

# Nottingham City Council

## Overview and Scrutiny Committee

**Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 5 January 2022 from 2.01 pm - 3.16 pm**

### Membership

#### Present

Councillor Anne Peach (Chair)  
Councillor Georgia Power (Vice Chair)  
Councillor Carole McCulloch (Vice Chair)  
Councillor Patience Uloma Ifediora  
Councillor Gul Nawaz Khan  
Councillor Andrew Rule

#### Absent

Councillor Corall Jenkins  
Councillor Jane Lakey  
Councillor Sajid Mohammed  
Councillor Toby Neal  
Councillor Angharad Roberts  
Councillor Audra Wynter

### Colleagues, partners and others in attendance:

Councillor David Mellen - Leader of the Council  
Clive Heaphy- Interim Corporate Director for Finance and Resources  
Laura Wilson – Senior Governance Officer  
Catherine Ziane-Pryor – Governance Officer

## 48 Apologies for absence

Councillor Coral Jenkins – personal reasons  
Councillor Jane Lakey – unwell  
Councillor Sajid Mohammed - leave  
Councillor Angharad Roberts – personal reasons  
Councillor Audra Wynter - leave

## 49 Declarations of interests

None.

## 50 Minutes

Subject to expanding apologies for absence to include an explanation that Councillor Coral Jenkins had been appointed as a member on the day of the meeting and had not had an opportunity to rearrange existing commitments, the minutes of the meeting held on 8 December 2021 were confirmed as a true record and were signed by the Chair.

## 51 Recovery and Improvement - Update by the Leader

Councillor David Mellen, Leader of the Council, referred to the eight headings of the Council's Improvement Plan of:

- i. Medium-Term Financial Strategy

- ii. Assets;
- iii. Companies;
- iv. Capital Programme and Debt Management;
- v. Constitution;
- vi. Organisation and Culture;
- vii. Delivery Options;
- viii. Policy Framework.

Highlights included the following points:

- a) The Recovery and Improvement Plan has been updated following broad consultation and will be renamed 'Together for Nottingham'. The Improvement and Assurance Board (IAB) is content with the overall progress against it and the direction of travel of the Council's work, but have requested costed Service Plans for each department to sit alongside the Plan, which are currently underway;
- b) The Transformation Board is meeting regularly and Business Cases for the transformation proposals are being worked up and tested to ensure robustness. Consultants have been engaged to advise and train staff for some proposals;
- c) A new Councillor/Officer protocol is in place to promote good working relationships between Councillors and officers and support the smooth and effective running of the Council. This is supporting the other work underway to promote a culture change within the organisations;
- d) There is a focus on the whole experience of citizens engaging with the Council to ensure that they get the best service possible;
- e) With regard to the Capital Programme, a cap has been agreed for adjusted borrowing, and capital spend will only be authorised for specific projects. Grant funding has been sought and awarded, such as the £150m grant for the Broadmarsh car park development. Capital receipts are being realised and the IAB is content that the asset realisation programme is robust and is going well;
- f) The new Constitution was approved by Council in September 2021 and provides greater clarity of accountability and an adjusted scheme of delegation. The IAB are content with the work that has been undertaken;
- g) There is ongoing work regarding the City Council's companies. EnviroEnergy has been brought in-house, a contract has been agreed with Nottingham Revenue and Benefits, and the Council is looking at the other companies in detail. The work is complicated and detailed, so additional resources have been put in place. The Companies Governance Executive Committee meets monthly to approve and oversee the Council's strategic objectives across the group of companies. The IAB feel the Council need to work quicker in this area, but it is important to balance speed with effectiveness;
- h) The Medium Term Financial Strategy (MTFS) is the IAB's biggest area of concern as the Council has to show financial stability and plan for a four year period. The MTFS will be submitted to full Council in March 2022 and will remain a key ongoing piece of work. The in-year budget gap has reduced significantly and is moving in the right

direction, with the transformation programme being key to managing the budget longer term;

Member's questions were responded to as follows:

