

## Northamptonshire CC Annual Parish Meetings 2018

### Funding

#### Central Revenue Grant

The bulk of Northamptonshire's funding comes from a central government grant. Whitehall announced some years ago that this source of funding would end in 2020 and councils would need to move towards locally raised revenue. The principal source of this funding will be from rates retention from Non Domestic Rates. The government has set up pilots to examine how this will work – we are not one of these pilots. Because some Local Authorities will be more successful in raising funds from this source the government is still trying to work out how it will even out the inequalities across the country.

For now: Northants County Council gets £673 per person per annum (population based on 2011 census figures) compared to London Boroughs which receive in excess of £1,000. East Sussex gets £159 more per person – (£832 pp).

#### Council Tax

NCC raised its share of council tax by 2.98% - the maximum possible as well as taking advantage of the additional 3% for Adult Social Care. The increase is in line with inflation. Northants County take 73% of the total bill, the PCC 13%, SNC 11% and the parishes about 3%.

A band D Council Tax bill can be broken down as follows:

Body	2017/18	Increase	Amount	2018/19
NCC	£1,111.87	2.98%	£34.76	£1,146.63
NCC Adult Social Care	£54.72	3.00%	£35.00	£89.72
PCC	£209.04	6.00%	£12.00	£221.04
SNC	£180.37	3.00%	£5.41	£185.78
<b>Total</b>	<b>£1,556.00</b>	<b>5.60%</b>	<b>£87.17</b>	<b>£1,643.17</b>

In addition, individual Parish Precepts will be levied and charged for

#### Chief Executive

Paul Blantern left the authority in October last year when it became clear the extent of executive failings in the governance of NCC. A 'professional interim' chief executive was then appointed who left after the publication of the Value for Money (VFM) report in Mid March.

An in house officer has now stepped up to the role as the way forward is established.

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## Value For Money Inspection:

The Government inspector delivered a harsh analysis of how NCC has been using its funds over the last few years. He included a finding that NCC were not 'unduly' more badly funded than other local authorities. However - NCC received £673 per head of population last year. This compares with an average per head for a metropolitan local authority of nearly £1100 and for example Sussex County Council an additional £150 per head. Metropolitan Local Authorities have the benefit of concentrated populations to deliver services too as well as lucrative money raising opportunities such as parking and parking penalties! NCC and other shire counties have to deliver the same services to a more dispersed population which increases the delivery costs and generally do not have the same revenue raising opportunities.

The National Audit Office has, this in the last couple of weeks, raised the alarm that County Council's are chronically underfunded and other authorities are on the cusp of a similar outcome as Northamptonshire over the coming months.

Additional pressures stem from the decision in 2010 to keep the council tax base as low as possible following the economic crisis starting in 2008. Decisions taken then have had an impact on the council tax base today, and a c20% increase in council tax today would be required to cover the deficit.

There are some interesting stats at NCC. The total spend by NCC this year was £429m. By far the largest is spent on adult social care for the both the elderly and vulnerable adults. This is a statutory duty and a member of the public who asks for an assessment is entitled to have one. In broad figures there are just over 6000 vulnerable adults being supported by NCC and the total spend is £190m. The population of over 85's with complex care needs requiring help from the council has increased by 30% in 3 years. The next largest is children's services costing around £147m. In 2016 there were 900 looked after children. Now, in excess of 1050. Put bluntly 70% of the budget is spent on 3% of the population. This is funding that has to stretch across those that have a statutory entitlement for support. In addition there are unexpected pressures like the court decision to entitle carers who sleep at a client's home overnight, to be paid an hourly rate, not a fixed allowance and payments are backdated for six years. For NCC this will be an immediate hit of £6m. The other 30% of council expenditure is on services like waste disposal, highways, bus passes, libraries and trading standards. I was warned last year that the public's biggest concern is the state of the highways – potholes, resurfacing, road maintenance. Funding for these essential services now comes from what is left over, with the occasional top up via grant funding. After the hard winter we have just had, the country's roads suffer further decline and my postbag gets bigger.

Another element that I and other new councillors quickly became aware of was the working culture at NCC, both amongst the senior officer core and councillors on the cabinet. There appeared to be a complete separation between the executive (cabinet) and back benchers. It was the norm for backbench members like me – who had constituency issues, to only be able to seek answers through the director level or their assistants, or via the relevant cabinet member. That made it very difficult to get detailed answers from relevant staff who were delivering services. It also meant that effective scrutiny was curtailed. For me, this is most dramatically evident in the decisions around the 'Next Generation Council' which were the plans by the chief executive and council leader, at the time, to create a federation model of companies called Next Generation Council to deliver services with only a small officer core directly employed by the council for some executive functions. In 2016 I gave talks to my district council parishes stating that I did not have a clear understanding of how the structure would work, save money and generate income in a reasonable time frame and I expressed

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my dismay at how much the endeavour was costing to implement. The Chief Executive heard about my talk and rang the Chief Executive of SNC to complain about me. I wasn't even an NCC councillor!

The inspector made one statement in his report which I think stands out. He commented that 'In Local Government there is no substitute for doing boring really well. Only when you have a solid foundation can you innovate.'

So what's next:

The message from central government is that Northamptonshire must reorganise itself into Unitary Authorities. Sajid Javid, the Secretary of State for Local Government has indicated that, essentially, it should be more than one but less than three. The model put forward in the inspection report split the county into two, Daventry, Northampton Borough and South Northamptonshire could form one, the other 4 districts would form the other unitary. There is a complication however for South Northamptonshire, as we do joint working with Cherwell District Council in the delivery of local services and after 6 years of hard work, our management and delivery systems are now almost completely intertwined. This was ignored in the Inspector's report.

What is a Unitary Authority? It is one which sweeps away the County Council, and all the District Councils as well as Northampton Borough, and devolves all the responsibilities of the county and districts into a single authority. The ideal size of a unitary is greater than 300,000 and up to about 700,000. If you are interested in what a unitary authority might look like, I suggest you have a look at Wiltshire County Council. What is important however, is that there is local representation and the delivery of services like planning have local input and are not felt to be too remote. The reorganisation of local government may also give Parishes and Town Council's the opportunity to take responsibility for services which they are interested in.

Establishment of the Unitaries would give the opportunity to reset the council tax base to ensure local services are properly funded, and some mechanism will be needed to park the substantial debt that NCC has from PFI's and not saddle the new authorities.

Angel Square, which has been in the news frequently over the last few months, is a development that was funded entirely by the sale of several Northampton properties that the Council owned and were occupied by various NCC departments. As well as coming in under budget it is saving the Council around £30,000 per month in running costs. The sale has been put on hold for now, a move which I welcome.

Until decisions about the new form of local government is agreed, the Secretary of State has said he is minded to send in commissioners to oversee the running of the council. At the time of writing, there has been no further clarification of this position. But in the meantime, there is a new Leader and Deputy Leader of the Council, a respected Finance officer has stepped into the Chief Exec's role, the Cabinet has some completely new members and back benchers (particular new councillors after last May's election) have shaken and stirred the way councillor involvement at NCC happens.

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