

Minutes of a meeting of the Finance and Resources Scrutiny Committee

Held at 7.00 pm on Tuesday 5th April 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 Richard Levell (Vice Chair)
Councillor Larry Henson
Councillor Paul Marks
Councillor Malcolm Ward

Officers

Mark Dickenson

Assistant Director – Finance and Strategy,

Claire Edwards

Assistant Director – Finance Accountancy

Janice Gotts
Guy Holloway
Carol Mundy
Raj Sohal
Louise Tyers

Executive Director – Finance
Assistant Chief Executive
Senior Democratic Services Officer
Democratic Services Officer
Senior Democratic Services Officer

Also in attendance

Councillor Lloyd Bunday
Councillor Jason Smithers

Executive Member
Leader of the Council

34 Apologies

Apologies for absence were received from Councillors: Ken Harrington, Ian Jelley, King Lawal, Steven North and Mark Rowley.

35 Minutes of the Meeting held on 1 February 2022

RESOLVED that:

The minutes of the meeting held on 1st February 2022 were approved as a correct record.

36 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.

37 Budget Forecast 2021/22 as at period 10

The Committee considered a report by the Executive Director of Finance, which set out the material financial issues identified in February 2021, based on income and expenditure at the end of January 2022.

During discussion, the principal points were noted:

- The report stated that the 100% relief rate had been reduced to 66%, and that this would level out over the course of the financial year. Members queried whether this had in fact levelled out since period 7 budget monitoring.
- Regarding the format of the report, members commented that in future, it would be helpful to receive information concerning the respective percentage amount of the budget each overspend and underspend related to. Officers agreed to incorporate percentage figures into future budget reports.
- The Chair queried when the Corby legacy accounts would be closed and signed off on for the 2021/22 year and similarly, whether officers anticipated any problems in this area.
- Regarding asset capital management, the Chair posited that it would be important for scrutiny to be aware of the authority's resources and assets.
- The report illustrated that the pressure on home-to-school transport had increased drastically since period 7 monitoring. Members queried what information had since come to light, to account for such a large increase in this pressure.
- Members queried how the additional pressure of £10k had arisen, relating to additional audit fees for Kettering.
- Regarding the Chester House Estate, members queried how officers had forecasted a break-even position for this asset, since an overspend pressure had initially been predicted in its original business plan.
- Members queried how the £655k underspend, outlined in the report, relating to the authority's commercial estate portfolio had been achieved.
- One member expressed concern regarding the financial scrutiny of the Northamptonshire Children's Trust. They noted that within six months of operations, the Children's Trust had not spent the carried-over reserve funds of £800K, and there was no indication of what such retained funds should have been spent on. Delete the following with no indication provided of what these retained funds were not spent on. The member posited that without sufficient staff and resources to operate effectively, the authority may be providing the Trust with funding it did not require. As a consequence, it was requested that the Finance and Resources Scrutiny Committee receive greater information relating to why such underspends were occurring, in order to determine whether Council funding should be redirected to other areas of need.

In response, the Executive Director of Finance clarified that:

- The relief rate had levelled out since period 7 however, the government had introduced additional relief. The authority would aim to draw this rate up towards the end of the year and did not anticipate any major issues.

- In net terms, the anticipated savings against the rate of inflation had been achieved.
- Delays in closing accounts had been inherited from the legacy authorities. This, in addition to issues with staff retention and resources, had caused a delay in the closing of the Corby accounts.
- Social distancing on public transport, as well as higher student numbers and contractors' quotes from revised contracts, had led to increased expenditure surrounding home-to-school transport.
- The £10k pressure pertaining to the Kettering audit had arisen as a result of additional required work. The authority had put forward representation to disagree with the auditors for additional levied fees however, through arbitration, a decision was taken independently that these costs were appropriate.
- Since the opening of the Chester House Estate, its performance had outperformed predictions, generating greater revenue and leading to a forecasted break-even position.
- The authority's commercial estate portfolio had performed better than anticipated. Therefore, the forecasted income for such assets was greater than the budgeted funding (a favourable variance of £655k).

RESOLVED that:

The Committee noted the report.

