

# **West Northamptonshire Shadow Executive**

**5 January 2021**

## **Shadow Executive Members Present:**

Richard Auger	Matt Golby
Lizzy Bowen	Phil Larratt
Rebecca Breese	Ian McCord (Chair)
Adam Brown	Jonathan Nunn

## **Other Shadow Authority Members Present:**

Danielle Stone	
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## **Officers Present:**

George Candler	Chief Executive, Northampton Borough Council
Jane Carr	Transformation Director, West Northamptonshire Shadow Authority
Martin Cox	Programme Lead, Corporate Programme, Future Northants
Anna Earnshaw	Chief Executive, West Northamptonshire Shadow Authority
Belinda Green	Operations Director, CSN Resources
Cathi Hadley	Shared Director of Children's Services and Statutory DCS, North & West Northamptonshire Shadow Authorities
Paul Hanson	Democratic Services Manager, NCC
Martin Henry	Chief Finance Officer, West Northamptonshire Shadow Authority
Paul Hymers	Strategic Finance Adviser, SNC
Graeme Kane	Executive Director for Strategy, Delivery & Transformation, NCC.
Alex Melia	Democratic Services Officer, West Northamptonshire Shadow Authority (Minutes)
Ian Vincent	Chief Executive, DDC
Catherine Whitehead	Monitoring Officer, West Northamptonshire Shadow Authority

## **1. APOLOGIES FOR NON-ATTENDANCE:**

Apologies were received from Audra Statham, Finance Enabler, Future Northants, and Martin Henry, Chief Finance Officer, West Northamptonshire Shadow Authority.

## **2. NOTIFICATION OF REQUESTS TO ADDRESS THE MEETING:**

None received.

## **3. DECLARATIONS OF INTEREST:**

None received.

## **4. MINUTES OF THE MEETING HELD ON 27 OCTOBER 2020**

**RESOLVED:** That the Shadow Executive approved the minutes of the meeting held on 24 November 2020 as a true and accurate record.

## **5. ANNOUNCEMENTS**

The Chair advised that, as the country enters another national lockdown, a ministerial call confirmed there are currently no plans to move the elections from the scheduled date in May 2021.

## **6. TRANSFORMATION DIRECTORS UPDATE**

The Transformation Director, West Northamptonshire Shadow Authority, introduced the report and highlighted the salient points:

- It was advised that the information in the report is correct as at 30 November 2020, but given the rapid nature of the transformation project, some elements have progressed significantly since this date.
- To provide an update, Place North & West was shown as amber in the report, but is now much closer to green status.
- Negotiations with Trade Unions are ongoing, so the corporate element of the programme remains amber, but the Transformation Director noted that talks are progressing.
- Adults services has moved from amber to green status.
- The ICT element of the programme will continue to be amber as the rollouts of MS365 continue, with Northants County Council happening in the coming days.
- Programme Governance has moved into a North & West split as approved at the November Shadow Executive meetings. Programme management is being aligned between the North & West Transformation Director's.
- The format of the Change Manager's Update has been altered to demonstrate the actions and subsequent impact of the Change Management programme.
- As the programme continues to progress, more opportunities are being created for staff to liaise with senior officers.
- A "you said – we did" report has been created to highlight the responses to challenges given by staff and Members.
- The new authority logos are now live, following the public consultation. One of the largest budget pressures moving forward is related to the Day One branding decision-making process.
- In response to a question from the Chair, the Transformation Director confirmed that the Communications & Engagement Task & Finish Group would be engaged to ensure that Members have appropriate input.
- A plan to further highlight The Day One readiness campaign outside of the organisation is currently being formulated with Members.

Councillor Danielle Stone expressed concern over the potential loss of expertise during the transition to a unitary authority. It was noted that Northampton is a large town that has distinctive issues as a result, with the experience and understanding of such issues considered by Councillor Stone to be of high importance to West Northamptonshire Council.

The Chair noted that the Shadow Authority is looking to incorporate good practice in order to best utilise existing skills and experiences where applicable.

