



SUPPLEMENTARY INFORMATION

Corporate Overview and Scrutiny Committee

Tuesday 6 February 2024

Agenda Item Number	Page	Title	Report Author	Reason for delayed publication
6.	(Pages 3 - 26)	Draft Report of the Budget Scrutiny Task and Finish Group The Committee to receive a report detailing the findings of the Budget Scrutiny Task and Finish Group held on 23 January 2024.	Deputy Democratic Services Manager	Report was being finalised at the time of agenda publication

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West Northamptonshire Council

Draft Report of the Corporate Overview and Scrutiny Committee

6 February 2024

**Recommendations of the Corporate Overview and Scrutiny Committee on the
draft Budget 2024/2025 and Medium Term Financial Plan – General Fund
Revenue and Capital**

Draft Version 3 – 1 February 2024

1 Recommendations

1.1 It is recommended that:

1.1.1 This report is forwarded to the Executive Director – Finance (Chief Finance Officer) to be appended to the report to Cabinet and then to full Council on the budget 2024/2025 and Medium-Term Financial Plan – General Fund Revenue and Capital and Housing Revenue Account; and the following recommendations of the Corporate Overview and Scrutiny Committee are highlighted:

1.1.2 Homelessness and Temporary Accommodation

Scrutiny of the budget for homelessness and temporary accommodation contained within the draft budget was undertaken. A detailed presentation from the Executive Director for Place and Economy and the Assistant Director for Finance (Strategy) was received which addressed all the key lines of enquiry as detailed in the terms of reference for this budget scrutiny group.

1.1.3 The good work that is being undertaken in relation to temporary accommodation was recognised but the Committee has concerns regarding a potential increase in homelessness and proposed to Corporate Overview and Scrutiny Committee that it includes within its work programme a review of the budget and situation in relation to temporary accommodation.

1.1.4 The Committee notes that considerable work has been undertaken in various work strands in relation to homelessness and temporary accommodation.

Members of the Committee recommend that:

(Recommendations to be determined at the meeting)

1.1.5 Adult Social Care

- 1.1.6 The Committee has concerns regarding Adult Social Care budgets as it is aware the budgets are always overspent, which is a national problem. There is a key challenge with the 10% reduction in unavoidable budget growth for 2024-25. The Committee realises that the projected overspend at budget period 9 is £4.1 million but welcomes and notes the building blocks that are in place for next year's budget and welcomes that the base budget has been developed based on forecast demand. It acknowledges that this may however be challenging.
- 1.1.6 The Committee supports the stringent financial control mechanisms that are in place for every £1 that is spent and, in general, is satisfied that Cabinet has demonstrated that appropriate monitoring, and oversight is in place.

Members of the Committee recommend that:

(Recommendations to be determined at the meeting)

1.1.8 Miscellaneous Budgets

- 1.1.9 The Committee undertook budget scrutiny of a number of "miscellaneous budgets" namely:

- trading standards
- historic spending analysis by directorate
- analysis of contract inflation focussing on the growth in this area for 2024-25 (£15.5m) compared to 2023-24 (£17.9m), analysis of the areas and percentage getting contract inflation this year compared to last year
- capital projects analysis
- analysis on the use of reserves
- Pothole funding analysis; and
- Council Tax

Note: The final two bullet points were added to the terms of reference of the group at the request of the Chair of the Resources Scrutiny Committee.

- 1.1.10 The Committee conveys its concerns regarding the library of contracts and that the contracts could have a negative impact on the budget and the 150% increase in audit costs.
- 1.1.11 Overall reserves have reduced to £73 million which the Committee perceives could be a risk to the Authority.
- 1.1.12 There is a projected underspend in the budget for roads maintenance of £xx (to be determined) with an estimated reduction of £1.9 million for next year, noting that there may be one off funding grants announced

1.1.13 The Breakout room recommends to the Committee:

That Corporate Overview and Scrutiny Committee includes within its Work Programme 2024/25:

- a review of the audit costs to the Authority,
- a review of reserves and how they are used,
- a review of the budget for road repairs; and
- a review of the spend on the Council Tax Hardship fund

The Committee recommends to Cabinet:

- **Draft:** that long term investment is provided to the roads maintenance budget and it is not reliant upon ad-hoc grant funding.

1 Purpose

1.1 The purpose of this report is to provide the comments of West Northamptonshire Council's Corporate Overview and Scrutiny committee on the draft Budget 2024/2025 and Medium-Term Financial Plan – General Fund Revenue and Capital.

2 Context and Background

2.1 Budget scrutiny is included within the work programme 2023/2024 for Corporate Overview and Scrutiny Committee (the Committee).

Budget Scrutiny

2.2 The Committee commenced its budget scrutiny process much earlier this year, with its initial budget scrutiny planning taking part on 16 September 2023 (**Meeting one**). At this meeting the Committee agreed it would undertake budget scrutiny over a series of meetings.

2.3 Confidential briefings (**Meetings two and three**) took place in October 2023 on the budget position of the Council were given by the Leader of the Council, the Cabinet Member for Finance along with the Executive Director for Finance. These briefings provided important background information to inform the budget scrutiny process. The Committee was able to put questions to the Cabinet Member and Executive Director.

