



**West
Northamptonshire
Council**

West Northamptonshire Council

Corporate Overview and Scrutiny Committee

Annual Report 2022/2023

Draft version 1

A Message from Councillor Ian McCord, Chair, Corporate Overview and Scrutiny Committee 2022-2023

This is the second Annual Report of Corporate Overview and Scrutiny Committee and it details some of the work of the Committee during 2022-2023 and lists suggestions for the Committee to investigate during 2023/2024.

Overview and Scrutiny is a vital part of local democracy and good governance. It is really important that the work of scrutiny adds value and improvement. During 2022/2023, the committee acted as a critical friend to the development and implementation of key council policies and provided robust challenge. The work that the Committee undertook on budget scrutiny really showed that. I attended the meeting of Cabinet that was held in February 2023 and highlighted the work undertaken by the Committee and the recommendations put forward.

Scrutiny has an important role in monitoring how the Council uses its finances, and the Committee undertook budget monitoring at various stages during the year.

The Committee has completed a vast amount of work through formal meetings and Task and Finish groups. Through the scrutiny work, the Committee has made recommendations to both Cabinet and individual Portfolio Holders.

This report is not a complete commentary of everything the Committee has achieved but is a summary of some key highlights of the work undertaken in 2022-2023.

The role of scrutiny cannot be under estimated and forms part of the good governance of the Council, therefore it's of vital importance to encourage members who sit, or aspire to sit, on the Committee to please attend meetings of the Committee and contribute to this vital work.

The work of the Committee has been varied, and in particular I would like to thank my colleagues who sat with me on Corporate Overview and Scrutiny Committee during 2022/2023. I am also indebted to all at Democratic Services who work to make sense of our deliberations, in particular Tracy Tiff and Richard Woods who attend all of our meetings. I also wish to thank Martin Henry and all in his directorate who support our important work.



Councillor Ian McCord
Chair, Corporate Overview and Scrutiny Committee

Purpose of Overview and Scrutiny

The Overview and Scrutiny function at West Northamptonshire Council helps to improve the quality of services provided to local residents and supports and challenges the work of the Council's Cabinet.

Overview and Scrutiny carries out a number of roles, including:

- (a) monitoring the decisions of the Cabinet
- (b) advising the Council on forthcoming decisions
- (c) contributing to the development and review of Council policy
- (d) reviewing decisions that have been taken by the Cabinet but not yet implemented that are 'called in' for further consideration

At West Northamptonshire Council these roles are currently carried out by three Overview and Scrutiny committees: Place, People and Corporate Overview and Scrutiny Committees. These Committees are made up of Councillors from different political groups, known as non-Executives, and who are not part of the Cabinet.

The Centre for Governance and Scrutiny is a national organisation that promotes effective governance in the public, private and voluntary sectors. The Centre for Governance and Scrutiny states that good scrutiny involves four fundamental principles:

- (a) it provides constructive 'critical friend' challenge
- (b) it amplifies the voice and concerns of the public
- (c) it is led by independent people who take responsibility for their role
- (d) it drives improvement in public services

Remit of Corporate Overview and Scrutiny Committee

Corporate Overview and Scrutiny Committee is responsible for scrutinising issues and services in the following areas:

Corporate Overview and Scrutiny Committee membership

The membership of the Corporate O&S Committee was made up of 17 non-Executive Members during 2023/2024:

Councillor Ian McCord (Chair)
Councillor Andrew Grant (Vice Chair)

Councillors:

Jamal Alwahabi
Aziz Rahman (Aziz)
Sally Beardsworth
Paul Clarke
Maggie Clubley
Rupert Frost

Keith Holland Delamere
Mark Hughes
David James
Koulla Jolley
Colin Morgan
Ken Pritchard
Richard Solesbury-Timms
Danielle Stone

How does Overview and Scrutiny make a difference?

Overview and Scrutiny ensures that decision-making processes are clear and accessible to the public and that the people taking decisions are held accountable for those decisions.

Effective Scrutiny

As stated by the Centre of Governance and Scrutiny, effective scrutiny:

- provides “critical friend” challenge to executive policy-makers and decision-makers
- enables the voice and concerns of the public and its communities
- is carried out by “independent minded governors” who lead and own the scrutiny process
- drives improvement in public services.

