

**COUNCILLORS**

Boyd Elliott (Chairman)  
Glynn Gilfoyle (Vice-Chairman)

Steve Carr  
Jim Creamer  
Kate Foale  
Eric Kerry  
Nigel Moxon  
John Ogle - **Apologies**

Philip Owen – **Apologies**  
Francis Purdue-Horan  
Mike Quigley MBE  
Dave Shaw  
Sam Smith

**OTHER COUNCILLORS IN ATTENDANCE**

Councillor Andre Camilleri  
Councillor Keith Girling  
Councillor Richard Jackson  
Councillor Mike Pringle

**OFFICERS**

Sara Allmond	Advanced Democratic Services Officer
Glen Bicknell	Senior Accountant
Martin Elliott	Senior Scrutiny Officer
Isobel Fleming	Service Director Transformation and Change
Keith Ford	Team Manager, Democratic Services
Derek Highton	Interim Corporate Director - Place
Matt Neal	Service Director, Investment and Growth
Colin Pettigrew	Corporate Director, Children and Families
Nigel Stevenson	Service Director, Finance, Infrastructure & Improvement
Marjorie Toward	Service Director, Customers, Governance and Employees
Melanie Williams	Corporate Director, Adult Social Care & Health

**1. MINUTES OF THE LAST MEETING HELD ON 1 DECEMBER 2022**

The minutes of the last meeting held on 1 December 2022, having been circulated to all Members, were taken as read and were confirmed and signed by the Chair.

**2. APOLOGIES FOR ABSENCE**

Councillor John Ogle – Other Reasons – Councillor Roger Jackson substituted  
Councillor Philip Owen – Other Reasons – Councillor Richard Butler substituted

### **3. DECLARATIONS OF INTERESTS**

No declarations of interest were made.

### **4. BUDGET REPORT 2023-4**

Councillor Richard Jackson (Cabinet Member for Finance), and Nigel Stevenson, (Service Director Finance, Infrastructure & Improvement and Section 151 Officer) attended the meeting to provide an update presentation on the background to the draft Budget proposals. The presentation included:

- international, national and local events during 2022 which had impacted upon the budget;
- the favourable Provisional Local Government Settlement for the Council which was £11.8m more than anticipated and the increased limits for Council Tax and Adult Social Care precepts;
- the key messages highlighted through the budget consultation process, with the headline outcome that most respondents were willing to pay more Council tax in order to protect service delivery;
- changes to pressures and inflation since February 2022 and the positive and negative impacts arising;
- proposed efficiency and costs savings, and the need for further consultation on some of the specific proposals once approved;
- the Medium Term Financial Strategy (MTFS), including the ongoing £31.7m shortfall over the period of the Strategy;
- risks and mitigations, including the General Fund balance of £35m,
- major Capital Programme successes.

The Cabinet Member – Finance and the Section 151 Officer responded to issues raised by Members as follows:

- Members queried the impact of the ongoing international and national issues, inflationary pressures and volatility of the markets and the reliability and robustness of the assumptions made in light of that landscape. It was clarified that the ongoing unusual economic situation had added £45m of additional cost pressures in the current year and £114m across the period of the MTFS. Plans had therefore been developed to address issues known about but still not entirely clear at this point, including pay inflation and the Government's National Living Wage Policy, with an appropriate element of contingency required to mitigate any new and evolving risks (there was £5m contingency set aside in the Revenue budget). Specific risks were covered in detail in the Robustness of Budget Estimates and the Adequacy of the County Council's Reserves (Appendix C to the report). The ongoing monthly review of

assumptions in the current financial year had enabled the budget to remain balanced despite the exceptional economic climate, and this was in contrast to some other Councils that were reporting large overspends. This monthly review process would continue in the next financial year, as would the approach of sharing the latest information with the Members of all political groups. The ability to identify increased pressures and demands may have also impacted positively upon the provisional Settlement.