2.4 At its meeting on 16 November 2023 (**meeting 4**), the Committee confirmed that it would in the form of a Task and Finish Group undertake budget scrutiny in the same format as previous years.

2.5 At the informal agenda planning meeting of the Committee held on 11 December 2023 (**meeting 5**), the Committee finalised its budget scrutiny planning process. It was agreed that other non-Executives, in addition to the members of Corporate Overview and Scrutiny should be invited to join the Task and Finish Group and provide input into the budget scrutiny process for 2024/2025. The Committee also identified three areas of the draft budget to focus on:

- Adult Social Care
- Homelessness and Temporary Accommodation
- Miscellaneous budgetary issues – trading standards, historic spending analysis by directorate, analysis of contract inflation focussing on the growth in this area for 2024-25 (£15.5m) compared to 2023-24 (£17.9m), analysis of the areas and percentage getting contract inflation this year compared to last year, capital projects analysis, and analysis on the use of reserves.

2.5 At its meeting on 24 January 2024 (**Meeting 6**) – the Committee, together with a number of other non-Executives met. The meeting took the form of a Task and Finish Group. Members received a short update on the draft Budget by the Chief Finance Officer who made reference to any changes that had emerged since the draft budget 2024/25 was produced.

2.7 Following the short address of the Chief Finance Officer, the Task and Finish Group then split into three breakout groups, each looking at one of the key areas of the draft budget that had been identified previously. The lead Councillor from each breakout group fed back the views and comments of each of the breakout groups. Each breakout group had an hour in total to consider the key areas. The Chair of the Committee went into each breakout room periodically to listen to the debates.

Adult Social Care

2.8 The comments and questions that the Breakout Room raised in relation to Adult Social care were around the issues as detailed below:

- Significant Independent care pressure for 2022-2023 had driven by increase in demand in clients between 21-22 and 22-23 (22%). £29million of growth recognised the level of demand into the 2023-24 budget and high inflationary pressures. Long Term client numbers have stabilised in 2023-24 although pressures driven by short term placements. From 2021/22 to 2023/24 there has been an increase of 22% in active clients. It was acknowledged that clients are beginning to level off.
- Transformation investment in additional Social Workers being employed in Social Supported Living Spaces was acknowledged created £60,000 savings. A business case had been produced to increase staffing in the team that assesses individuals over the age of 65.

- The breakout room was concerned regarding Adult Social Care budgets as it was aware the budgets were always overspent as it was a national problem. There was a key challenge with the 10% reduction in unavoidable budget growth. The projected overspend at budget period 9 is £4.1 million. It is however, welcomed and noted that building blocks are in place for next year's budget and the base budget had been developed based on forecast demand. It is acknowledged that this could however be challenging.
- Notional savings that could be achieved by each service in WNC were acknowledged if the unit cost was set relative to other councils in WNC's Nearest Neighbour group. Adults Social Care is in red, even if the unit costs were to the bottom 20% of authorities this would cost an extra £7.3million.
- There is connectivity between children and adults, for example if a child was living in a £10,000 a week placement, this continues when they reach the age of 18.
- It was realised that each time there is an increase to the national living wage, this increase may be passed on to the providers.
- The Breakout Room supported the financial controls that are in place for every £1 that is spend.
- 57 care homes are signed up to the Standard Care Home Framework which is very positive.
- There is less demand for care home placements and more demand for care in the home.
- Transport costs were a concern, and the Breakout room welcome the forthcoming recruitment of drivers and the leasing of minibuses which would reduce these costs.

Homelessness and Temporary Accommodation

2.9 The Breakout Group made the following comments in relation to the budget for homelessness and temporary accommodation:

- Homelessness and temporary accommodation are challenging areas and can and has affected all demographics of society, for example mortgage payment arrears, evictions, Section 21 Notices, and those people who's fixed rate mortgage deal had ended, and they have been forced to move home.
- The good work that is being undertaken in relation to temporary accommodation was recognised but the Breakout Room had concerns regarding a potential increase in homelessness and proposed Corporate Overview and Scrutiny Committee includes within its work programme a review of the budget and situation in relation to temporary accommodation.
- The Breakout Room noted that considerable work had been undertaken in various work strands in relation to homelessness and temporary accommodation.

Miscellaneous

- 2.10 The comments and questions that this Breakout Group raised in relation to the issues in respect of the miscellaneous budgets are detailed below:
- The Breakout Room expressed concern regarding the library of contracts and potentially the contracts could have a negative impact on the budget
 - There has been a 150% increase in audit costs.
 - It was noted that overall reserves have reduced to £73 million which could be a perceived risk to the Authority.
 - Concern was conveyed that there is less external funding for road repairs and not all of the budget for road repairs has been spent this year and there is a need to the reasons for this.
 - People Overview and Scrutiny Committee had asked that the budget scrutiny session to look at the Council Tax hardship fund that had £70,000 remaining in the budget for this financial year.
 - It was suggested that Corporate Overview and Scrutiny Committee includes within its Work Programme 2024/25: a review of the audit costs to the Authority, a review of reserves and how they are used, a review of the budget for road repairs and a review of the spend on the Council Tax Hardship fund.
- 2.11 **Meeting 7** – The Committee at its meeting on 6 February 2024, agreed its final report which comprises a summary of the outcome of its budget scrutiny and recommendations to Cabinet.
- 2.12 Attached at **Appendix A** are the notes detailing the deliberations of the main Task and Finish Group, and each of the three Breakout Groups on the three key areas from the draft Budget 2024/2025.

