



**MINUTES OF THE BUDGET TASK AND FINISH GROUP FOR
ENABLING AND SUPPORT SERVICES
SESSION 2 - 24 JANUARY 2022 held using the Zoom platform**

Attendees:

Cllrs: Mark Pengelly, Richard Levell (Chair), Valerie Anslow, Wendy Brackenbury, Jim Hakewill, Ken Harrington, Larry Henson, Ian Jelley, Steven North, Malcolm Ward

Executive Members/Officers: Councillor Lloyd Bunday, Nana Barfi-Sarpong – Chief Information Officer, Paul Goult – Democratic Services Manager, Guy Holloway – Assistant Chief Executive, Lisa Hyde, Director – Transformation, Katie Jones – Head of Transformation, Geoff Kent, Assistant Director – Customer Services, Adele Wylie, Director – Legal and Democratic

Finance Officers: Niall Blowfield, Mark Dickenson, Claire Edwards, Janice Gotts and Dean Mitchell

Carol Mundy, Senior Democratic Services Officer, Raj Sohal, Democratic Services Officer and Emma Robinson, Democratic Services Support Officer.

1. Overview of presentation

The task and finish group considered the report by Janice Gotts, the Executive Director of Finance, which outlined the contingency of services, the pension deficit budget, an update regarding the pay award and the Council's funding and reserves. This information had previously been circulated to members of the group.

2. Summary of questions and comments including responses

- Members queried how the financial pressure on allowances had arisen, considering the authority knew that it would have 78 Councillors.
 - The Executive Director of Finance clarified that the authority did not have the final figure for the Councillors' allowances when the budget was drawn up as an independent review was underway and officers could not pre-empt this outcome. Nevertheless, the budget was structured to allow for sufficient contingency to address this pressure.

- Regarding the financial pressure listed in the report concerning the Chester House Estate, one member requested a further breakdown of income figures. The member of the group wished to gain understanding as to how £250k in revenue had been generated by the Chester House Estate, with few booked visits.
 - The Executive Director of Finance explained that the pressure currently being met from the Council's contingency amounted to approximately £115k and that details were included in a previous executive report. She clarified that Chester House Estate had a business plan, against which the performance was monitored.
 - The member expressed concern that the budget was overly optimistic, since they were unclear of who/what would fund the financial shortfall, should Chester House Estate not generate its anticipated income.
- Another member questioned whether the Council maintained a 'Plan B', should Chester House not generate its anticipated income.
 - The Executive Director of Finance clarified that the business plan of Chester House would be reviewed and modified, as necessary, over time. The Executive Director reminded Members that Chester House was financed through grant funding; therefore, the authority would have to consider the impact on the grant should there be any decision to change the use of the asset. She advised that the officers who had developed the business plan had experience in the sector and considered that the forecasts of activity were achievable and that officers would ultimately expect the Estate to move towards self-financing.
- Members queried whether the pension deficit was a guaranteed figure.
 - The Executive Director of Finance clarified that the only deficit which had potential to produce a small variation would be the figure for the County following the disaggregation. However, Members were advised that the actuarial review would commence next year, and the figures would be reviewed at that point for North Northamptonshire.
- Regarding the pay award, the Chair questioned whether a 3% increase would be enough to match rising inflation.
 - The Executive Director of Finance explained that the pay award does not always mirror inflation. The 3% increase aligned with what most other local authorities were allowing in their budgets.
 - The Executive Director of Finance explained that, more widely, the changes to the National Living Wage tended to impact on the Social Care provider sector and often this was reflected in the fees charges on to Councils. It was noted that alongside pay, the recruitment and retention of staff was also important, and work was underway with the authority around this issue.
- A Councillor queried what would happen if the Government did not continue with its proposal to implement the Health and Social Care Levy.