The Strategic Finance Business Adviser, SNC, introduced the finance monitoring report and highlighted the salient points:

- The Future Northants budget is forecasting an underspend of £190,000 which is related to the timing of the Shadow Authority statutory appointments.
- The report shows a shortfall of around £1million in terms of benefits realisation savings in 20/21, which is a timing issue caused by delays as a result of Covid-19. Any savings not made in 20/21 are expected in future years.

Councillor Matt Golby advised that the Shaw PFI Programme mentioned in the NCC Transformation section of the report was agreed in December 2020.

Councillor Danielle Stone queried the mitigations in place to bridge the gap between the desired savings and actual savings, noting the £36,069m to be delivered beyond vesting day.

The Strategic Finance Adviser noted that the expected £36,069m is split across both West and North Northamptonshire. The initial budget forecast in June 2020 predicted £35m in savings beyond vesting day, meaning that the slippage is roughly £1m. The West Northamptonshire Council's share of these savings have been built into the draft budget to be discussed later in the meeting.

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive:**

- a) Noted the high level programme delivery status;
- b) Noted the update on change readiness;
- c) Noted the communication and engagement update; and
- d) Noted and approved the finance monitoring report.

## **7. PROGRAMME CHANGE REQUESTS**

The Transformation Director, West Northamptonshire Shadow Authority, introduced the report and noted that the changes proposed are in line with the agreed process and relate to the Blueprint initially approved by the West Northants Shadow Executive on 22 September 2020.

Councillor Matt Golby noted that many of the changes relate to small, specialist areas, but represent the beginning of the journey for some services.

Councillor Phil Larratt noted the importance of appendix A10 and fully endorsed the changes being made.

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive:**

**Approved the changes requested to the Blueprint as outlined at Appendix A.**

## **8. DRAFT BUDGET 2021-22 & MEDIUM TERM FINANCIAL PLAN – GENERAL FUND REVENUE & CAPITAL**

Councillor Rebecca Breese introduced the report and highlighted the salient points:

- The report sets out the first draft Revenue Budget 2021-22 and Medium Term Financial Plan for West Northamptonshire Council and begins the consultation process.

- The draft budget will also be presented to the Shadow Overview and Scrutiny Committee for comment and there has and will be wider engagement with the elected members for West Northamptonshire.
- Following the consultation process, the Shadow Executive will consider the proposals in the draft final budget for 2021-22 for recommendation to the West Northamptonshire Shadow Authority budget meeting on 23 February 2021.
- The current plans assume no service reductions and builds on the capital plans of the existing sovereign councils.
- To help maintain and protect levels of service provision the Shadow Authority will consult on a core Council Tax increase of 1.99% in line with the maximum limit set by government without triggering a referendum and utilising the allowable Council Tax social care precept increase of 3% in full.
- Appendix C of the report outlines the conclusions of the Council Tax Harmonisation Task & Finish Group, that in order to maximise income, harmonisation should be based on applying the referendum limit to the average level of current Band D rates.
- As this is the first budget created for the West Northamptonshire Council, due diligence has been given to forming the baseline figures transferring from the sovereign councils. There will be some inherent risk associated with the demand on services in the first year, which is augmented by the impact of Covid-19.

Councillor Danielle Stone expressed concerns over presenting a draft budget prior to the closing down of sovereign council accounts.

The Chair noted that the close-down arrangements will use best estimates from unaudited accounts, but if changes are required following auditing, this will be possible.

The Strategic Finance Adviser expressed confidence in the levels of reserves that West Northamptonshire Council will receive, adding that subsequent shifts can be dealt with in the budget-setting process for future years.

Councillor Breese advised that financial estimates have been made using the available knowledge in a changing context and that contingency plans are in place, with flexibility built into the budget.

Members of the Shadow Executive commented as follows:

- Councillor Adam Brown noted that in future reports, it may be useful to present figures such as the Band D tax increases in cash terms, as well as percentages.
- Councillor Brown also wished to commend those involved in creating a safe and legal plus draft budget given the ongoing national issues.