3 Conclusions

- 3.1 Over a series of seven meetings Corporate Overview and Scrutiny Committee undertook in-depth Budget Scrutiny and considered three key areas of the draft Budget 2024/2025: providing comment as part of the West Northamptonshire Council's budget consultation process.
- 3.2 The Committee agreed that its budget scrutiny process had worked very well and had been both engaging, informative and had enabled the Committee to fulfil its budget scrutiny role, this was heightened by the inclusion of other non-Executives who were not members of Corporate Overview and Scrutiny Committee being involved in the budget scrutiny process this year.
- 3.3 The budget scrutiny session held on 23 January 2024 highlighted a number of potential issues for inclusion onto the Committee's work programme 2024/2025 which will be considered at a future meeting of the Committee.

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Corporate Overview and Scrutiny Committee

Budget Scrutiny Task and Finish Group

Tuesday 23 January 2024

Present

Councillor Ian McCord (Chair)
Councillor Sam Rumens (Vice-Chair)
Councillor Sally Beardsworth
Councillor Lizzy Bowen
Councillor Paul Clark
Councillor Maggie Clubley
Councillor Rupert Frost
Councillor Jonathan Harris
Councillor Nigel Hinch
Councillor Keith Holland-Delamere
Councillor David James
Councillor Koulla Jolley
Councillor Charles Manners
Councillor Ken Pritchard
Councillor Bob Purser
Councillor Wendy Randall

Also Present

Councillor Jonathan Nunn, Leader of the Council
Councillor Adam Brown, Deputy Leader of the Council
Councillor Matt Golby, Cabinet Member for Adult Care, Wellbeing and Social Integration

Officers

Martin Henry, Executive Director – Finance
Stuart Lackenby, Executive Director – Adults, Communities and Wellbeing
Stuart Timmiss, Executive Director – Place and Growth
Jane Carr, Director of Communities and Opportunities
Lisa Hyde, Interim Director of Communities and Opportunities
Joanne Barrett, Assistant Director – Housing and Communities
James Smith, Assistant Director – Finance (Strategy)
Ben Haynes, Senior Finance Business Partner
Sharon Gregory, Senior Finance Business Partner
Sean O’Sullivan, Finance Business Partner
Gemma Foskett, Group Accountant
Louise Gatehouse, Group Accountant
Tracy Tiff, Deputy Democratic Services Manager
Ed Bostock, Democratic Services Officer
Maisie McInnes, Democratic Services Officer
Richard Woods, Democratic Services Officer

1. Apologies for Absence

Councillor Alison Eastwood
Councillor Colin Morgan

2. Welcome and introductions

Councillor Ian McCord introduced the meeting and provided and invited Democratic Services Officers to provide overview of how the breakout room system would work and finalise the membership of the breakout groups.

At the invitation of the Chair, the Executive Director - Finance provided a detailed overview of the most up to date position on the Draft Budget for 2024-25. Following the provisional financial settlement from central government, the Executive Director advised that, overall, the Council was approximately £1.7m worse off than expected.

As part of the Council's consultation response to the draft settlement, the Council has highlighted that central government has significantly overstated WNC's Council Tax base.

Between the draft phase and the final phase, there will be a number of budget robustness sessions with service leads, to ensure that any risks and pressures can be highlighted, and that further opportunities for savings or efficiencies can be identified.

3. Declarations of Interest

There were no declarations of interest.

4. Budget Scrutiny

At the invitation of the Chair, the Committee then split up into its breakout groups, which were as follows:

Adult Social Care

Lead Councillor: Councillor Keith Holland-Delamere

Scope

- To be informed of how the actuals each year have compared to the budget and the budget increases since vesting day
- To understand the budget process for Adult social care and health
- To compare WNC with LGA and other local authorities of similar demographics to ascertain what comparisons can be made
- To receive information on the main cost drivers causing pressures within the service area
- Given the significant pressure on the budgets in Adults and Children's this year the committee requests assurance on the robustness of the budget for 24-25.

Temporary Accommodation and Homelessness

Lead Councillor: Councillor Maggie Clubley

Scope

- To be informed of how the actuals each year have compared to the budget and the budget increases since vesting day
- To understand the budget process for Temporary Accommodation and Homelessness
- To compare WNC with LGA and other local authorities of similar demographics to ascertain what comparisons can be made
- To receive information on the main cost drivers causing pressures within the service area
- To understand what action is taking place to address the significant and increasing cost in this area
- Given the significant pressure on the budgets in Temporary Accommodation and Homelessness this year the committee would like assurance on the robustness of the budget in these areas for 24-25.

