard, such as new heating systems, bathrooms and kitchens.

- Members asked why the voids were so different in each area and why there were different timescales for completion of works?

KP explained that there were various reasons for the differences with one reason being how supplies and stock was obtained. Kettering had its own property store, whilst Corby had a contract with a supplier, and this was dependent on supply. This had an impact on how quickly work could be carried out.

A project for property stores was underway, with an options appraisal already undertaken, to consider the best way forward. When ready this would be put before the leadership team and the Executive.

- Is there a target for voids and if so, what is it?

KP was not aware of a target but would investigate this and respond to members.

- Does homelessness have an impact on voids?

KP clarified that voids sit within the HRA budget and that the housing stock was for housing tenants only and therefore unrelated to homelessness. Prospective tenants on the housing register will be offered a tenancy if they qualify. Properties for homelessness came from the general fund and there are a smaller number of properties for use in this area.

- Clarity was sought over whether homeless families could potentially be housed in stock – though not in a void property – that was funded from the general fund rather than the housing revenue account.

This was confirmed.

- Why does it potentially take 250 days for a property to be ready for occupation?

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KP clarified that many voids required major refurbishment with new heating, kitchens, bathrooms etc. it depended on what resources were available and prioritisation at the time it became void. The properties that become available were of mixed sizes and some had been occupied by the same tenants for several years and may require complete renovation.

KP will provide data of the 'type' of current voids.

- How long to voids remain with Registered Social Landlords?

KP clarified that whilst she regularly met with Greatwell Homes she did not know their timescale for voids. She also commented that figures wouldn't necessarily be comparable as a social landlord could move money around to urgently address voids and repairs.

- Looking to the future should the Executive consider a 'stock transfer' to reduce voids and make tenants lives better?

Cllr Mercer commented that this could be looked at, in his opinion he had found that some stock transfers had been very impressive and others not so good. Ultimately the decision would lay with the tenants if this was even considered.

Cllr Harrison commented that as a member of the Executive all options for delivery of the best service for residents had to be considered. At this time this option was not being investigated.

- Could scrutiny look at this?

MD cautioned that a stock transfer may not be viable. With the current level of debts, the level of receipts would be less than the debt and NNC would potentially end up with no taxable receipts which could result in a government intervention.

- A further explanation of the way stock was obtained was requested.

KP clarified that Kettering had a depot store of essential stock products and materials that were frequently used, along with a digitalised stock control system. This enabled good control and ensured appropriate payments to suppliers.

Corby has a contract with suppliers Jewson's which was due to expire in January 2023. It was harder to manage stock control and supplies generally and to monitor payment.

The options appraisal would consider various efficiency methods for the future.

- A member cautioned that holding stock was not always the best way to run a business and asked if enquiries had been made of RSL's to see how they did this. Would this have an impact on budgets?

KP clarified that there were various options to be considered and this would take some time to bring forward. It would not impact next year's budget.

- Members were generally in support of a need for a better system to ensure stock was available for popular products that were being used all the time.

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Councillor Mercer would arrange for a report on stock control at some point in the future. Councillor Harrison commented that this was something that could be discussed through the EAP.

Right to buy receipts

Officers provided an explanation on how the right to buy scheme, introduced in 1980, works. Qualifying tenants have the right to buy their council home with a substantial discount, which increases with the length of a tenancy to a maximum limit as follows:

- Houses - the discount is set at 35 per cent of the property value plus 1 per cent for each year beyond the qualifying period of 5 years up to a maximum of 70 per cent
- Flats - the discount starts at 50 per cent and rises by 2 per cent each year up to a maximum of 70 per cent.
- The maximum discount is £84,600 across England, except in London boroughs where it is £112,800. It increases in April each year in line with the consumer price index (CPI).
- Must have held a tenancy with any council or housing association for at least 3 years & have a secure tenancy at time of application.

The right to buy assumptions for both Kettering and Corby had been factored into next year's budget and the complex calculation process was explained in more detail.

