

Minutes of a meeting of the Finance and Resources Scrutiny Committee

Held at 7.00 pm on Tuesday 1st February, 2022 in the Council Chamber, Swanspool House, Wellingborough, Northants, NN8 1BP

Present:-

Members

Councillor Mark Pengelly (Chair)
Councillor Valerie Anslow
Councillor Scott Brown
Councillor Jim Hakewill
Councillor Ken Harrington

Councillor Richard Levell
Councillor Larry Henson
Councillor Ian Jelley
Councillor King Lawal
Councillor Malcolm Ward

Officers

Mark Dickenson
Claire Edwards
Janice Gotts
Paul Goult
Guy Holloway
Carol Mundy
Jack Pishhorn
Kerry Purnell
Raj Sohal
David Watts

Also in attendance – Councillor Wendy Brakenbury, Councillor Lloyd Bunday, Councillor Clive Hallam, Councillor Helen Howell, Councillor Anne Lee, Councillor Paul Marks, Councillor Mark Rowley, Councillor Jason Smithers

28 Apologies for absence

Apologies for absence were received from Councillor Steven North – Councillor Clive Hallam was in attendance as a substitute.

29 Members' Declarations of Interest

The Chair invited those who wished to do so to declare interests in respect of items on the agenda.
No declarations were made.

30 Minutes of the meeting held on 30 November 2021

RESOLVED that:

The minutes of the meeting held on 30th November 2021 were approved as a correct record.

31 Budget Forecast 2021/22 as at Period 7 Monitoring

The Committee considered a report by the Assistant Director of Finance and Strategy, which set out budget monitoring for period 7 of the financial year, reported to the Executive on 30th January 2022. The report was based upon income and expenditure and set out the pressures on the budget.

During discussion, members queried:

- Whether the Council would be reimbursed for business rates relief, during the pandemic?
- Whether there was cause for alarm at the collection rate of council tax?
- What operational changes had been made to enable the Council's £1.7m in savings?
- Why North Northamptonshire Council's inflation rate had only been increased in adult social care by 2%, since other local authorities had increased the rates of their providers?
- Whether Northamptonshire Children's Trust would be able to transfer funding between budget areas, should they produce underspends from other allocations, and if the £1.7m savings achieved by the Trust would be embedded into its budget?
- Whether the forecasted underspend of £500k, detailed in the report, was overly optimistic?
- Why it was listed in report that only if the claim made to central government was successful, then the pressure regarding COVID-19 expenditure could be reduced?
- Whether officers expected car parking income to return to normal, pre-COVID levels, over the course of the next financial year?
- Whether the £158k car parking budget pressure in Kettering, listed in the report, had considered the fact that a large portion of the car park had been taken up by ad hoc COVID-19 testing facilities?
- Why planning income was forecasted to be lower than its allocation within the budget?
- How the Council could explain the increased revenue it had received from waste management?
- Whether the same methodology was being used to continue to build up the 2022/23 budget?

In response, the Executive Director of Finance clarified that:

- Central government would reimburse the local authority for business rates relief, awarded during the pandemic.

- There was no cause for alarm concerning the collection rate of council tax, as the forecasted rate was still on track to be delivered.
- No Council activity had changed to allow for £1.7m in savings - this was part of the budget's medium-term plan and had arisen as a continuation of this plan.
- Different inflation increases were provided to different sectors. The authority was aware of the fragility of the social care provider market and would continue to engage with service providers, to determine the pressures they could face.
- The Northamptonshire Children's Trust would not be able to transfer funding as it wished. Representatives from the Trust regularly reported to senior officers, via a progress and operation group, and had met with the Chief Executives of the North and West Northamptonshire Councils. The movement of funding would be subject to further negotiations. The £1.7m of funds in savings was already in the base budget as part of the 2022/23 budget settlement's 'bottom line'.
- The authority still anticipated to achieve the forecasted underspend of £500k, detailed in the report.
- Regarding the mental health service, there had been a prior expectation that contributions would be spread evenly across the county. However, since there existed a greater concentration of people receiving mental health services residing in the West area, West Northamptonshire Council's proportional contribution to this shared service was greater.
- The caveat included in the report regarding the claim made to central government for additional funding to alleviate COVID-19 expenditure pressures was necessary until verification had been completed. Nevertheless, the authority anticipated that it would receive this additional grant funding.
- Car parking income would depend on several factors, such as whether residents would return to permanent in-person working. The Council could support this pressure in-year, if necessary, by utilising its 'risk reserves'. Nevertheless, the authority would seek to identify and implement all possible mitigations on this pressure before utilising these reserves.
- The Kettering car parking budget pressure had taken temporary COVID testing sites into account, as well as the fact that parking charges had been suspended for a period, during the pandemic.
- Officers felt that budgets inherited from the sovereign authorities were overly optimistic, regarding planning.

- The increased revenue from waste management had arisen as a culmination of improved deals with service providers and a diversion from landfills, leading to greater recycling activity.
- Officers had continued to assess the budget, to determine how it could be levelled up over the course of the coming financial year.