38 Performance Indicator for Corporate Services 2021/22 - Period 10

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 10, as measured by performance indicators.

During discussion, the principal points were noted:

- Members queried why some performance indicators listed in the report were green but showed red arrows.
- Members informed officers that they would like to see greater detail against red performance indicators, to gain understanding of what was being done to improve services (such as action plans and timescales). The Chair suggested that if performance indicators remained red at multiple meetings, the Committee should invite service leaders to attend and address scrutiny.
- Members queried what an individual rights request was.

In response, the Assistant Chief Executive clarified that:

- Service areas that performed well were illustrated as green however, if performance appeared to be deteriorating, red downward directional arrows were placed on these indicators. Similarly, services that had not performed well but were improving received indicators to demonstrate improvement.
- Officers would seek to improve the level of detail, pertaining to performance indicators, provided in Committee reports.
- An individual rights request would allow North Northamptonshire residents to access any information the authority might hold on them, existing across multiple service areas and databases.

RESOLVED that:

The Committee noted the report.

39 Proposed Corporate Plan Performance Indicator set for Corporate Services 2022/23

The Assistant Chief Executive invited members of the Committee to review and provide feedback on the proposed Corporate Plan Performance indicators for corporate services 2022/23.

During discussion, members queried:

- Whether it would be possible to pay invoices owed to smaller local suppliers more quickly than to larger corporations, since these smaller businesses may require cash flow sooner.
- Whether the Committee should scrutinise the carbon footprint of North Northamptonshire Council and how it could be mitigated.

In response, the Assistant Chief Executive clarified that:

- While the fulfilment of invoices may have a larger impact on smaller businesses, the authority aimed to pay all suppliers as quickly as possible.
- A range of new indicators relating to the authority's carbon footprint management had been included in the report that previously went to the Scrutiny Commission. The Climate Change, Environment and Growth Executive Advisory Panel also sought to identify indicators and set targets for reducing the Council's carbon footprint. The authority would need to carry out work around carbon counting, to assess the impact.

The Leader of the Council assured the Committee that it was important to the Executive, as a whole, that the authority utilised its budget spend locally, wherever possible. Regarding carbon management, he explained that it would be necessary for North Northamptonshire Council to first establish its current baseline of emissions, to determine carbon targets and reduce its carbon footprint.

RESOLVED that:

The Committee noted the report.

40 Scrutiny Annual Report 2021/22

The Democratic Services Officer invited members of the Committee to contribute and comment on the Scrutiny Annual Report for 2021/22.

The Chair suggested that members liaise with officers outside of the meeting, to provide ideas for scrutiny, in drafting the report.

During discussion, members suggested that:

- Statutory guidance on overview and scrutiny should also include and extend to Executive Advisory Panels.
- It would be useful to see whether the key issues arising from the Scrutiny Conference had been narrowed down, to identify the scope of issues to be scrutinised by the Finance and Resources Scrutiny Committee and Scrutiny Commission, respectively.

RESOLVED that:

The Committee note the report and provide feedback to the relevant officer to enable the Annual Scrutiny Report to be completed.

41 Items for future discussion:

The Executive Director of Finance explained to the Committee that the budget should be finalised around September or November 2022. She suggested that members should begin to scrutinise the budget depending on which specific areas they would want to look at. A timetable for budget scrutiny would be drawn up and shared with the Committee. In the meantime, officers would continue to assess potential existing shortfall.

The Executive Director also clarified that in July 2022, the Committee could look at the Northamptonshire Children's Trust budget outturn position for 2021/22. Then again, in September, once final indicative figures had been established - before final decisions would be made in November.

Arising from the Executive meeting held on 29th March 2022, it was resolved that the Finance and Resources Scrutiny Committee would scrutinise maintained nursery provision. It was agreed that a task and finish group be established to scrutinise maintained nurseries.

The Chair assured the Committee that he would liaise with members to determine the membership and scoping of such task and finish group. He also asked when the internal audit of the maintained nurseries, agreed by the Executive, would take place.

The Executive Director clarified that the Internal Audit would take priority but wasn't sure how long this would take to complete, she expected it would be towards the end of July.

42 Close of Meeting

There was none.