Miscellaneous

Lead Councillor: Councillor Sam Rumens

Scope

- Trading standards. Summary of the budget, description of what it is spent on and any particular concerns about the budget.
- Long term spending analysis by directorate showing how the budget had increased since vesting day and the % of the total net budget each directorate represents again showing how that has moved over time
- Analysis of contract inflation focussing on the growth in this area for 2024-25 (£15.5m) compared to 2023-24 (£17.9m) the expectation being it should be a lot lower than 2023-24 given inflation has reduced but contract inflation is only down by £2.4m. Analysis of the areas and percentage getting contract inflation this year compared to last year and commentary on how the amounts have changed.
- Capital projects analysis. Showing the projects inherited on day one of WNC and how the programme had been amended to reflect the reviews that have taken place since then
- Analysis on the use of reserves

Summary (main meeting)

Once the breakout rooms had concluded, the main meeting reconvened and the Chair of each of the breakout groups gave a summary of their group's findings which included budgetary challenges, ongoing and prevalent issues, data, and future challenges that may arise in the future.

Cllr Matt Golby, Cabinet Member for Adult Social Care – Adults is a very complex area of the budget, with a number of significant challenges. We are working to manage demand and balance the quality of care with prudent budgetary management. The service is also working on prevention activities to assist in managing future service demands and develop ideas that could form areas of work to deliver better outcomes for service users. A high level of assurance is received by the Cabinet Member on a regular basis that this work is being achieved.

Cllr Nunn – It has been an excellent and worthwhile evening; directors are incredibly focussed on ensuring that budgets are kept under control whilst balancing increased costs and an ever-diverse complexity of needs.

Following the summary from Chairs and Officers it was agreed that a report would be drafted outlining the findings of each of the breakout groups, in order to inform detailed budgetary recommendations to be considered at the formal meeting of Corporate Overview and Scrutiny Committee on Tuesday 6 February 2024.

MEETING CLOSED – 19:52

Corporate Overview and Scrutiny Committee

Budget Scrutiny Task and Finish Group

23 January 2024

Breakout Room – Adult Social Care

Lead Officer: *Stuart Lackenby, Executive Director – Adults, Communities & Wellbeing*

Lead Councillor: *Councillor Keith Holland-Delamere*

Councillors

Councillor Keith Holland-Delamere (Chair)

Councillors, Rupert Frost, Nigel Hinch and Wendy Randall

Also Present

Councillor Matt Golby, Cabinet Member for Adult Social Care & Public Health

Officers

Stuart Lackenby - Executive Director Adults, Communities & Wellbeing

Gemma Foskett – Group Accountant

Tracy Tiff, Deputy Democratic Services Manager

Scope

- To be informed of how the actuals each year have compared to the budget and the budget increases since vesting day
- To understand the budget process for Adult social care and health
- To compare WNC with LGA and other local authorities of similar demographics to ascertain what comparisons can be made
- To receive information on the main cost drivers causing pressures within the service area
- Given the significant pressure on the budgets in Adults and Children's this year the committee requests assurance on the robustness of the budget for 24-25.

The Breakout Room was reminded that that Councillor Keith Holland-Delamere had been appointed chair of the Breakout Group (the Group) and would report back the recommendations of the Breakout Room to the main session.

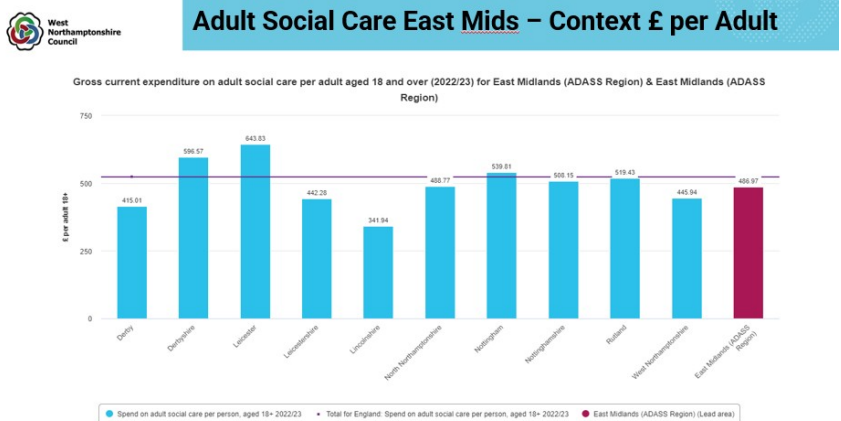
Prior to the presentation the Cabinet Member emphasised that the council has a statutory duty to support residents, for example to provide an assessment - he gave the example of a resident having a fall and needing a assessment to ascertain their support needs.

The Executive Director of Adults, Communities and Wellbeing delivered a presentation on the Adult Social Care MTFP 2024/25 – 2027/28 and provided details regarding the expected final settlement. -

The Executive Director Adults, Communities & Wellbeing provided details on the historical position and emphasised that during 2022-23 there had been significant independent care pressure that was driven by increase in demand in clients between

21-22 and 22-23 (increase of 22% of 3,000 to 4,000 clients). £29m of growth recognises the level of demand into 23-24 budget and high inflationary pressures. Long term client numbers have stabilised in 2023-24 although pressures are driven by short term placements. There is less demand for care home placements and more demand for care in the home.