Terms of Reference for Corporate Overview and Scrutiny Committee

The terms of reference of Corporate Overview and Scrutiny Committee:

- Finance and resources
- Corporate services
- Shared services under the WNC and NNC Shared Services Joint Committee (the WNC Constitution assigns this focus area to the Corporate Scrutiny Committee or equivalent at each authority).
- Corporate Strategy and priorities

What has Corporate Overview and Scrutiny Committee achieved during 2022-2023 and how was this impact made during 2022-2023?

The Committee held seven formal meetings during 2022/23 as well as one informal workshop style meeting in respect of the draft budget for the Council 2023-2024. The Committee set up three Task and Finish Groups during 2021-2022 and these commenced their work in the Municipal year 2022-2023. Some key areas of work by the Committee and the outcomes resulting from this work are detailed below. The Committee’s work programme, meeting details and papers can be located on West Northamptonshire Council’s [website](#).

What has Corporate Overview and Scrutiny Committee achieved during 2022 - 2023

The following are examples of the scrutiny work which has been undertaken by Corporate Overview and Scrutiny Committee during 2022/2023:

- Budget monitoring - Revenue Monitoring Report
- Monitoring - Northamptonshire Children's Trust Budget
- Corporate Plan Performance Report Monitoring
- Medium Term Financial Strategy
- The Council's Draft Budget 2023-2024
- West Northamptonshire People Strategy – Key actions
- Local Government and Social Care Ombudsman Annual Review letter 2021-2022
- The Council's Pay and Grading Project
- Transformation Projects and 'Wicked Issues'
- Local Area Partnerships (LAPs)
- Three Task and Finish Groups - Treasury Management, Modernising Systems and Expenses Policy

Work commenced during 2022/23 on the Highways Contract - Joint Scrutiny Review with Place Overview and Scrutiny Committee which is expected to report during 2023/2024

Budget monitoring – revenue monitoring

The Committee scrutinised the quarterly budget monitoring reports providing scrutiny input in particular in relation to the overspend in the Children's Trust. The Committee understood that the Council has no financial control over the Children's Trust Budget and taking account of the potential for such an overspend to further increase and add additional pressure to the Council's Budget for 2022-23, it recommended that Cabinet writes to the Department for Education regarding the Children's Trust model and state that, whilst West Northamptonshire Council will honour its contract regarding funding its agreed proportion of the Children's Trust budget, any subsequent difference be covered by the Department for Education. Cabinet accepted the recommendation, and the Cabinet Member for Children's Services wrote to the Department of Education. It was disappointing that the DfE were unable to accept the recommendation, however it did offer to fund some invest to save projects that may help the Trust, and ultimately the Council.

As part of its monitoring role the Committee monitored the forecast outturn position for the 2022-2023 financial year, any overspend together with budget contingencies previously set aside in the budget for risks that had been realised in the current financial year. This Council along with many other local authorities had seen a significant impact on its finances as a result of external factors beyond its control, including inflationary and cost of living pressures, the ongoing financial aftershocks of the Covid pandemic and the withdrawal of Covid funding by central government, demand-led inflationary pressures on the Children's Trust and Adult Social Care, and a higher than anticipated cost of living pay award for 2022/2023.

Medium Term Financial Strategy

The Committee considered and monitored the Medium Term Financial Strategy. The key pressures, caused by external factors, that have emerged since the budget for the current year that had been set in February 2022 had resulted in a projected overspend. The Committee realised that such an overspend represented a very small percentage of the total net budget and was therefore within acceptable tolerances. The Committee understood the management action being undertaken to alleviate further pressures being faced.

Corporate Performance Report

The Committee received details of the Council's performance metrics for the current year and set against the priorities outlined in the Corporate Plan at regular intervals during the year. Performance is monitored within services and owned by service Directors. Performance data is monitored by both the Executive Programme Board and Executive Leadership Team. At the end of the first year of West Northamptonshire Council's existence, a review had been undertaken on the performance metrics in order to ensure that the reporting to Cabinet was representative of the Council's corporate priorities. Data is fed in from all directorates and teams across the authority. It is then analysed and utilised to monitor performance and identify areas where improvement may be required. The Council also utilises a wide range of nationally published local authority databases tracking a wide range of statistics, which formed the main source of the Council's benchmarking information.

