

## **Overview & Scrutiny Co-ordination & Finance Committee**

**Monday, 17 July 2023**

Present: Councillor J Montague (Chair)  
Councillors D Cox, D Drummond, T Mulvenna,  
M Murphy, A Newman, P Oliver, W Samuel, J Shaw,  
M Thirlaway, J Wallace, J Johnsson, I McAlpine and  
A Spowart

In attendance:  
Councillor A McMullen – Cabinet Member for  
Finance and Resources  
S Fallon – Church Representative  
Rev M Vine – Church Representative

Apologies: Councillors L Bartoli, L Bones, M Hall, M Wilson and  
Ms F Burton – School Governor Representative

### **OV6/23 Appointment of Substitute Members**

Pursuant to the council's constitution the appointment of the following substitute members was made:

Councillor J Johnsson for Councillor L Bones  
Councillor I McAlpine for Councillor L Bartoli  
Councillor A Spowart for Councillor M Hall

### **OV7/23 Declarations of Interest and Dispensations**

Councillor Debbie Cox declared a Non-Registerable Personal in Item 4 2022/23 Finance Outturn Report, family member receives adult social care.

Councillor Pat Oliver declared a Non-Registerable Personal in Item 4 2022/23 Finance Outturn Report, family member receives adult social care.

Councillor Martin Murphy declared a Non-Registerable Personal in Item 4 2022/23 Finance Outturn Report, he has a family member who is employed by is

employed by North Tyneside Council.

Councillor Matthew Thirlaway declared a Non-Registerable Personal in Item 4 2022/23 Finance Outturn, he has a family member who is employed by is employed by North Tyneside Council and he is employed by a social care provider who receives funding from North Tyneside Council.

Councillor Jane Shaw declared a Non-Registerable Personal in Item 4 2022/23 Finance Outturn, she has a family member who undertakes work on behalf of North Tyneside Council.

## **OV8/23       Minutes**

**Resolved** that the minute of the meeting held on 12 June 2023 be agreed.

## **OV9/23       2022/23 Finance Outturn Report**

The Committee received a report that had been considered by Cabinet at its meeting 26 June 2023 in relation to 2022/23 Finance Outturn Report.

The report summarised the financial outturn position for the Authority for the financial year ending 31 March 2023.

The Committee was informed of a number of national accounting matters that have delayed the audit of the 2021/22 Statement of Accounts and consequently the production of the 2022/23 Statement of Accounts. Therefore, the outturn figures contained in the report were provisional until the completion of the Accounts over the summer.

The Authority continued to see areas of pressure across Adult and Children's Social Care, in addition to significant impacts on income particularly across Sport and Leisure Services, Home to School Transport and Catering Services.

Further pressures had been experienced in previous financial years, with a number of global issues that had emerged during the financial year, which added significant financial strain to the Authority's budgets.

In recognition of the pressures, the Authority planned to apply contingencies and central funding to support the position and the balances had been applied to the

Service outturn positions.

In January 2023, the Authority reported the gross pressure faced as £22.872m, mitigated to £8.086m with the application of contingencies and central support funding. The provisional outturn position for 2022/23 was an overspend of £6.081m, an improvement from January of £2.005m.

It was proposed to deal with the £6.081m overspend via a drawdown from the Strategic Reserve. After the final transfers, the General Fund Revenue Account showed spend on Budget for 2022/23, with a reduced closing balance on the Strategic Reserve of £6.345m and unchanged General Fund balances of £7.000m.

The 2023–2027 Medium Term Financial Plan and the 2023/24 Budget included a higher than usual level of contingency budgets due to the timing of the Local Government Finance Settlement. The report set out the proposed allocation of these contingencies, which supports areas of the budget that face significant financial pressure, such as Adult and Children’s social care. The Authority were now in receipt of the Social Care grant conditions and had applied the funding in line with the national guidance that had been received.

School balances had decreased from a surplus of £3.398m at the start of the financial year to a deficit of £0.382m as at 31 March 2023. Within this, 16 schools were in a deficit position. Whilst most of these are marginal deficits, four schools had a deficit totalling £12.459m.

The Housing Revenue Account (HRA) had year-end balances of £3.315m. The HRA showed an underspend of £0.185m against the in-year 2022/23 Budget, together with a £0.061m improvement in the budgeted brought forward balances, which cumulatively brought the HRA to £0.246m better than the budgeted position for 2022/23.