From 1 April 2022 changes had come into effect on how 1-4-1 receipts could be used. This included:

- Increasing the time limit for the use of the receipts from three to five years this covers not just future receipts but existing ones (i.e. back to 2017- 18).
- That the use of 1-4-1 Receipts to fund eligible expenditure for the provision of new homes be increased from 30% to 40%.
- Introduction of a cap on the use of Right to Buy receipts on acquisitions to help drive new supply with the phased introduction, with the cap limiting acquisitions to 50% of delivery from 1st April 2022, then reducing to 40% from 1 April 2023, and to 30% from 1st April 2024 onwards. The first 20 units of delivery in each year will be excluded.

- Members asked if the 20 units were for North Northamptonshire?

MD clarified that the 20 units were for North Northamptonshire and not each separate account.

- Clarification was sought that for each right to buy sale the council was making a small loss.

MD advised that the RTB scheme is a national scheme and tenants can acquire homes at a discounted price again set by Government.

- Members thanked officers for the clear explanation and commented that numbers were more favourable than previous information had indicated. Clarity was sought about the percentage of the receipt that could be used to invest.

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MD confirmed that 40% of the receipt could be invested, with 60% having to be funded directly by NNC.

- The administration fee seemed particularly low. Was that correct and was a loss being made?

MD clarified that this figure was set nationally.

- Who pays the stamp duty?

Stamp duty would be paid by the tenant on the purchase as they were the buyer of the property.

- Officers were asked to clarify that if upon the sale of one property could NNC build another property using 40% of the receipts and separately fund 60% from capital and would the property then return to the HRA for rental.

MD confirmed that this would be delivered from the HRA programme – and that this reflected the funding split shown within the accounts.

- Would any receipts have to be returned if they were not spent.

MD confirmed that NCC was not looking to return any receipts. Projects were on target for June 2024. An annual return was submitted to government, and a request for the return of receipts could be made if monies were not spent. The timeframe was closely monitored to ensure schemes were brought forward and the period for using 1 4 1 receipts has been increased from 3 years to 5 years.

- With regard to the legal documentation could a clause be added to the contract to ensure that right to buy properties could **not** be used as an HMO in the future.

KP confirmed there was a clause relating to HMO's within the legal documentation, but she would see if this could be enhanced.

Supplies and services

KP explained the expenditure in this area which included grants to the voluntary sector, events, Theatre Contracts, Leisure, homelessness and traveller site management. She clarified that the leisure facilities figure related to assets and asset depreciation along with the cost of specialist services for example the swimming pool plant.

- How would these figures change for 2022-23?

KP clarified that the figures won't change as no savings were to be found in the coming year.

- Members asked if they could have details of the budget, as they considered there would be an impact on residents with the increases in heating bills and the general cost of living.

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MD clarified that the report outlined the changes for 2022-23 with an increase in budget for temporary accommodation, as referenced in the first session.

- Councillor Harrison commented that Leisure services, contracted privately, didn't cost a great deal. Covid funds had been used to help leisure services to rebuild to a reasonable level.

KP confirmed that leisure services had achieved a 70% recovery and hoped to be up to 100% by the summer of this year.

Chester House Farm

KP reported that Chester House had now been operational for three months with the first three months trading figures being higher than anticipated at almost £40k.

Various Spring events, such as lambing, were taking place and wedding packages had just been launched.

She detailed the business plan which had projected a £114,600 overspend prior to the site opening, this was intended to be paid back in future years.

- Clarity was sought on what funding Chester House had received?

KP clarified that a revenue budget of £298,244 had been transferred across from NCC. Whilst WNC had withdrawn from the project they would continue to contribute towards the Arc.

- Could a breakdown of the income for the first three months along with details of how it had been achieved be provided? Also, could the full budget for Chester House for 2022-23 be provided.

KP confirmed that she could provide the business plan. The breakdown related to income from car parking, sale of food and beverages and rental and she would also arrange for more detail to be provided.

Disabled Facilities Grants

KP explained that the DFG grants were funded via private sector housing and the grant allocation for 2021-22 was £2.5m. The breakdown of current spend was detailed along with details of the applications received and commitments made. She explained the complexity of using the grant funding which could take up to nine months and could fall within two financial years.

- How had Covid affected spend?

Covid had impacted spend as there had been difficulty in getting work carried out particularly during 2019-20. This was gradually improving.

Social care debt

A question had been raised at session 1 about the adult social care debt, the aged debt sitting on West Northants Council books and how this would be dealt with through close down, DW explained that the debt profile was being managed for the new authority with recovery rates being around 90% which

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provided a baseline to work from. A 100% of contributions was not expected. Work was ongoing with West Northants Council of the aged debt and this will be circulated to members.