Performance of the Revenues and Benefits Service

The Committee considered and reviewed the performance of the Revenues and Benefits Service. On vesting day, West Northamptonshire Council had inherited a complex range of existing service delivery models from the previous sovereign Councils, which led to a full options appraisal and business case being undertaken which ultimately led the service being brought back in-house. This allowed for the implementation of a uniformed operating model in order to deliver improvements to service provision, a streamlined process, and a reduction in costs. Against the backdrop of significant transformation, the service had also been required to deliver the rollout of a host of government grants and initiatives including but not limited to covid grants, business support and cost of living support, the delivery of which had been a significant undertaking for existing resources across the service. A number of transformation projects were planned, including the establishment of a single software system including the migration of data and merging of databases. A business case for this work had been drafted and had been considered by Cabinet in November 2022, with an ambition to commence work on this project following the conclusion of annual billing in April 2023. The Committee supported the transformation plans for the Revenues and Benefits Service and progress made to date.

Pay and Grading Project

The Committee considered and provided scrutiny input into Pay and Grading Project for West Northamptonshire Council and started with the phase of the project that would align those staff on interim terms and conditions, who joined the authority or changed posts after 1 April 2022, onto the new West Northamptonshire Council pay structure. As of January 2023, the Council's staff headcount currently stood at 2,762 and that 43% of the workforce were now on interim WNC terms and conditions, with over 500 jobs now matched to the job family architecture. The Committee will further consider the Pay and Grading Project in the municipal year 2023-2024.

Local Government and Social Care Ombudsman's (LGSCO) Annual Review Letter 2021-2022

The Committee considered and provided comment on the Local Government and Social Care Ombudsman's (LGSCO) Annual Review Letter 2021-2022 prior to its consideration by Cabinet. The Committee was aware that the period covered by the annual letter included some legacy complaints that originated with the predecessor authorities but were adjudicated within the last year, and mainly occurred during the pandemic which in some cases had impacted on the service

delivery and timescales before the complaint was raised with the Ombudsman. The central Complaints and Compliments Team had administered 131 contacts from the LGSCO during the report period, many of which did not require a detailed investigation and in some cases, were closed following initial enquiries demonstrating no evidence of fault by the local authority. There were 34 complaints that required detailed investigation, down from 38 across the sovereign Council's in the previous year 2020-21, only 11 of which were new complaints originating from services provided by West Northamptonshire Council.

Budget Scrutiny

The Committee commenced its budget scrutiny process for 2022-23 with a particular focus on the Northamptonshire Children's Trust Budget. The shared mission between West Northamptonshire Council and North Northamptonshire Council was to create a service capable of radically improving services for children, young people, and families across Northamptonshire. The new model had been set on a clear path towards improvement. The Trust had made a number of key achievements to date. Key cost drivers behind the Children's Trust budget were an increase in children's social care cases in the care system, and increased number of children in care, increased cost and reduced availability of placements, increasing independent fostering agency fees, and workforce pressures. There were other additional pressures aside from the key cost drivers such as the contract negotiation also included the implementation of a staff pay award above the contract sum provision based on the flat rate of increase and additional pressures related to demand growth in children's placements for example.

The Committee then scrutinised the Council's draft 2023/24 budget in detail and provided scrutiny input. Budget Scrutiny was undertaken by the whole Committee in the form of a "Spotlight" Scrutiny Review. The Committee focussed its budget Scrutiny on three key areas:

- Fees and Charges
- Capital Programme
- Care – Robustness of Budgets

The Committee broke into three Groups, each one providing critical challenge to one of the above key areas.

The Committee's recommendations that:

Fees and Charges

Having carried out scrutiny on the Fees and Charges contained within the draft budget and having received a detailed presentation from the Executive Director – Finance which addressed all the elements set out in the terms of reference for the scrutiny work on Fees and Charges members of the Committee were generally supportive of the approach adopted on Fees and Charges.