- i) A junior minister has responded to the IAB's third report and acknowledged the progress achieved and the work yet to be done. Sir Tony Redmond, Chair of the IAB, submits the reports as scheduled, but there is often a wait of approximately two months in obtaining a response, in which time a lot can change and progress is made. However, the Council doesn't wait for a response to the report and continues to progress improvement work;
- j) IAB meetings are held every month and the Leader meets with the Chair of the IAB every week. Whilst the IAB is robust with the Council, it is clear that it wants the Council to succeed in setting its budget. There is willingness to hold additional meetings to ensure there is clarity on what is required;
- k) Consultation on the budget is ongoing, but so far events have been well attended and responses have been received from a broad range of citizens. Online consultation responses are encouraged, but there is also the opportunity to complete paper copy consultations. Socially distanced face-to-face consultation sessions have proved popular at City Council and community venues;
- l) Achieving 100% citizen response is not a realistic target, but to date there have been in excess of 700 individual consultation responses received, which is more than ever before. There is no complacency in seeking and implementing new and alternative methods of engagement with the ongoing aspiration to achieve greater engagement;
- m) With regard to customer care, questioning if things can be done better and examining the individual citizen interaction perspective of services is ongoing;
- n) Generally, as more of the population work from home, there is a change to organisation and culture with different engagement opportunities available as alternatives to attending council sites. In addition to the Council reaching out, citizens do actively contact the Council, such as through libraries to find information and request paper printed forms;
- o) The operational improvement consultants are working to advise and train staff to embed the culture change so that they can continue improvement work themselves once the consultants have left. The consultant company Newton Europe has worked with staff in Children Services, for which feedback has been very positive;
- p) With regard to the issuing of the section 114 report, there are many implications, so decisions cannot be rushed and the appropriate investigations need to take place so that solutions can be formulated.

The Committee expressed concern that the budget consultation document is too generic and needs to be presented with relevance at a local level for local people to respond effectively.

The Chair thanked Councillor David Mellen for his attendance and update.

## **52 Overview and Scrutiny Response to the Budget Consultation**

### **a) Medium-Term Financial Plan Update**

Clive Heaphy, Interim Corporate Director for Finance and Resources, was in attendance and summarised the report, which included the following highlights:

- a) There is a starting budget gap of £28 million for 2022/23 rising to £38.1 million for 2025/2026, mainly due to external pressures such as inflation and the impact of COVID-19;
- b) Savings worth £12.2 million have been identified, which include £3.9 million for which the Council is currently consulting. This includes savings from the deletion of 91 posts, some of which are currently vacant;
- c) The Council is looking at options as to how the remaining deficit of £15.7 million for 2022/23 can be funded, including work on transforming how Council services are delivered;
- d) The Scrutiny response to the budget consultation will comprise of the views of the 3 scrutiny committees and will feed into the budget consultation;
- e) Central Government has only awarded a one year settlement, but the Council is still expected to plan for four years;
- f) Council Tax can rise by up to 3%, but in the circumstances, a maximum rise of 2.2% is currently proposed;
- g) The core spending power calculation for Nottingham is proposed to be increased from £287.205 million in 2021/2022 to £307.461 million in 2022/2023 (a 7.1% increase), which may appear generous, but the availability from other Central Government funding sources has reduced. Nottingham's 7.1% increase is slightly higher than the national average of 6.9%, but is lower than the Core City average of 7.3%;
- h) The proposed settlement means there has been an increase of £11.722m in funding, compared to that previously anticipated, but this is still insufficient to close the current gaps.

Member's questions on the Medium Term Financial Plan were responded to by Clive Heaphy and Councillor David Mellen as follows:

- i) Central Government has predicted within its settlement figures that inflation will rise to 3%, but this estimation can be considered optimistic as it is anticipated that, although inflation is expected to notably rise and then fall, the rise will be greater than 3%. Inflation in different areas will differ;
- j) Nottingham City Council is not better off than previously, particularly since COVID-19, but every Authority is feeling the pinch, including reductions in business rates income and support grants. The Council will have to fund the gap between the £66.5

million spent on Covid support and the Central Government COVID-19 support grant of £50.1 million;

- k) The past 10 years have seen reduced funding and increased costs, including for social care, so the gains are a lot less than the losses.