The Group was provided with details of the gross current expenditure on adult social care per adult aged 18 and over for 2022-2023 for the East Midlands:



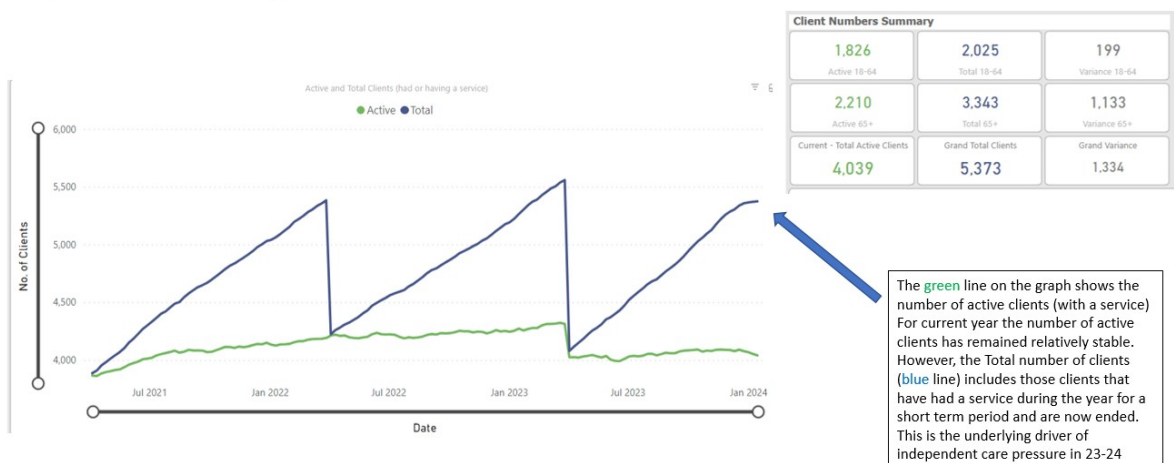
The Group was provided with Period 9 financial position noting that the overall pressure of £4.127 million was driven by independent care demand; and £0.9million from £10.1million was undeliverable. People were living longer with complex needs. It was highlighted that the majority of this is due to the responsibility of Spinneyfields SCC within WNC while it remains vacant. It was realised that a number of options are likely to mitigate this going forward. The Group realised that Spinney Fields is within North Northants Council’s area.

Overspends are driven by independent care demand with underlying increase in short term packages. This is offset by targeted £3million mitigations which have been built into the 2024-25 budget proposals as structural deficit.

In discussing care demands and its drivers the Group was provided with the graph below: It was noted that the number of clients has begun to level off.



What is driving care demand?



The green line on the graph shows the number of active clients (with a service) For current year the number of active clients has remained relatively stable. However, the Total number of clients (blue line) includes those clients that have had a service during the year for a short term period and are now ended. This is the underlying driver of independent care pressure in 23-24

Underspends of £3.1million targets mitigations include the stretch of savings targets including Supported Living Review team and an assumption around Ordinary Residence disputes. Client contributions have been mainly driven from invoices relating to prior year, but weekly billing has improved significantly since the beginning of the year. Transport costs were a concern, and the Group welcome the forthcoming recruitment of drivers and the leasing of minibuses which would reduce these costs.

The Executive Director highlighted:

- £6.9m of budget growth proposals will cover the structural deficit for independent care budgets driven by the underlying increase in short term placements (Individuals that have services for less than one year)
- £7.5million of contract inflation is budgeted for independent care packages in 2024-25 and this reflects an overall 6.47% increase in fees for the independent care budget. This reflected a forecast position around NLW as advised by the Low Pay Commission for the Draft Budget
- During 2023-24 Adult Social Care was able to pass on 9.99% to its framework providers but there is a growing demand from providers that are not on the frameworks who have not had an uplift for a number of years. Commissioning is pulling together a number of options to work within the financial envelope and address the pressures across the market.
- There is a 10% targeted growth reduction that has been applied across WNC budgets, this will need to be considered when considering provider uplifts.
- There will be a level of expectation from providers that can go towards funding the latest announcement of National Living Wage for 1st April (9.8% increase)
- Demographic growth of £4.4m has been calculated for 2024-25 based on local ONS data around the growth in the under 65 population and prevalence of Disabilities in West Northants.

The Group noted that 57 care homes are signed up to the Standard Care Home Framework which is very positive. The Group was informed that the cost is £860 per week. There is less demand for care home placements and more demand for care in the home.

In discussing growth proposals it was realised that as population grows, trends will also get higher, people are living longer but not necessarily living longer healthier. This has an impact upon Adult Social care budgets. Growth proposals for 2024/25 were £19,751,000

Transformation investment in additional Social Workers being employed in Social Supported Living Spaces was acknowledged created £60,000 savings. A business case had been produced to increase staffing in the team that assesses individuals over the age of 65.

It was noted that staffing vacancies across the Directorate and this includes the in-year savings of closing Boniface (built into MTFP 24-25)

In addition to a number of transformation projects linked to MTFP savings, £1.3 million of reserves has been put aside to fund the implementation of a new case management system. This will go live in January 2025 and will include an integrated finance module. As well as driving efficiency in internal processes, access to accurate and timely information this will be a benefit to residents and providers with

ability to self-serve. As part of transformation. A business case had been produced to increase staffing in the team that assesses individuals over the age of 65. In discussing the financial costs for the Adult Social Care budget, the Group supported the financial controls that are in place for every £1 that is spend.