APPENDIX G

APPENDIX H – Enabling Services 24th January 2022

- Councillor Lloyd Bunday informed the task and finish group that, at some point, central government would need to address the issue and that the Council had to set a prudent budget on what was anticipated, or it could result in wider issues later
- One member expressed concern that the budget should be set upon need and not speculation, regarding future potential taxation.
- The Chair acknowledged that at an earlier session, the task and finish group noted that the next year's contingency fund was lower. Therefore, he suggested that if the authority did not need to pay the NI increase, this would create a useful buffer in contingency.
- Members queried what officers would consider a 'red flag', concerning decreasing Council reserves.
 - The Executive Director of Finance explained that officers risk assessed the reserves, to determine whether they were at reasonable levels. She clarified that the authority continued to look at the sufficiency of its reserves against risks.
 - One member suggested that it would be useful to look at the Section 25 report
 - The Executive Director of Finance confirmed that that this was included within the final budget report which would go to Executive and then to Council.
- Members questioned where one-off COVID funding had been received and how the authority had prepared for 2022/23, as this funding would likely not be made available again.
 - The Executive Director of Finance clarified that Local Authorities had not been awarded a COVID grant for 2022/23 as part of the Finance Settlement. Therefore, it would be important to maintain sufficient reserves to address any risks which may continue in 2022/23 with the continuing impact of COVID remaining a risk.
- One member questioned whether there were any fees and charges that were likely to be seen as controversial by the local community in April 2022.
 - Councillor Lloyd Bunday suggested that every fee and charge may be controversial to the public in some way and therefore this was difficult to answer.
- Members queried whether a public consultation would be required, should the authority seek to implement a universal parking charge regime across North Northamptonshire.
 - The Executive Director of Finance confirmed that a public consultation would be required for this.
- One member expressed their desire for the task and finish group to note that for next year's budget, the setting of fees and charges should be properly consulted upon during this process.

APPENDIX G

APPENDIX H – Enabling Services 24th January 2022

- Regarding the forecasted opening balances of reserves, the Chair questioned whether these figures were classed as forecasted due to the fact that the Council still did not know the final settlements of the closing of the legacy authorities' accounts.
 - The Executive Director of Finance confirmed that the figures listed in the report were forecasted as they remained subject to audit, in the closing of accounts from the former sovereign councils.

- Members queried whether officers foresaw any issues, which should concern scrutiny in the monitoring of the budget, regarding the closing of accounts.
 - The Assistant Director of Finance explained that there was potential for the closedown of accounts to affect reserves and that officers were working to minimise this impact as much as possible. She clarified that the authority was seeking to build contingencies into the budget, to provide risk management.

- Members questioned what the cost implications would be, concerning the delay in the closedown of the accounts of Corby and East Northants.
 - The Assistant Director of Finance clarified that there would likely be additional audit costs due to this delay however, contingencies had been built into the budget to provide for the fees of these extended account closedowns.
 - The Executive Director of Finance explained that additional audit fee requests would be subject to oversight from the PSAA in coming to an agreement on whether the fees were reasonable.

- Regarding the scrutiny budget, members queried what this funding could be used for.
 - The Democratic Services Manager clarified that the budget was intended to facilitate scrutiny work. There would be a member training and development programme and if this training would be directly linked to the operation of the scrutiny committees, it would be funded from the scrutiny budget. The remaining scrutiny budget for 2022/23 was £26.5k.
 - The Director of Legal and Democratic supported this and explained that the intention for this budget was to allow for members to carry out effective scrutiny.

- One member questioned where the money for levelling up would come from and whether the Chair of the Scrutiny Commission received an allowance from the scrutiny budget.
 - The Democratic Services Manager explained that although it seemed like the scrutiny budget was a large one, the authority had not yet had a whole year to carry out scrutiny. He posited that once a whole fully functional year of scrutiny had been allowed for, members would be able to determine whether this budget was appropriate. The allowance received by the Chair of the Scrutiny Commission also formed part of the scrutiny budget.

APPENDIX G

APPENDIX H – Enabling Services 24th January 2022

- The Chair requested additional information regarding agency staff and full-time permanently employed staff.
 - The Director of Legal and Democratic explained that work around collecting this data was ongoing and would be made available to scrutiny in the future.
 - One member also suggested that it would be useful to receive information regarding the sickness of employees, to determine the capacity of services.

- One member expressed disappointment at the fact that the ‘ward empowerment fund’ had not been available previously and questioned why Councillors had not received funding to carry out local work.
 - The Executive Director of Finance explained that a scheme for ward empowerment had not been available on 1st April 2021, since a policy decision had not been made.

- Members queried what the anticipated collection rate for the council tax fund was.
 - The Executive Director of Finance clarified that the predicted rate of collection was 98.5% in 2022/23 and was 98.46% for 2021/22.

- One member questioned whether scrutiny would be able to see comments, which came back from the public consultation.
 - The Assistant Chief Executive explained that there would be a full report produced. The results would not be published before the consultation was finished but as soon as this had been completed, the report would be made available.