Members commented:

- l) Central Government were not forthcoming to meet the full cost of COVID-19 support spending, resulting in a significant shortfall which is a concern, particularly as COVID-19 is ongoing;
- m) The settlement may appear attractive, but as the City Council has lost £100 million of funding in the past 10 years, and therefore spending capacity, it does not compensate for this.

## **b) Overview And Scrutiny Consultation Responses**

The Chair of each Scrutiny Committee presented their committee's consultation response on their elements of the budget proposals.

Councillor Carole McCulloch, Chair of the Children and Young People Scrutiny Committee, included the following points:

- a) Concern is expressed that the consultation is presented in such a way that citizens affected by the proposals are unaware of the impact of the proposals and, therefore, have not been able to engage in the consultation;
- b) Although limited face to face consultation has been available there has been a focus on online engagement and response, even though lack of digital access is recognised to impact large numbers of the City's citizens. The consultation was presented in such a way that it was not easy to access or respond to the consultation for citizens who only have digital access via a smart phone;
- c) The information provided within the consultation is very generic and does not explicitly enough highlight the elements which will directly impact on citizens at a local and, more importantly, personal level. More effort should be made to highlight local impact and implications of the proposals;
- d) The priority to provide statutory services and meet statutory requirements is of course welcomed, however, there is concern that some of the proposals will impact both directly and on the mechanisms for delivering the services in the medium and long term. Assurance is sought that adequate funding will be available to appropriately resource the delivery of statutory services;
- e) There is concern about the impact of reducing youth work capacity and the Committee has referred the issue of delays in accessing CAMHS to the Health and Adult Social Care Scrutiny Committee for consideration;
- f) Having questioned the capacity of senior managers to take on the Agency Decision Maker role, and whether it would present any risks for the Local Authority and how

that approach compares with other local authorities, the Committee was sufficiently assured by the responses;

- g) At its next meeting, the Committee will consider in detail the impact on the Council of having to support people with no recourse to public funds, who often have high levels of need. The Committee would like more explicit consideration to be given to understanding the costs of this to the Council, and use this to 'push back' to Central Government on the inadequacy of funding to support people currently with this status;
- h) There is concern at the loss of purpose-built community focused centres as continuing some services will be problematic in a new generic environment;
- i) The proposal to split area based grant funding between youth work and employment is welcomed, and it suggested that elements of the employment budget is dedicated to training youth workers. Improved partnership working with schools, academies and the police would also be beneficial to support effective targeting of services.

Councillor Georgia Power, Chair of the Health and Adult Social Care Scrutiny Committee, provided the following summary of the Committee's consultation feedback:

- j) The budget proposals continue focus on transformation, rather than cuts to services. To date this has been both financially and productively effective with ongoing budget underspend for several years;
- k) A lot of the proposals are around investing in services to increase pro-active and timely assessments and responses which benefit patients, help prevent deterioration and therefore the requirement for more intense funding;
- l) The Clinical Commissioning Group (CCG) have agreed to provide additional funding, which is of course welcome;
- m) Care must be taken to ensure that the City Council it is not paying for services for which other partners are responsible, and that to provide the best efficiency, partner communication is effective enough to prevent duplication of services, including within in the voluntary sector;
- n) Following concern expressed around workforce capacity, the Committee will be examining the Workforce Forward Plan at its meeting in January;
- o) Nottingham University Hospitals and the CCG are in agreement with the Chair and Vice-Chair of the Committee on concerns around discharge and care packages. Discharge transformation is proposed, but more detailed scrutiny is underway;
- p) Some of the service users affected by the budget proposals have challenges engaging in consultation in the usual ways due to additional needs or barriers. The Committee has requested a plan to engage with these groups and been advised that special one off events will be held with support from staff in the department who have these expertise and voluntary sector organisations. The challenge of meeting during the pandemic is also acknowledged.