Following the breakout session for Adults Social Care, Councillor Holland-Delamere reported back to the main session and summarised the key points of the discussion:

- Significant Independent care pressure for 2022-2023 had driven by increase in demand in clients between 21-22 and 22-23 (22%). £29million of growth recognised the level of demand into the 20 23-24 budget and high inflationary pressures. Long Term client numbers have stabilised in 2023-24 although pressures driven by short term placements. From 2021/22 to 2023/24 there has been an increase of 22% in active clients. It was acknowledged that clients are beginning to level off.
- Transformation investment in additional Social Workers. A business case had been produced to increase staffing in the team that assesses individuals over the age of 65.
- The breakout room was concerned regarding Adult Social Care budgets as it was aware the budgets were always overspent as it was a national problem. There was a key challenge with the 10% increase in unavoidable costs. The projected overspend at budget period 9 is £4.1 million. It is however, welcomed and noted that building blocks are in place for next year's budget and the base budget had been developed based on forecast demand. It is acknowledged that this could however be challenging.
- Notional savings that could be achieved by each service in WNC were acknowledged if the unit cost was set relative to other councils in WNC's Nearest Neighbour group. Adults Social Care is in red, even if the unit costs were to the bottom 20% of authorities this would cost an extra £7.3million.
- There is connectivity between children and adults, for example if a child was living in a £10,000 a week placement, this continues when they reach the age of 18.
- It was realised that each time there is an increase to the national living wage, this increase is then passed on to the providers.
- The Breakout Room supported the financial controls that are in place for every £1 that is spend.
- 57 care homes are signed up to the Standard Care Home Framework which is very positive.
- There is less demand for care home placements and more demand for care in the home.
- Transport costs were a concern, and the Breakout room welcome the forthcoming recruitment of drivers and the leasing of minibuses which would reduce these costs.

Corporate Overview and Scrutiny Committee

Budget Scrutiny Task and Finish Group

23 January 2024

Breakout Room – Miscellaneous Budgets

Lead Officer: *Martin Henry, Executive Director – Finance*

Lead Councillor: *Councillor Sam Rumens*

Present

Councillor Sam Rumens (Chair)

Councillor Lizzy Bowen

Councillor Paul Clark

Councillor David James

Councillor Koulla Jolley

Councillor Ken Pritchard

Officers

Martin Henry, Executive Director – Finance

Sharon Gregory, Senior Finance Business Partner

Louise Gatehouse, Group Accountant

Richard Woods, Democratic Services Officer

Scope

- Trading standards. Summary of the budget, description of what it is spent on and any particular concerns about the budget.
- Long term spending analysis by directorate showing how the budget had increased since vesting day and the % of the total net budget each directorate represents again showing how that has moved over time
- Analysis of contract inflation focussing on the growth in this area for 2024-25 (£15.5m) compared to 2023-24 (£17.9m) the expectation being it should be a lot lower than 2023-24 given inflation has reduced but contract inflation is only down by £2.4m. Analysis of the areas and percentage getting contract inflation this year compared to last year and commentary on how the amounts have changed.
- Capital projects analysis. Showing the projects inherited on day one of WNC and how the programme had been amended to reflect the reviews that have taken place since then
- Analysis on the use of reserves
- Analysis of pot hole funding
- Analysis of Council Tax Hardship Fund

Presentation from the Executive Director – Finance

- There have been two additions to the scope, which will cover pothole funding and Council Tax hardship.
- The presentation covered the core purpose of trading standards, falling under the broad headings of fraud, animal health and welfare, business advice, consumer product safety, consumer safeguarding advice, environmental controls, fair trading, food, health and agricultural standards, and licensing and registration.

- The 2024-25 budget proposals to be confirmed in the final budget include a net addition of £5k.
- The total budget for the service area in the draft budget is £593,562. This consists of £582,317 on employee budgets, £4,950 in transport costs, £50,327 in supplies and service budgets, offset by -£44,032 in income budgets.
- Whilst the spend in the budget is small, this service enforces over 200 pieces of legislation and is a reactive service, on a tasking-led basis.
- On revenue budgets by directorate, demand-led services such as Adults and Children's Services along with the Communities directorate represented 62% of the net budget.
- The third largest service was Place, Economy and Environment, making up 23% of the net budget.
- Many other areas, such as Corporate Services, the Chief Executive's Office, Education Services, and Finance, were all broadly stable in terms of budget requirements over the years..
- In discussing contract inflation, the Executive Director – Finance advised that there had been a reduction in average inflation rate applied of 3.8%, which represented £2.4m.
- Highways includes prior year inflationary adjustments of £1.5m to be realigned to service growth categories.
- Underlying 2024-25 average inflation rate is 6.6% (excluding home to school prior year adjustments).
- The Council now has much stronger grip on contract inflation than it did during the 2023-24 financial year, owing to constantly improving monitoring, a better evidence base, and the strengthening of databases and the contracts register.
- On auditing, there are over 900 sets of local authority accounts nationally that are still awaiting signoff, due to resourcing issues at auditing firms. External audit increases are likely to be in the region of a 150% increase for 2023-24.
- Types of reserves include general fund, risk reserve, transformation reserve, invest to safe, and service-specific reserves.
- There is lots of detailed information between the types of reserves – we are not reliant on reserves to fund ongoing expenditure or balance the budget and are using reserve for the purposes they were originally set up for..
- However, other reserves such as ringfenced and technical reserves require monitoring to ensure these are maintained at the appropriate levels.
- WNC's General Fund reserves are stable and we are not forecast to use these reserves during the course of the MTFP.
- The use of reserves may be a viable piece of work for the Committee to cover on its work programme going forwards.
- In transformation, we have driven £90m of costs out of the organisation during the course of transformation projects, which represents a significant saving.
- On the Capital Programme, there has been over 1,150 changes to the programme since vesting day.
- Most changes in year 1 were to address disaggregation issues and amendments required following the closedown of the legacy authorities which were not known on vesting day.
- This does not include a significant number of virements where budgets have been repurposed to better reflect the needs of WNC.
- Virements have had a net nil effect on the overall budget.
- Capital budgets which have been removed are shown in a separate appendix.

