

23rd September 2021

FINANCE ISSUES

Revenue Monitoring report

Councillors will have seen the revenue monitoring report for the first quarter of this financial year as the Cabinet report has been published.

Whilst the budgets for the new authority are still settling down the early signs are encouraging about the robustness of the budget that was set for this year.

Currently, there are service pressures highlighted of £1.624m on a budget of £326.6m which in percentage terms is miniscule (an overall variance of 0.5%). The services will be aiming to close this gap between now and the end of the year but members may recall we also set up a contingency budget for this year to help with any 'bumps in the road' which can be utilised if required. Therefore, I am pleased to say that at this point we are projecting a 'nil variance' on our budget for this year.

Two other encouraging signs are contained within the report.

Firstly, all of the predecessor authorities in the West are provisionally showing underspends in their outturn position for last year (2020-21) which again bodes well for the robustness of the budget for this year.

Secondly, the overall level of reserves now estimated to be held at 1 April 2021 is higher than anticipated when compared on a like for like basis with the reserves estimate set out in the budget report. It was estimated there would be £95m of reserves and the latest position shows that a direct comparison with this figures shows an increase of £14m to £109m.

These are early days and we are taking nothing for granted but the initial signs are reassuring.

Budget Setting

The next major task that we are progressing is the budget process for 2022-23 and the refresh of the medium-term financial position. Officers are currently in the process of organising budget scrutiny sessions (known as 'star chambers') to understand the robustness of the current service estimates, any service pressures and potential efficiencies and savings proposals.

The final budget papers estimated that the budget gap for next year was almost £15m or approximately 5% of the budget and we are beginning the process to determine how that gap will be closed.

Council Tax Reduction Scheme (CTRS)

This is the subject of another Cabinet report as we have to go out to consultation on the CTRS in order to meet the requirements to have the scheme in place for 1 April 2022.

Members may recall that the previous CTRS was harmonised from the 1 April this year so that a consistent approach was in place across the whole of the West Northamptonshire area. A 20% scheme was adopted for this year meaning that if maximum support is given to working age claimants who are having difficulty paying their council tax there will still be a requirement to pay at least 20% of their council tax bill.

The proposal for 2022-23, which is subject to consultation, is to keep the amount of support at the same level.

The consultation also makes recommendations on providing support to Care Leavers through the scheme and other minor amendments.

Revenues and Benefits restructure

Cabinet agreed that the currently overcomplicated way of delivering revenues and benefits services through three very different operating models should be brought together and there should be one service delivery model. It was agreed that a single in-house team should be implemented and officers have set about this with some gusto.

Consultation with all affected staff commenced in the w/c 6 September and the current plan is for the single in-house team to be in place for 5 November 2021.

This is a significant, large and complex project and is the first major service restructuring transformation that is taking place in West Northamptonshire. Officers highlight there could be a dip in performance whilst we go through this significant change but the expectation is that once the new structure is embedded the arrangements will be much more straightforward than they currently are, performance will be at least as good as it currently is, residents will get a consistent and improved service and the service will cost no more than it currently does.

ASSETS ISSUES

Property Strategy & Estates

The new team is supporting services across WNC as they continue their transformation journey, ensuring we have the right property to deliver services to residents whilst looking to secure increased income and reduced costs from property.

The team is transforming its delivery model and establishing a systematic approach to disposals, acquisitions and asset valuations. It is reviewing its wider operating model to unify the teams from the predecessor authorities with the aim of delivering a robust and consistent service covering all of WNC's assets. Excluding housing, these number about 900, ranging from important heritage buildings and corporate offices to commercial property and open spaces. A new corporate property records system will form part of this.

The team continues actively progress lettings within the Council's significant investment estate and review any vacant properties or sites to minimise the revenue costs of holding vacant estate.

Highlights of current work include:

New Secondary School: Working with education colleagues to consult on the proposed lease of a site at Wantage Farm, north of Northampton, for a new secondary school. This is the subject of a report to Cabinet in September.

Delapre Abbey: Working on proposals to enable the Delapre Abbey Preservation Trust to restore and preserve the 19th century stable block.

Children's Trust: Working through the arrangements for the Trust to legally occupy the range of buildings needed to provide its services.

Fibre Optic Broadband: Developing the legal mechanisms to allow City Fibre and OpenReach to serve residents in the Council's flats.

Northampton Partnership Homes: Working with NPH to identify suitable long-term accommodation options.

Facilities management

The new team is continuing to support the safe operation of the new Council, now transitioning to the lower level of Covid-19 controls deemed appropriate.

Covid-19: Continuing to support the Mass Vaccination Facility at Mouton Park.

Council and Cabinet meetings: Making arrangements to support the new Council meet, as existing venues are not suitable without temporary adjustments.

Vulcan Works and St Johns: Working to receive and safely manage the properties from the construction contractor, prior to the appointment of a managing agent.

Forum Café, Towcester: Progressing with the reopening of the café for September, drawing on resources across the team to achieve this.

Fleet Management: Developing systems to manage the new Council's combined fleet, with a view to the 2030 carbon-neutral target.

Parking: Making revised arrangements for staff and Member parking as Covid-19 restrictions ease, and exploring arrangements to make payment simpler.

Property management and maintenance

The new team is working on establishing systems and data for effective management of the Council's properties, ensuring they are fit for purpose and minimising lifetime costs. This exercise will take time to complete, but at present suggests legacy budgets are not sufficient to hold property in a decent condition. The new Council inherited a significant maintenance backlog.

The Northampton Schools PFI is one of the largest educational PFI projects in the country, with annual spend of around £28m, with a second schools PFI worth £4m per year. Work continues with contractors to ensure that the schools are safe and fit for purpose and provide welcoming and interesting places for pupils to learn in. Officers continue to challenge the managing contractors to ensure that the contract provides best value for money to schools and the public purse.

Highlights of current work include:

Green Lane, Northampton: Work to address the drainage system to reduce the risk of flooding. Existing culvert will shortly be replaced with bridges to reduce the risk of blockages.

Wootton Hall Park: Securing life-expired buildings to protect the public prior to their demolition.

Construction

The team is working on a wide range of projects. Highlights among the construction projects include:

Mulberry Place, Daventry: Despite considerable challenges, rectification of the ceiling support system defects had largely concluded. Fit-out by the operator, Arc, should shortly resume. The scheme remains within the £12.75m budget.

Marie Weller Primary School, Towcester: Work on this new primary school, using off-site construction, is approaching completion. The project remains on budget and the school opened in September as planned.

Braunston – Daventry Cycle Track: Phase 1 (Middlemore, Daventry to Braunston Tunnel Portal on the Grand Union Canal) is approaching completion. The project remains well within the £0.75m budget, funded from CIL.

Northampton Guildhall: Major scheme of roofing and allied repairs. Opening up the roof has revealed a combination of conditions better and worse than indicated on the original survey. It should be possible to complete the scheme within the budget. Advantage will be taken to, separately, carry out some works best accessible by abseiling. The roof works will be followed by a scheme to replace the boilers.

Professional services frameworks: Procuring new frameworks for a range of professional services. These enable to secure good value in a timely way, and maximise the opportunity for local and smaller businesses to provide services to the Council and other public bodies.

Northampton Leisure Centres: Major scheme of replacement plant and equipment. An initial phase of work to replace boilers at the Mounts Swimming Pool is proceeding, with other works following.

Northampton Watercourses: A review of the watercourses owned by the Council to put in place arrangements for their sustainable management, including potential works.

Councillor Malcolm Longley
Cabinet Member for Finance