Members again requested that the Executive provide the Finance and Resources Scrutiny Committee with detailed information, regarding staff vacancy figures across all service areas of North Northamptonshire Council. The Chair emphasised that this data would be necessary, for the Committee to carry out effective scrutiny of service capacity.

RESOLVED that:

The report be noted, and the Committee approve the use of the Business Rates Retention Pilot project reserve to fund the feasibility works for the telephony infrastructure scheme.

32 Performance Indicators 2021-22 - Period 7

The Committee considered a report by the Assistant Chief Executive, which provided an update on the performance of the Council's corporate support services as at Period 7, as measured by performance indicators, and set out the actions the Council was taking, to develop its performance monitoring arrangements.

During discussion, members queried:

- Why fluctuations had occurred regarding the percentage of the Council's invoices, which had been paid within 30 days?

In response, the Assistant Chief Executive clarified that:

- North Northamptonshire Council had adopted a new financial system (ERP) in April 2021, as well as new processes with suppliers. These systemic changes had caused delays however, since this period, service areas had responded well, and performance had improved. These fluctuations were not due to a cash flow problem.

RESOLVED that:

The report be noted.

33 Budget Report 2022/23 - Report from Scrutiny Task & Finish Groups - Appendix D and H to follow

One member questioned whether the Leader of the Council was confident in the human resources capacity of the local authority, to deliver the budget. The Leader of the Council maintained that he was confident the budget would be delivered and clarified that although there existed a multitude of staff vacancies across services, the authority sought to fill these vacancies. The Leader assured the Committee that more

information regarding staff vacancies would be provided when the next Executive report was received.

The Committee considered a report by the Business Development Manager, regarding the Chester House Estate.

During discussion, members queried:

- Why visitors were required to book car parking at Chester House and whether it would be possible to implement a simpler system?
- Whether walk-in visitors were considered in the calculation of the footfall of visitors to Chester House?
- What work was being done to encourage visitors to use the river moorings?
- How long Chester House would require contributions from the local authority before it would be self-sufficient?
- Which operations would be increased, to meet forecasted site operational costs, and whether it would be more cost efficient to hire permanent staff?
- Whether marketing and public relations work should be ramped up to increase public awareness around Chester House?
- Whether the £115k contingency funding was intended to be used to address budget shortfalls?

In response, the Business Development Manager clarified that:

- Online booking for car parking was required to manage capacity, during busy periods of the year, as the car park at Chester House could not be extended.
- Walk-in visitors were not included in the footfall of Chester House, which had been calculated based upon estimates of parked cars. Officers hoped to include walk-in visitors in these figures in the future.
- Officers were working with Nenescape partners, to promote the river moorings.
- The Chester House business plan was constantly refreshed, as a living document. It was anticipated that by the sixth year of operations, Council contributions would no longer be required, and the business would be self-sufficient.
- Chester House had budgeted in advance for ongoing maintenance and future repairs for its listed buildings, as operational costs. Regarding casual staffing, it was industry standard to use casual staff and volunteers. As the business would develop, the staff team would also increase during busy periods of the year. Chester House maintained a strong volunteer base and had claimed 4,000 volunteer hours.

- Chester House had sold-out over the October half-term school holiday and had not required a large marketing budget. Social media marketing had been both successful and cost-effective.
- The £115k contingency was in place to address forecasted shortfall. Nevertheless, officers forecasted a break-even position, therefore, the business plan would be updated to reflect this. Officers once again emphasised that following the initial five-year business plan, they expected Chester House to become fully self-sufficient.

Members requested the opportunity to scrutinise the updated business plan for Chester House Estate, as soon as it would become available.

The Leader of the Council acknowledged the positive work of Chester House in engaging with young people in North Northamptonshire and emphasised its value as an asset. He maintained that while financial scrutiny was necessary, members should also consider its societal worth.

The Committee then focused its attention on the budget process. Members were assured that queries regarding the budget would be put to the Executive, at its next meeting.

During discussion, members queried:

- What the source of funding would be for the planned cost of £1m for 'green initiatives'?
- Why there was no provision in place to cover free school meals during school holidays, as had been done during the pandemic – costing £1.8m?
- Whether the authority had progressed with assessing the cost of utilities, for the next financial year?
- How the authority planned to proceed following the expiration of the 'Voi' e-scooters contract in March 2022?

In response, the Executive Director of Finance clarified that:

- The Council's green initiatives would be funded by its financial reserves.
- Officers continued to assess issues concerning the cost of utilities and would seek to identify methods to mitigate this pressure across service areas. A contingency of £500k would be established, to address rising utilities costs.

The Leader of the Council clarified that:

- There was no provision built into the budget to facilitate free school meals however, grant funding would possibly be made available by central government. North Northamptonshire Council would lobby the government to receive the 'Household Support Fund'.

- It was likely that the Department for Transport (DfT) would seek to extend the 'Voi' trial in North Northamptonshire, as the area has seen the most successful launch across Europe. Nevertheless, if this trial was not extended by the DfT, the local authority would reassess the viability of the programme.

RESOLVED that:

The report be noted.

Chair

Date

The meeting closed at Time Not Specified