A Communications Plan is put together for some of the main fees and charges which focusses on the increase in cash terms rather than in percentage terms which can be misleading. It should also highlight that benchmarking information was used to be able to propose an increase in Fees and Charges.

Capital Programme

Cabinet is informed that that Corporate Overview and Scrutiny Committee is concerned that adequate budget is available for the Council to be net Zero by 2030 and that there needs to be a costed plan setting out how this will be achieved. Cabinet is informed that in general, Corporate Overview and Scrutiny Committee is satisfied that Cabinet has demonstrated that monitoring, and oversight is in place.

Robustness of Budgets

Care

Corporate Overview and Scrutiny could see that budgets for both Adults and Children's Social Care had increased significantly for next year to reflect current levels of demand for the service and provision for some continued increase in demand over next year. The Committee acknowledged that the budgets have been put together using the best information currently available and therefore are as robust as they could be at the time of setting the budget. However, given it is difficult to foresee the future demand in the need for Children's and Adult's services and how this will affect budgets for both, Corporate Overview and Scrutiny Committee considers that the budget for both Children's and Adult's Services is an area of continued risk to the Council's budget for 2023/24.

General

The Committee acknowledged that there was approximately £48 million of base budget changes and believes that this budget should be more accurate and more deliverable than previous versions.

The Committee's report was appended to the report on the budget that was considered by Cabinet at its meeting on 13 February 2023 and full Council at its meeting on 24 February 2023.

Transformation Projects and 'Wicked Issues'

The Committee provided input into the Council's Transformation Projects and "wicked issues". The key Wicked Issues identified by Cabinet included children's placements, adult social care, homelessness and single vulnerable adults, school transport, developing a new way of working, and 'front door' issues such as customer contact. The identification of these subjects had led to the development of new projects for the Council's transformation programme, along with enhancements to existing transformation projects which had been built into the 2023-24 budget savings.

Transformation projects and activities in the previous two years have delivered £12.5m of transformation-related savings. In the first two years there were also a number of projects which were paramount to building successful teams but would not necessarily deliver immediate financial savings, for example the Pay and Grading project and the development of the People Strategy.

Local Area Partnerships (LAP) Funding

The Committee considered and provided input in LAP funding. LAPs were created from the Health and Care Act 2022, which provided a new legislative framework for greater collaboration between

the NHS, local government, and other partners. They are based on community areas collaborating across organisational barriers to engage and co-produce services with local people. Ways of achieving this involve the use of local area profiles to provide insight for local priorities, and the development of local area plans. The Health and Care Act 2022 did not create additional funding for LAPs; therefore, the operation of LAPs is reliant on innovation, existing funding streams and attracting funding from elsewhere. It is intended to have all nine LAPs covering West Northamptonshire mobilised by the end of March 2023, so that each LAP can commence its work on holding inaugural meetings and beginning to identify local priorities.

Task and Finish Groups

During 2021-2022 the Committee set up three Task and Finish Groups that, due to timing reasons, commenced their review work in the Municipal year 2022-2023:

Expenses Policy

Corporate Overview and Scrutiny Committee approved its Work Programme for 2021/2022 and included a Spotlight Review of the Council's Expenses Policy. The Review could not commence until West Northamptonshire Council had approved and internally published its Expenses Policy. As soon as this was published, a Spotlight Review was undertaken. The objective of the Task and Finish Group was to understand how West Northamptonshire Council's Expenses Policy for employees is structured and operated and to make recommendations as to potential improvements. The review also looked at the procedures in place for Councillors claiming expenses, while acknowledging the policy matters fall under the responsibilities of the full Council. After considering the evidence provided, the Task and Finish Group was satisfied that there were the required guidance, claiming mechanisms and audit checks in place in relation to the Council's Expenses Policy that was introduced in 2022.

The Expenses Task and Finish Group recommended that the Cabinet Member for HR and Corporate Services is informed that after considering the evidence provided, the Expenses Task and Finish Group is satisfied that there are the required guidance, claiming mechanisms and audit checks in place in relation to the Council's Expenses Policy and the Relocation Policy for employees. The Expenses Task and Finish Group was satisfied that there is the required guidance, claiming mechanisms and audit checks in place regarding travel and subsistence claims for Councillors.