A request for more information on the 'Target Operated Model' (TOM) and the potential to meet the proposed savings therein had been made.

DW confirmed that proposed savings were already built into the Medium-Term Financial Strategy. He referenced the circulated slides which detailed the Performance Overview for the North and TOM metrics for 2021. Also detailed was the TOM summary detailing opportunities for service areas, the opportunity calculations and the WAA Opportunity calculations.

The Operating summary from TOM referred to a MTFP of £6.5m for the North with the two main areas being older people and working age adults. This also showed the different workstreams and opportunities.

There was ongoing work taking place around the decision-making process, and reablement options to encourage continued independence with the provision of home care. He detailed the weekly costs of residential care and nursing care and the potential savings that could be achieved.

- How had Covid impacted on the number of residents going into care?

DW confirmed that there was an indication of some impact on admissions to care homes, with families providing more support for their loved ones at home. It was expected that moving forward there could be a wave of new admissions as support diminishes and care needs increase.

- What did TOM stand for and how long is this in place for?

DW clarified that this was the terminology to describe the optimum level of working and is the name and design of the programme - it details how annualised savings can be made by changing the decision making process and the way we work to achieve the assumptions. The contract was in place until 2024.

- What is the connection with Newton Europe, do they gain a commission on savings?

JO'C responded and explained that Newton Europe provided the opportunity matrix, and if decisions were changed and implemented, resulting in savings, they would be entitled to a commission on the amount saved.

- What is the expected cost of the commission and if it doesn't work, do we get money back?

The value of the commission to Newton would be 400,000k. If the contract failed a penalty would be due. There were lots of sign-off points within the contract so if there issues these would be raised. It was noted that the contract was inherited from NCC.

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The aim is to support people to stay and live within their own homes and only place them in residential care when necessary. There was some concern about the assumptions made but officers would continue to deliver the targets where possible.

- Will it be possible to find the savings, or will this result in budget overspends?

It was clarified that within next year's budget the saving against TOM was 10% of budget within the care spend. It was unlikely that there would be issues or problems with finding such savings. Slide 31 demonstrated the current performance.

DW clarified that the savings would have to be achieved to deliver the full benefits

- **Reference had been made to the collection of 90% of debt being recovered - what period was this for?**

Historic information would be provided following the meeting.

Supplies and Services within Safeguarding, Wellbeing and Provider Services

ZL detailed the costings for the service area of £344k, with a forecast spend of £515k. This related to spend on equipment and tools, such as masks and torches, lone working, furniture for Beech Close with the purchase of chairs, testing to ensure electrical compliance, professional fees and hired in services, such as Doctors fees for medical assessments, locksmiths and staff expenses.

She also explained the incurred expenditure on agency staffing.

The highest spend had been at Beech Close Care Home where there had been several vacancies. There were 24 residents who needed the right support, including night care. A recent recruitment drive had resulted in the recruitment of a cook and care assistant.

There were still many difficulties with recruitment and retention, many had left the care service due to the mandatory vaccinations and general concerns over Covid and additional work pressures. The recent Omicron variant had also had an impact with many staff being unable to attend work, though this was gradually improving. The communications team was aware of the vacancies and was promoting vacancies.

Helen Harrison also confirmed that there had been a lot of issues around recruitment and it was essential that staff needed to be paid well with assurance that they would receive the real living wage.

- **What and where was Beech Close Home?**

It was confirmed that Beech Close Home was situated in Desborough and was an old care home previously run by Shaw Care which had been brought back in-house. The home needed some improvements and needed to be staffed properly.

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- With regard to spend to 31 March would £150k be spent during the last three months of the year?

It was clarified that there was a huge delay with the receipt of invoices, and these would come forward before the end of the financial year.

- With the continuing uncertainty with Covid would it be wise to have a half year review to ensure that TOM was working?

The chair responded to inform members that during the coming year the committee would delve further into budgets on a regular basis. Members were also reminded that regular budget monitoring was provided to monitor performance.

The chair thanked officers for the informative presentations and the work that they had put into the slides and extensive information provided.

3. Close

The chair thanked all for attending and closed the meeting at 4.10pm.