- The after-effects of Covid is still having impacts on supply chains and the availability of labour, which has led to some slippage on the Capital Programme
- In terms of budgets removed or reduced on the Capital Programme, highways and waste include £3.3m of S106 balances which came over from NNC on vesting day which should be reported on the balance sheet and not as part of the capital programme.
- On virements, services have been challenged on their capital budgets and encouraged to think about value for money, use of resources, and changing needs.
- There have been a number of budgets at risk of overspend and, instead of asking for additional capital finding, project managers have suggested repurposing existing budgets so there is no cost effect to the Council.
- These changes have been through the WNC approval process in line with the Capital Strategy and Constitution.
- As such over £2.6 of General Fund capital budget has been repurposed to better reflect the capital spending needs of the Council to address cost pressures.
- On additional items, a total of £20.2m of pothole funding was available in 2023-24, split between revenue and capital costs. Some of this funding was one off in nature and some was additional funding that was confirmed by the Government in 2023-24 and therefore there is a possibility that this could happen again in 2024-25 otherwise the total amount available for 2024-25 will be less than in 2023-24.
- The following information was also supplied on the Council Tax Hardship Fund:
- There had been a total of 798 claims received vs 433 awarded in 2023-24, which was down from 1090 claims received vs 616 claims awarded in 2022-23, during the peak of the cost of living, interest rates, and inflationary crisis.
- The breakout group felt that the inclusion of the following pieces of work on the Committee's Work Programme would be appropriate:
 - Use and monitoring of reserves
 - Increased audit cost and VFM on these costs
 - Contract management processes

The slides that were presented to the Task and Finish group are available upon request.

Corporate Overview and Scrutiny Committee

Budget Scrutiny Task and Finish Group

23 January 2024

Breakout Room – Temporary Accommodation & Homelessness

Lead Officer: *Stuart Timmiss, Executive Director – Place and Economy*

Lead Councillor: *Councillor Maggie Clubley*

Present

Councillor Maggie Clubley (Chair)

Councillor Sally Beardsworth

Councillor Charles Manners

Councillor Peter Matten

Councillor Bob Purser

Also Present

Councillor Adam Brown, Cabinet Member for Housing, Leisure and Culture

Officers

Stuart Timmiss, Executive Director – Place and Economy

Jane Carr, Director of Communities and Opportunities

Joanne Barrett, Assistant Director – Housing

Verity Sayers, Head of Homelessness and Housing Solutions

James Smith, Assistant Director – Finance (Strategy)

Phil Morrison, Strategic Finance Business Partner

Ben Haynes, Senior Finance Business Partner

Sean O'Sullivan, Finance Business Partner

Maisie McInnes, Democratic Services Officer

The Cabinet member introduced the temporary accommodation and homelessness topic and explained that due to the financial pressures, people were facing unprecedented hard times and were at risk of private sector housing eviction. The council has a statutory legal duty to alleviate homelessness and support people in West Northamptonshire. There was a focus on different types of temporary accommodation that could be acquired and looking at different types for families and independent users based on their circumstances. There was limited accommodation available, and the current situation showed that demand greatly outweighed the supply of housing stock the council had. This has led to a reliance on nightly lets and other forms of emergency accommodation which were not as cost-effective.

The Director of Communities and Opportunities introduced herself to members and explained this area was within her work remit and she reported to the Executive Director Place and Economy. The financial colleagues working with the team and looking at strategy were James Smith, Ben Haynes, Phil Morrison, and Sean O'Sullivan. She introduced the housing team, Joanne Barrett, Assistant Director Housing, and Verity Sayers, Head of Homelessness and Housing Solutions, and

explained the aim was to be able to support people to be less reliant on temporary accommodation and help people to be independent. To do this the team were focusing on how they can look at prevention methods and ways they can help people before they become homeless through mediation with friends and families and working with private sector partners.