Treasury Management Strategy

The objective of the Task and Finish Group was to scrutinise the Council's Treasury Management Strategy and monitor progress on treasury management in accordance with CIPFA codes of practice.

After all of the evidence was collated the Task and Finish Group drew a number of conclusions. Key conclusions: The Task and Finish Group agreed that it was satisfied that the evidence highlights that the Council is undertaking Treasury Management in accordance with the CIPFA Treasury Management Code of Conduct. The importance of Members gaining a comprehensive understanding of Treasury Management Activities was recognised as was the need for annual training for Members on Treasury Management. The right approach and Policies are in place in relation to risk management in accordance with the Treasury Management activities, ESGs (environmental, social and governance) classification and sustainable finance.

The Treasury Management Strategy Task and Finish Group recommended that the Cabinet Member for Finance is informed that after considering the evidence provided, the Task and Finish Group is satisfied that the Council is undertaking Treasury Management in accordance with the CIPFA Treasury Management Code of Conduct and the right approach and Policies are in place in relation to risk management in accordance with the Treasury Management activities; and it recommended to the Cabinet Member for Finance that in order to increase awareness of the detail and intricacies of Treasury Management activity, all Members are encouraged to read the Treasury Management Strategy in full and gain a full understanding of its detail in order to maintain this understanding; details of which could be promoted in a weekly edition of the Member bulletin.

Modernising Systems

The purpose of this Scrutiny review was to provide scrutiny input into modernising systems. The key lines of enquiry were:

- To identify what good systems look like before any potential investments can be made.
- To consider both the capital and revenue expenditure for modernising systems
- To examine how transformation from services is joined up.
- To understand how the financial consequence for not modernising systems.
- To recognise the benefits associated with the impact of modernising systems - for example, freeing up staff time and there no longer being the need to chase up data if automated.

The Task and Finish Group arrived at a number of conclusions which were around transformation, West Northamptonshire Council (WNC) - ICT systems and the architecture of System and Information Security and Organisational risks. The Modernising Systems Task and Finish Group recommended that the pace of transformational change in respect of digital and core systems is increased and existing processes are reviewed to maximise the potential of new systems. A Member Steering Group is set up with the key purpose of communicating transformation progress to both Members and Officers in order for details to be made more accessible. A business plan in respect of skilling the workforce is devised, and consideration is given to whether this expertise could be offered out to other organisations for a fee and the work to build resilience within the DTI service, particularly around the recent recommendations from Audit Committee are prioritised and accelerated.

Critical Friend to Cabinet

Cabinet Members and Senior Officers attended various meetings of Corporate Overview and Scrutiny Committee and provided the detailed reasoning behind the various key issues. These are summarised at earlier sections of this Annual Report. By doing this, it provided comprehension and clarity for the Committee on the issues detailed in its work programme. These are excellent examples of the Committee's critical friend role and the relationship that exists between Place Overview and Scrutiny Committee and Cabinet. They emphasise also the robust challenge offered by scrutiny.

Call in

During the year the Committee received one call-in. The call-in was in relation to the Cabinet decision of 11 October 2022 - Office Optimisation Stage 1 building adaptations, budget and disposal was upheld by the Committee.

Corporate Overview and Scrutiny Committee work programme 2022/2023

The Committee has addressed key issues as detailed at an earlier section of this Annual Report. The Committee's work programme was put together by the Committee and was regularly reported to and monitored by the Co-ordinating Overview and Scrutiny Group, that comprises the Chairs and Vice-Chairs of the three Overview and Scrutiny committees.

Looking ahead

There are a number of key issues contained within the work programme, for example, budget monitoring and budget scrutiny, and these will continue to be key focus areas for Corporate Overview and Scrutiny Committee in the future. The Work Programme of this Committee will be considered by the Corporate Overview and Scrutiny Committee at its inaugural meeting of the new Overview and Scrutiny structure that commences from June 2023. Going forwards, the Committee will play a key role in embedding the recommendations arising from the recent Centre for Governance and Scrutiny review of the Council's scrutiny function, and the new Overview and Scrutiny Committee structure that the review has given rise to, in order to make sure that the Council's Overview and Scrutiny function continues to develop and grow.