- Members highlighted that if the maximum limit for each precept had been pursued this would have cost Band D Council Tax Payers 4p more than the increases being proposed. Whilst recognising this, the starting principle for the Cabinet Member-Finance was always to propose a balanced budget, with the precepts set at the lowest possible level needed to achieve that aim.
- With regard to the capital programme and the potential to increase forecast capital receipts through the sale of Council land, Members queried whether market feasibility studies had been undertaken as yet and, if so, whether those could be shared with the Committee. In response it was confirmed that the Capital Programme was realistic, in the Section 151 Officer's professional opinion. The Budget proposals did not factor in any potential receipts arising from the recent Scrutiny Review of Council Office Buildings as, at this stage, the Review's recommendations had not been fully considered and would require appropriate approvals.
- In light of Members' concerns about the level of consultation responses, it was clarified that Overview Committee was due to consider the Council's Consultation Processes at the 18 May 2023 meeting. The Cabinet Member underlined that the resources and strategic objectives were aligned with the consultation undertaken with a significant majority of respondents saying that they would rather see Council Tax increases than services being reduced.
- In response to Members' queries about ongoing transformational activity, it was clarified that the total cost of the Strategic Development Fund within the MTFS was £17m. The Budget includes savings of £3 million per annum from the transformation programme in Children and Families. The progress of the delivery of the savings was monitored on an ongoing basis, in light of lessons learnt from such programmes at councils which had experienced financial difficulties. Similarly, the risk of the wider savings and efficiencies (referenced in paragraph 52 of the draft cover report to Cabinet) not being achieved would be addressed by ongoing monitoring and review. It was clarified that the oversight and responsibility for the various strands of the Transformation Programme would fall within the remit of a range of decision makers (Corporate Directors, Cabinet Members and Cabinet itself) whilst informal working groups were also overseeing the work on a departmental basis, with involvement from the Cabinet Member – Finance, Deputy Cabinet Member – Finance, the relevant Cabinet Member/s and appropriate senior officers.
- In relation to whether the Council's borrowing repayments had needed to be restructured as a result of the current economic situation, it was underlined that the aspiration to reduce the Council's amount as a percentage of the revenue budget had proven successful, falling to the current level of

approximately 10% (compared to 30% at some councils) with no new borrowing planned.

- Frustration at the delay in the Fair Funding Review was shared by many Members. The Leader, the former and the current Chief Executive, the Section 151 Officer and the Cabinet Member - Finance had continued to lobby Government about this, which may have positively impacted on the favourable Provisional Local Government Settlement outcome. The post COVID landscape and Cost of Living issues could mean that now is not the most opportune time to undertake such a review.
- Members queried why the Council's communications referenced Band A in press releases whereas Band D was the band intended to be used when notifying Council Tax levels. It was clarified that this was because the majority of the County's residents were in Band A/B properties.
- Members' concerns about the appropriateness of the Social Care Precept as a means of funding Adult Social Care and frustrations at the delay in the Social Care Review were shared by the Cabinet Member – Finance, whilst he underlined that this was the existing mechanism available.
- Members expressed concerns about the proposal to reduce the Councillors Divisional Fund from £5,000 to £3,000 per Councillor per year at a point when voluntary and community groups were already being impacted by the current economic situation. In response, the Cabinet Member underlined the option for Opposition Groups to put in an alternative budget, to show how savings elsewhere could enable the retention of the current level of allocations through the Fund. Members requested that this proposal be raised as a specific issue for further consideration by Cabinet.
- Members sought clarity about the level of Reserves being held, with a figure of over £300m quoted in recent media coverage. It was clarified that the total figure includes monies that have conditions on their use, that is, Government grants, NHS money, Section 256 money, School balances and PFI Reserves, Insurance reserves relating to historical child abuse claims and other claims and £17m set aside for Transformation Costs. Discounting those monies leaves approximately £35m on the General Fund balance (which equates to 11 days spend by the Council and was deemed to be appropriate and sufficient in the current volatile economic climate);
- In relation to the impact of the £11.8m additional Settlement on the Budget proposals, it was highlighted that this had given the opportunity to review the savings options, balanced against the expenditure required to achieve the key objectives within the Council Plan. The Cabinet Member- Finance agreed that a three year settlement could give councils greater assurance and ability to plan and develop services and underlined that this was another area in which the Council had continued to lobby Government about. He also stated that, from his experience, the final settlement received often differed from the provisional settlement by £millions either way.
- The Council had made provision in the Budget for the services to the Council provided by its external companies. It was underlined that the Council's

management companies such as Inspire, Via and Arc, were all expected to make and consume efficiency savings on an ongoing basis, whilst it was recognised that services were being maintained despite inflationary increases which was a credit to them and the Council's collaborative approach. Members suggested Board Members of companies such as Inspire would welcome a discussion about the budget to better understand the political aspects of its development.