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive:**

- a) Noted the 2021-22 Draft Budget that will be consulted upon, including:
  - i. an estimated net revenue budget of £710.647m (£323.647m excluding Dedicated Schools Grant) as set out in Appendix A.
  - ii. Council Tax harmonisation for West Northamptonshire using the alternative notional amount approach years with the number of years harmonisation to be determined as part of the final budget proposals:
  - iii. an average Band D Council Tax of £1,566.39 for West Northamptonshire Council which represents an increase of 4.99% on the average Council Tax

- levied across the West Northamptonshire area (1.99% increase in ‘core’ Council Tax and 3% Adult Social Care Precept).
- iv. Local Council Tax Reduction Scheme changes as outlined in the report in section 8.18 to 8.23.
  - v. The Draft Capital Programme as set out in Appendix E.
  - vi. The consultation process as set out in paragraphs 17.8 to 17.14.
- b) Noted the estimated taxbase for West Northamptonshire has been calculated at 137,374 band D equivalents as set out in paragraphs 8.7 to 8.9;
- c) Noted the approach to Fees and Charges as set out in section 11; and
- d) Noted the provisional allocations, and planned usage of the Dedicated Schools Grant (DSG) for 2021-22 pending the final DSG settlement, and following consultation with the Schools Forum, delegates authority to the Director for Children’s Services in consultation with the Portfolio Holder for Children’s Services, the Portfolio Holder for Finance and the Executive Director of Finance (S151 Officer) to determine the DSG 2021-22 schools funding formula, high needs funding arrangements and the Early Years Funding Formula in line with Department for Education guidance.

## **9. DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET, RENT SETTING 2021/22 & HRA BUDGET PROJECTIONS 2022/23 TO 2025/26**

Councillor Rebecca Breese introduced the report and highlighted the salient points:

- The report sets out the draft budget proposals for 2021/22, including Rent setting for 2021/22, and forecast budgets up to 2025/2026 for the Housing Revenue Account (HRA) and the HRA Capital Programme and financing proposals.
- On vesting day, West Northamptonshire Council will assume the responsibility for the HRA, currently owned by Northampton Borough Council. On 1 April 2020, the HRA’s housing stock comprised 11,426 dwellings.
- The report details the national and local policy context along with the most recent policy initiatives from central government, taking account of the reduced capital incomes due to the events of 2020, such as the 33-35% reduction in right-to-buy purchases.
- The proposed rent increases for 2021/22 is the maximum 1.5% on average across the housing stock in line with government policy.
- Northampton Partnership Homes has been working with NBC on a ten-year development plan for new affordable homes, including social housing, to address the lack of affordable housing in Northampton and the reduction in housing stock from right-to-buy purchases.
- In response to a question, Councillor Breese advised that the plans of NBC will continue into the new authority.

Members of the Shadow Executive commented as follows:

- Councillor Lizzy Bowen highlighted that 1200 council houses will be built over the next five years.
- Councillor Bowen also made reference to The Housing and Planning Bill 2016 noted at 3.2.7 to the report and queried the number of high income social tenants in Northampton, as well as the system for reporting increases in income above the threshold.
- The Chief Executive, Northampton Borough Council, agreed to provide an update on the relevant figures after consulting with colleagues at NPH

- Councillor Jonathan Nunn advised that there is likely a low incidence of high income social tenants.
- Councillor Breese commented that under the new West Northamptonshire Council, the geographical boundaries of NPH will increase, offering further opportunities to cater for demand.

