



Corporate Overview and Scrutiny Committee

Minutes of a meeting of the Corporate Overview and Scrutiny Committee held in The Jeffrey Room at The Guildhall, St Giles Street, Northampton, NN1 1DE on Tuesday 6 February 2024 at 6.00 pm.

Present:

Councillor Ian McCord (Chair)
Councillor Sam Rumens (Vice-Chair)
Councillor Rupert Frost
Councillor Jonathan Harris
Councillor Keith Holland-Delamere
Councillor David James
Councillor Koulla Jolley
Councillor Ken Pritchard

Also Present:

Councillor Malcolm Longley (Cabinet Member for Finance)
Councillor Jonathan Nunn (Leader of the Council)
Councillor Sally Beardsworth (Budget Scrutiny Task and Finish Group Participant)

Apologies for Absence:

Councillor Maggie Clubley
Councillor Colin Morgan
Councillor Brian Sargeant

Officers:

Martin Henry, Executive Director - Finance (Section 151 Officer)
Richard Corless, Intelligence & Partnerships Manager (For Minute Item 23)
Tracy Tiff, Deputy Democratic Services Manager
Richard Woods, Democratic Services Officer

20. **Declarations of Interest**

There were no declarations of interest.

21. **Minutes**

The minutes of the meeting of the Committee held on 16 November 2023 were agreed as a correct record and signed by the Chair.

22. **Chair's Announcements**

The Chair advised that Agenda Items 5, 7 and 8 would be taken prior to the Budget Scrutiny Item.

On behalf of the Committee, the Chair also thanked all Councillors and Officers who took part in the recent Budget Scrutiny exercise for their time, effort, and diligence.

23. Corporate Plan Performance Report - Q2 2023-24

The Committee considered a report from the Intelligence & Partnerships Manager which provided Corporate Overview and Scrutiny Committee with an update on the Council's performance metrics for the current year set against the priorities set out in the Corporate Plan.

In response to questions from the Committee as to why some of the data had only just become available for the period covering Q2, the Intelligence & Partnerships Manager explained that some services for which data was collected had contractual arrangements, which could occasionally delay the release of the date.

In providing an overview of some of the key highlights, the Intelligence & Partnerships Manager advised that visits to leisure centres was below target during the Q2 period, and that this was due to maintenance-related closures at some of the sites leading to a restriction in the hours of operation.

In response to questions from the Committee regarding the performance of the Council's Planning Service, the Intelligence & Partnerships Manager advised that this continued to be a key area of focus for the authority, with a focus on improving the timeframes for processing planning applications and maximising the possibilities of income generation by driving improvements in the Planning Service.

On the performance of Children's Social Care, the Intelligence and Partnerships Manager explained that, due to demand-led pressures and market forces beyond the Council's control, the cost of children's placements continued to be volatile, however this was something the Council continued to closely monitor.

At the conclusion of the presentation, the Chair thanked the Intelligence & Partnerships Manager for a thorough report and advised the Committee that the performance data Q3 2023-24 would be brought to the 22 April 2024 meeting of the Committee.

Resolved

(1) That the contents of the report be noted.

24. Draft Report of the Budget Scrutiny Task and Finish Group

The Deputy Democratic Services Manager submitted a report which provided an overview of the comments and recommendations of Corporate Overview and

Scrutiny Committee on the Draft Budget 2024-25 and the Medium Term Financial Plan.

In introducing the report, the Chair of Corporate Overview and Scrutiny Committee explained that, over a series of seven meetings, the Committee undertook in-depth scrutiny of the Draft Budget 2024-25 and considered three key areas of the budget to focus on, providing comment as part of the West Northamptonshire Council's budget consultation process. The three areas of the budget selected for scrutiny input were; Adult Social Care, Homelessness and Temporary Accommodation, and Miscellaneous Budgets, which consisted of an overview of a number of smaller budgets from across the authority. The Committee also provided commentary on the ongoing financial pressures at Northamptonshire Children's Trust, however, did not select this as one of its three focus areas in order to enable actions taken by the Council and the Trust to bring its finances under control to be embedded.

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. A highlight of this was inclusion of other non-Executives who were not members of Corporate Overview and Scrutiny Committee being involved in the budget scrutiny process this year, to provide a more rounded perspective from across different areas the Council.

The budget scrutiny session held on 23 January 2024 also highlighted a number of potential issues for inclusion onto the Committee's Work Programme for the 2024-25 municipal year, namely a review of External Audit costs to the authority, how reserves are utilised, a review of the budget for road repairs, a review of the operation of the Council Tax Hardship Fund, and a Trading Standards review to determine if further income could be generated that could then be used to reinvest and improve the service in the future.

At the conclusion of the discussion, the Chair thanked all Members and Officers who had taken part in the Budget Scrutiny process and highlighted that engagement from across the Council was vital to maximising opportunities for scrutiny input into the Draft Budget, and thus the successful delivery of the budget and the operation of the Council's services for its residents.

Resolved

- (1) That the final recommendations of Corporate Overview and Scrutiny Committee to Cabinet (Annexe to the Minutes) on the Draft Budget 2024-25 and Medium Term Financial Plan be forwarded to the Executive Director – Finance to be appended to the report to Cabinet and then to Full Council.

25. **Revenue Monitoring Report - Quarterly Update**

The Cabinet Member for Finance and the Executive Director – Finance provided a verbal update which set out the Council's current Revenue Monitoring position as at the end of Period 9 for the Financial Year 2023-24 and provided an assessment of the Council's financial performance against its approved 2023-24 Budget.