- Members queried whether the existing approach of bidding for Government grants throughout the year was the most sustainable means of funding Local Government in the long term. In response the Cabinet Member-Finance underlined the need for very strong business cases and stringent criteria when distributing significant amounts of public money.

The Chairman thanked The Cabinet Member-Finance and the Section 151 Officer for their attendance and presentation and Members for their contributions to the debate.

## **RESOLVED 2023/001**

That the comments and queries raised by the Committee about the 2023-4 Draft Budget and the 2026-7 Medium Term Financial Strategy be shared with the Cabinet ahead of its meeting of 26 January 2023, with further consideration requested about the specific issue of the proposed reduction in Councillors Divisional Fund allocations.

## **5. OUTCOMES OF THE SCRUTINY REVIEW OF COUNCIL OFFICE BUILDINGS**

Martin Elliott, Senior Scrutiny Officer, introduced the report which shared the findings of this task and finish review, and outlined the process for the review's findings to be considered by the Cabinet Member – Economic Development and Asset Management. Members involved in the review and related visits commended the process and the input of local officers at the various site visits.

In response to issues raised by Members during the debate, the following points were clarified:

- The planned Equality Impact Assessment (EqIA) on the Hybrid Working Strategy would be replaced with an EqIA for the revised Investing in Nottinghamshire Programme. Such assessments would be undertaken and published for any key actions arising from this review, following the Cabinet Member's consideration and any consequent decisions. Members offered to share findings from research into impacts on staff of remote working which had been undertaken by East Midlands Councils.
- In response to a view expressed by Members that County Hall appeared relatively more efficient than Trent Bridge House and a request to share the condition survey of County Hall referenced, it was underlined that, should the Cabinet Member- Economic Development and Asset Management progress the recommendations regarding individual aspects of the office estate, then that would be reported back to Overview Committee with further opportunity for Members to explore the individual business cases (including energy

efficiency ratings and aspects of any condition surveys that were not commercially sensitive) as they developed. The typical staff to desk occupancy levels included within the review's findings would be less relevant in that respect than any proposed ratios included within those business cases.

- In response to Members' concerns about any potential negative impact on service delivery, it was underlined that both service delivery and staff welfare would be at the forefront of the Cabinet Member's consideration of the review findings and any subsequent next steps.
- In response to concerns raised by Members that the agreed scrutiny processes for the review had been undermined somewhat by the Leader and the Cabinet Member – Economic Development and Asset Management having already commented in the media on the findings and potential next steps, ahead of the review findings being formally agreed and referred by Overview Committee, it was underlined that at this stage no decisions had been made and the next step would be for the Cabinet Member to consider and formally respond.
- Members welcomed the fact that County Hall's history, heritage and iconic status was recognised and would be considered as part of any review of its future. Members also reinforced the need for appropriate consultation with staff as part of any subsequent building reviews.
- In relation to the potential savings to be achieved by more remote working, it was clarified that the review group had explored the broader approach to hybrid working and the general direction of travel in terms of a reduction in Council buildings.

The Chairman welcomed the broad nature of the findings and expressed disappointment that only the Conservative and Labour Groups had taken up their allocated places on the review group.

The Cabinet Member – Economic Development and Asset Management thanked the Committee and the review group for their work on this issue and reiterated that no decisions had been made as yet and that any subsequent decisions would be subject to robust business cases.

## **RESOLVED 2023/002**

That the recommendations from the scrutiny review of Council buildings, as detailed in the report, be endorsed and referred to the Cabinet Member for Economic Development and Asset Management for their consideration.

## **6. WORK PROGRAMME**

Martin Elliott, Senior Scrutiny Officer, introduced the Committee's current work programme and encouraged Members to consider future Forward Plan updates in order to highlight any Key Decisions for possible pre-decision scrutiny.

**RESOLVED 2023/003**

That the work programme be noted, with no further changes suggested.

The meeting closed at 12.04pm

**CHAIRMAN**