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive:**

- a) Noted the draft HRA budget including charges and rents as detailed in appendices 1 and 4 for public consultation;**
- b) Noted the draft HRA Capital Programme and financing, as detailed in appendix 2 for public consultation; and**
- c) Noted the draft Total Fees proposed for NPH in appendix 3 to deliver the services in scope.**

## **10. HARMONISATION OF COUNCIL TAX DISCOUNTS AND PREMIUMS FOR WEST NORTHAMPTONSHIRE COUNCIL**

Councillor Rebecca Breese introduced the report and highlighted the salient points:

- The harmonisation of council tax discounts and premiums applies to properties, rather than householders.
- Currently, there are some variances in the council tax discounts and premiums across the sovereign councils, which need to be harmonised on vesting day. The Council Tax Harmonisation Task & Finish Group has considered these variances and the report reflects their recommendations.
- The number of properties affected is 198, which will have a minimal effect on the budget.

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive:**

- a) Approved the following Council Tax discounts and premiums to be effective from 1 April 2021:**
  - i. Second homes discount to be set at zero;**
  - ii. Discount for unoccupied and substantially unfurnished properties which are uninhabitable due to requiring major repairs to be set at zero;**
  - iii. Unoccupied and substantially unfurnished properties discount to be set at zero; and**
  - iv. Long term empty premium to be set as follows: where a property has been empty for more than two years but under 5 years a Council Tax premium of 100% to be charged: where a property has been empty over 5 years a premium of 200% to be charged.**

## **11. RESULTS FROM THE CONSULTATION ON LOCAL COUNCIL TAX REDUCTION SCHEME 2021-22**

Councillor Rebecca Breese introduced the report and highlighted the salient points:

- The scheme is only applicable to working-age households, as pension-age households have a scheme that is prescribed by statute.
- It is a requirement for LCTRS to be harmonised by year one of the new authority, unless it is technically not possible to do so. This possibility has been explored extensively by the Shadow Authority with MHCLG, but there has not been a resolution.
- All households currently in receipt of LCTRS were advised in writing of this consultation. The response rate was high and evenly distributed across West Northamptonshire.
- On proposal 1, there was an even split of those who strongly agreed and those who strongly disagreed, at 43.27%. Proposals 2, 3, 4 and 5 had more in favour than against.

The Chair noted that the decision on this consultation will be taken at the end of January 2021 and stressed the importance of thoroughly considering these decisions beforehand.

Councillor Danielle Stone made the following points:

- Concerns were expressed that care-leavers have not been taken out of the council tax system. It was noted that NCC Members have previously raised this point and been advised to wait for the Unitary authority.
- Councillor Stone also expressed concern over the nature of proposal 4, arguing that all policies should be developed with an anti-poverty perspective.

Members of the Shadow Executive commented as follows:

- Councillor Richard Auger suggested that any support should be means-tested and based on individual circumstances, as Council Tax is gathered to pay for services for vulnerable members of society.

The report contained two recommendations for the Shadow Executive. The Chair proposed deferring on the recommendation at 2.2 to the report, listed below, to allow for more time to consider future proposals ahead of the deadline.

*Members are asked to provide a steer on the next steps to establish a Local Council Tax Reduction Scheme for West Northamptonshire Council for the financial year 2021-2022. The scheme will be approved by the Shadow Executive at their meeting on 26 January 2021 to meet the required date of 31 January 2021.*

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive:**

**Noted the contents of this report and considered the results from the Local Council Tax Reduction Scheme consultation process.**

## **12. ASSETS PROCESS UPDATE**

The Programme Lead, Corporate Programme, Future Northants, introduced the report and highlighted the salient points:

- In June 2020, the West Northamptonshire Shadow Executive approved the Assets, Capital Schemes and Reserves Notification Process to allow for discussions to be held and conclusions reached in a managed manner on proposals from the sovereign councils concerning assets, capital schemes and reserves.
- The report contains three minor changes brought to the Shadow Executive in line with this process, which are outlined at 4.2.

The recommendation was proposed and seconded. Upon the vote being taken it was:

**RESOLVED: That the Shadow Executive: Approved the changes to the Assets Process described in the report.**

**URGENT ITEMS:**

There were none.

**EXEMPT ITEMS:**

There were none.

There being no further business, the meeting ended at 19:19.