In introducing the update, the Cabinet Member for Finance explained that the current forecast outturn position for 2023-25 as at the end of Period 9 was an overspend of £3.5m after the use of £8.2m of general budget contingencies, which were set aside in the budget for risks that may manifest themselves during the financial year.

Whilst the projected overspend equated to less than 1% of the net budget, the Cabinet Member for Finance advised that the Period 9 position showed an adverse movement of £0.8m on the Period 7 position reported to Cabinet in December 2023.

In response to questions from the Committee regarding the reasons for the adverse movement, the Executive Director – Finance advised that this was largely down to continued cost pressures and high demand within the Children’s Trust, however pressures remain within homelessness and temporary accommodation, adult social care, and the home to school transport service.

Resolved

- (1) That the verbal update on the Council’s revenue monitoring position as at the end of Period 9 2023-24 be noted.

26. Medium Term Financial Strategy - Quarterly Update

The Cabinet Member for Finance and the Executive Director – Finance provided a verbal update on the progress of the Council’s Medium Term Financial Strategy.

In introducing the update, the Cabinet Member for Finance reiterated that, although the Budget for 2024-25 showed a balanced position, there was considerable uncertainty in the Medium Term Financial Strategy, caused by demand-led pressures both locally and nationally, economic uncertainty caused by national and global events, uncertainty surrounding inflation and interest rates, possible business rates reform, political uncertainty beyond the anticipated general election later in 2024 and any future government’s priorities for local government finance, and uncertainty on future funding from central government including future Council Tax threshold limits.

The Executive Director – Finance explained that the Council’s current medium term financial position projected a deficit of £90m over a four year period starting with a deficit of £53.6m in 2025-26, however this was subject to the uncertainties already mentioned and also assumed a business rates reset in 2025-26, which if moved beyond 2025-26, would drive a material improvement in the medium-term financial position.

Resolved

- (1) That the verbal update on the progress of the Council’s Medium Term Financial Strategy be noted.

27. Review of Committee Work Programme

Following on from the Budget Scrutiny discussion, Members of the Committee agreed that an overview of the Council's External Audit costs, a Transformation progress update, Trading Standards, and the Council's use of reserves be added to the Committee Work Programme for future consideration and scrutiny activity.

Resolved

(1) That the Committee Work Programme be noted, subject to the addition of the following items to the Work Programme for 2024-25:

- 1) A review of External Audit costs
- 2) Transformation Progress Update
- 3) A review of Trading Standards budgets
- 3) Analysis of the use of reserves in budgeting

28. Urgent Business

There were no items of urgent business.

The meeting closed at 7.34 pm

Chair: _____

Date: _____

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**Draft Report of the Budget Scrutiny Task and Finish Group – Final
Recommendations of Corporate Overview and Scrutiny Committee to Cabinet
on the Draft Budget 2024-25**

Northamptonshire Children’s Trust

In appraising what areas to scrutinise the committee was very conscious of the areas of greatest pressure and overspend. The largest is the Northamptonshire Children’s Trust which the latest figures projected to be £29.7m overspent.

The Committee was aware that actions have been taken by the council to try to support and get a better understanding of the financial situation of the trust. The Committee felt that the Trust and Cabinet needed to be given breathing space to show results from these interventions and therefore did not wish to ask the same questions of the same people to get the same answers.

The committee remain concerned at the level of overspend of the Trust and the unpredictability of their budgeting processes. The committee will return to the Children’s Trust as part of its normal business.

The committee wishes to be clear that a conscious choice to allow all those space to implement new measures should not be interpreted as satisfaction with, or approval of, or resignation to these continual significant overspends that have been a recurring feature since the inception of the Trust.

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.

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.

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

The Committee recommended to Cabinet that:

- (1) Cabinet accelerates consideration of innovative, modular housing, and building repurposing options in order to reduce housing costs as quickly as possible.

Adult Social Care

The Committee has concerns regarding Adult Social Care budgets as it is aware the budgets are always overspent, which is a national problem. At the time of the earlier budget scrutiny session there was a key challenge with the 10% reduction in unavoidable budget growth for 2024-25. We acknowledge that since this meeting the risks have been reduced by finalised settlement figures. 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.

The Committee supports the stringent financial control mechanisms that are in place for every pound that is spent and, in general, is satisfied that Cabinet has demonstrated that appropriate monitoring, and oversight is in place.

The Committee noted the severe change in demographics, especially the projected increase in the numbers of those aged 75 in the next few years. This too may not be evenly spread and could affect parts of the district in a greater way than others.

The Committee recommended to Cabinet that:

- (1) Cabinet sets out its strategy to deal with the demographic changes over the medium term as highlighted above.

Miscellaneous Budgets

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 hardship fund

Note: The final two bullet points were added to the terms of reference of the group at the request of the Chair of the Adult Social Care Overview and Scrutiny and the Chair of Corporate Overview and Scrutiny Committee.

The Committee recommended to Cabinet that:

- (1) Long term base budget investment is provided to the roads maintenance budget so that it is less reliant upon ad-hoc grant funding.

- (2) The Council's hardship fund is reviewed and maintained to an appropriate level.
- (3) Cabinet gives assurance that the level of funding in Trading Standards is sufficient to enable them to fulfil their statutory duties, considers investment that would allow greater income to be generated from this area to provide better services and greater safety and confidence for consumers.

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