Councillor Anne Peach, Chair of the Overview and Scrutiny Committee, presented the Committee's feedback on the consultation on the proposed budget:

- p) The Overview and Scrutiny Committee sought assurance:
  - i. On financial modelling and whether it is sufficient to take account of inflation rates and increasing energy costs;
  - ii. Whether the Council was resilient enough with regard to cyber security;
  - iii. Whether reserves are sufficient;
  - iv. How information obtained as part of the consultation would be used to inform decisions about the budget proposals;
  - v. How the Transformation Programme is being funded and what kind of return was expected on the investment to show that the programme represented value for money;
  - vi. That the Council Plan objectives would still be achieved despite the proposed budget reductions.
- q) The consultation process was not sufficiently accessible to a wide enough proportion of the population, especially in deprived communities and communities that will be effected most by proposed budget proposals. Members would like to see accessibility improved so that everyone's voice could be heard. The online form was difficult to navigate as the proposals are not specific enough;
- r) The Committee was concerned that there is still a significant gap at this stage in the consultation process and requested additional information about what else could/would be done to close the gap;
- s) Resident parking permits
  - i. How accessible the consultation process is and how widely it would be open to citizens;
  - ii. Concern that if the parking permit scheme were to be introduced there would be a greater requirement for enforcement and the Committee was not satisfied that this had been considered properly. It queried what modelling had been done and what resources had been put in place;
  - iii. Practical considerations were raised about the inherent fairness and impact of the proposals, including in relation to Houses in Multiple Occupations, Carers, low income families and wards affected by the Workplace Parking Levy;
  - iv. Members sought assurance that legal advice had been sought in respect of the proposal to scrap existing schemes as there was concern that there would be legal challenges;

- v. Members asked about whether the scheme represented value for money and recommended that a cost benefit analysis of implementation to be carried out.

t) Community Development

- i. Members queried what consideration had been given to local Councillors and how they would remain engaged;
- ii. Members were concerned that the proposals meant that networks and community cohesion that has been created would be diminished;
- iii. Members were concerned that the proposals would mean that communities who felt that they could rely on the Council were having that taken away from them. The proposals didn't take account of the most deprived and vulnerable citizens who accessed these services most frequently;

u) Bulky Waste

- i. Members asked about the unintended consequences and additional costs that would occur as a result of removing the free bulky waste collection, but felt some reassurance because of the evidence presented from other cities who had introduced a charge;
- ii. Members expressed concern that a reduction in waste and community protection services would mean an increase in fly-tipping and a lack of resource to enforce against offenders would mean an increase in dumped waste. Members sought assurance that enforcement would follow where evidence of fly-tipping can be proven;
- iii. Members queried whether Council Tax data could be used to establish change of residents\tenants and whether landlords could be pursued;
- iv. The Committee recommended that hot spot mapping be carried out in areas with a high prevalence of fly tipping and these areas be targeted, particular emphasis on areas with high levels of HMO's;
- v. The Committee was supportive of the proposal around encouraging citizens to reduce, recycle, upcycle. Members were in agreement that education was a key component but, where it was failing, enforcement should follow;
- vi. The Committee asked if the Council was dodging an issue by allowing one free collection for those on Council Tax Support and queried whether after a period of review this would need to be increased, which in turn would have a detrimental impact on the costs that are anticipated.

Members at the meeting also suggested that:

- v) Further monitoring of Area Based Grants is required to ensure that everything promised and funding provided for is delivered;

- w) That local residents are 'up-skilled' to help deliver services and progress into employment. Upskilling any community benefits everyone;
- x) A joined-up approach between partners is essential to ensure citizens get the best value for money;
- y) Whilst the Area Based Grant is a fairly large pot of funding, substantial grants for supporting citizens into employment are available from external bodies and so the majority of Area Based Grant funds should be directed to support children and young people;
- z) It's essential to proactively engage citizens on issues such as the budget and service cuts. We need to bring citizens along with us as to why cuts are made as this makes a huge difference.

**Resolved to delegate authority to the Statutory Scrutiny Officer and the Senior Governance Officer to draft the final wording of the response based on the discussions at today's meeting and in consultation with the Chairs of the Overview and Scrutiny Committees, and submit the response by the deadline.**

### **53 Work Programme**

The Committee noted the work programme and that the Library Service Transformation Consultation item is postponed so an alternative will be sought from the items suggested at the meeting, with the remaining 2 items being scheduled for the March and April meetings:

- i. Culture change at Nottingham City Council;
- ii. The Asset Rationalisation Transformation Programme;
- iii. Customer Service Transformation.