The initial approved Investment Plan for 2022/23 was £64.431m. Net variations and reprogramming of £22.885m were approved by Cabinet during 2022/23 to give a revised Investment Plan of £87.316m. Capital expenditure for the year was £77.442m (88.69% of the revised plan). The outturn included reprogramming of £9.781m and variations relating to gateway approvals and grant determinations of £1.698m for the 2022–2027 investment plan.

A member raised in relation to the need to use reserves and questioned to the level to be replenished within the 2023/24 year. The Head of Finance informed that the ongoing level would be in the region of £4m.

Another member raised their concern of the need to use reserves and questioned what activity was ongoing to mitigate further use. In response the Head of Finance stated that through the budget planning for 2024/25, officers had been tasked to identify a number of projects that would mitigate any further use of reserves.

Members question what activity was being undertaken to reduce schools deficits. In response the committee was informed of the support being provided to schools to aid the management of their budgets. The committee was also informed that a report was to be considered by Cabinet to plan how the issues could be addressed.

A member questioned the reasons for the reprogramming of projects within the investment plan. In response the committee was informed that projects go through regular monitoring with the Strategic Project group who challenges the process.

A member raised the reason of the overspend in relation to fleet management. The Head of Finance agreed to arrange for a written response to be provided.

A member questioned the reason for the income shortfall in relation to the former Swans site. The Senior Business Partner informed that income target was set on the site being fully occupied and there were some vacancy within the site. The member stated that the target should be reviewed.

A member requested clarification in relation to benefits processing and the drop in income recovery. The Head of Finance agreed to arrange for a written response to be provided.

In relation to the interest rate forecast, members questioned the interest rate view within the report and what was the expected level at the year end. The Head of Finance agreed to arrange for a written response to be provided.

The report detailed the agreement to finalise commercial arrangements for the return of services to the Authority from its partner Equans. A member asked for further information and comparative cost to the Authority if the services were not returned. The Head of Finance agreed to arrange for a written response to be provided.

It was **Agreed** that (1) the 2022/23 Outturn Report be noted; and (2) the further information requested be circulated to all members of the Committee.

## **OV10/23      Work Programme**

The Head of Governance gave a presentation in relation to work programming. The committee were provided an update to the changes put in place following the review of scrutiny by the Centre of Governance and Scrutiny undertaken in 2022.

The presentation suggested that scrutiny should;

- Focus on a strategy that would prioritise topics where scrutiny could make an impact;
- Have a 'less is more' approach;
- Set achievable objectives;
- Ensure committees are provided with all information ahead of committee meetings;
- Look at processes to ensure it has met its own objectives.

In discussions on the development of scrutiny work programmes a member raised that one area that scrutiny could hold the Cabinet to account would be the budget and its workstreams of efficiency projects.

A church representative raised that there were limited meetings remaining in the municipal year and members would benefit to some training. Another member stated that since the review to scrutiny had been completed it was their belief that there was little noticeable change. The Chair responded and stated that change would take time and a cultural shift was needed. He also stated that he believed changes would transpire in the near future.

Members stated that to enable good policy scrutiny, committees should be involved at the inception of policy review process, members view was scrutiny was being involved too late in the process.

The Head of Governance stated that scrutiny needed to be relevant and suggested that a sub-committee choose two topics to scrutinise. It was also stated that regular inspection of the Councils Forward Plan should be utilised to identify policy areas of interest.

A member raised that a criticism of scrutiny in the past was it was reactive instead of proactive. It was stated that by having improved communication and collaboration within all areas of the Council would improve scrutiny.

The Chair acknowledged and responded that the right level of discussion was needed with officers was needed before topics were brought to committees.

The member stated that for scrutiny to be the critical friend and aid the Executive decisions, communication should come from both officers and the Executive members.

A member stated that there had been a change in the Authority Scrutiny Structure and emphasised that culture was also important. It was proposed that if a policy had already been established and agreed then it should not be put before scrutiny. Scrutiny should only consider policies where scrutiny could add value.

A member raised that good scrutiny practice had elements of local community involvement and this should be considered when commencing scrutiny reviews.

Another member stated good scrutiny should help to evolve policy.

The Chair expressed that he hoped there would be greater clarity for members at its meeting in September and asked members to put forward topics of interest for consideration.

Members suggested the following topics at the meeting:

- Greater utilisation of the Customer First Centres
- Procurement
- The Use of Section 106 monies.
- Lettings Policy
- It was suggested that a comprehensive list of policies with associated review dates be made available so allow scrutiny to identify early interest and involvement in policy development.

It was **Agreed** that the work programme information be noted.