The Assistant Director Housing and Head of Homelessness and Housing Solutions delivered a presentation to the budget scrutiny group on Temporary Accommodation and highlighted the following salient points:

- The Housing Solutions Service is required to carry out its functions in line with the Housing Act 1996.
- These functions were significantly changed in 2018 due to the implementation of the Homelessness Reduction Act, placing additional duties on housing authorities to prevent and relieve homelessness.
- Households will approach our service directly and through referral from a partner agency.
- We will assess each household to decide whether we owe them a duty.
- Those who are not eligible for assistance due to their immigration status will be provided with general advice only.
- Those who are eligible and threatened with homelessness within 56 days will be owed the prevention duty. This means we have a duty to provide advice and assistance to the applicant to help them to remain in their current property, or to help them find another property, with the property being available to them for a period of 6 months or more.
- Those who are eligible and already homeless will be owed the relief duty. This means we have a duty to provide advice and assistance to the applicant to help them secure alternative accommodation for a period of 6 months or more.
- If we are unable to help an applicant secure accommodation within the 56-day relief period, we are required to decide whether they are owed a statutory main duty. Those who are eligible, homeless but not intentionally, in priority need, and who have a local connection (or an extenuating circumstance where a local connection is not required) will be owed the main duty. In this duty, we must secure appropriate and suitable accommodation for the applicant. This accommodation must be available for at least 12 months.
- While in relief and main duty, applicants may find their own temporary accommodation, for example, with friends and family or accessing a refuge. However, applicants who have nowhere to go may require temporary accommodation. To access temporary accommodation, there must be reason to believe or satisfactory enquiries that the applicant is eligible, homeless and in priority need.

- We have access to a diverse range of temporary accommodation including WNC stock, private sector leasing properties, nightly rate provision and bed and breakfast.
- Following the detailed review of homelessness in West Northants, a new Homelessness and Rough Sleeping Strategy 2024-2029 was being developed in line with the Council's priorities which are improving collaborative partnerships to make homelessness a concern for everyone, early joined up intervention and prevention, increase provision and access to suitable and sustainable housing solutions and where possible ensure that rough sleeping is brief and non-recurring.

Members asked if we were approaching landlords and offering support for tenants. The Head of Homelessness and Housing Solutions explained that the council were working with customers and going through a mediation process with their current landlord and were offering financial incentives to landlords to keep residents in accommodation for a 12-month period.

The Head of Homelessness and Housing Solutions shared the most common reasons for people approaching the department were due to end of private sector tenancies, domestic abuse victims and family and friend exclusions or relationship breakdowns. Other reasons for people needing support included hospital discharge, those leaving care, prison, or the armed forces, those living in unsuitable housing, mortgage repossession or illegal eviction. In these cases, the Council were able to provide a wealth of support and advice relating to housing, debt and money, drug and alcohol use, legal, safeguarding and more.

The Assistant Director Housing highlighted the demands for temporary accommodation nationally as reported by DHLUC and the demands that WNC faced

National Picture - April to June 2023

Local Picture - WNC

April – June 2023		Since Apr-Jun 2022
No of Assessments	76,760	Up 4.1%
Owed a duty	73,660	
Owed a prevention duty	34,850	Up 1.5%
Issued with a S21 Notice	6640	Up 10.3%
Owed a relief duty	38,810	Up 6.9%
H/H with children	68,070	Up 13.8%
Single H/H	37,680	Up 5%
H/H In Temporary Accommodation	105,750	Up 10.5%

SOURCE HAST DHLUC Dec 2023

Year	Approaches	Owed relief duty
2022	4788	2342
2023	5040	2350 <small>(est. as cases still in assessment)</small>

Temporary Accommodation type	Jan 2023	Jan 2024
Own stock	132	147
Nightly paid self-contained & shared	345	464
Private sector leased	13	16
B&B	32	52
TOTAL	522	679
	With dependents	275
	No dependents	247

this year compared to 2023.

The demand was due to customers being issued with section 21 eviction notices and mortgage repossessions as a result of financial pressures related to the rise of inflation, cost of living crisis and increase in mortgage rates.

Members asked on average how long did customers stay in temporary accommodation for. The Assistant Director Housing responded that the average length of stay was currently 6 months. Members expressed concern at data from citizens advice and the rise in mortgage holders struggling financially and questioned if there would be an upward trajectory in demand of the service and the Assistant Director Housing responded that due to the drive of prevention methods and support given to customers, the figures had remained at around 600-700 households in temporary accommodation since July 2023. The team recognised the demand and had budgeted and prepared for different scenarios and were aiming to stabilise and work to maintain this current level of need or fewer if possible.

The Assistant Director Housing outlined the budget as detailed in the presentation and explained the costings for the temporary accommodation types varied and some were more cost effective than others, and nightly paid self-contained and shared accommodation contributed a large amount of spend.

Temporary Accommodation Type	Expenditure Budget	Income Budg	Net Budg et £k
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	£k	et £k	
Private Sector Leasing	137	60	77
B&Bs	740	160	580
Nightly paid self-contained & shared	2,822	1,884	938
Council Stock	400	400	0
Total	4,099	2,504	1,595

The budget included the homelessness prevention grant provided from the government which had been budgeted to alleviate some of the pressure, and £500k of this was allocated to temporary accommodation.

Members asked for the cost to the council for supporting families with dependents who made themselves intentionally homeless. The Assistant Director Housing shared she could find out this information and share with members outside of the meeting.

The Director of Communities and Opportunities emphasised the focus going forward on financial pressures and helping customers in crisis. There was a drive in prevention work across housing. Members asked if neighbouring councils were facing similar issues. The Director of Communities and Opportunities responded that they were facing similar issues, but WNC had a focussed approach and were committed to working as a directorate to provide joined up support to customers.

The Chair thanked everyone for their contributions and shared they would be re-joining the main meeting momentarily. Following the Breakout Session for Temporary Accommodation and Homelessness, Councillor Clubley reported back to the Task and Finish Group and summarised the above presentations and discussion.