

Northamptonshire Commissioners

One Angel Square, Angel Street, Northampton, NN1 1ED

Rt Hon Robert Jenrick MP
Secretary of State
Ministry of Housing, Communities and Local Government
2 Marsham Street
London SW1P 4DF

Ref: Update 7

Date: 30 September 2020

Dear Secretary of State,

We write to give you a progress report on our work in Northamptonshire since our last update at the end of May.

In that report, we stated that the Council was continuing to improve performance across its areas of responsibility and that it was tackling new challenges well and with confidence. We also set out the priority order of activities that we expected the Council to pursue for the remainder of its final year of operation.

These were to: -

- Respond to the Covid-19 emergency
- Ensure that essential safeguarding activity is maintained as much as the emergency permits
- Return essential safeguarding activity to the norm as quickly as the situation allows
- Maintain a balanced financial position
- Deliver the local government reorganisation programme to a 'safe and legal' status
- Deliver the Children's Trust
- Enhance all other services as originally planned

We will report on each of these in turn, but you will wish in the first instance to be assured that the governance arrangements of the Authority, which necessarily underpin all of this work, remain sound. We have continued to work with the elected Members of the Council, the Leader and his Executive, the Opposition parties and those leading the Scrutiny arrangements to ensure that decision-making remains robust, evidence-based and transparent. Furthermore, as the two new shadow

authorities have begun the work of establishing themselves, we have ensured that the governance arrangements of the County Council have operated in a manner that is inclusive and supportive of these new authorities, so as to make the transition of powers as fluent and as gainful as possible.

Respond to the Covid-19 emergency

The Council has continued to respond effectively to the emergency. The closer working relationships with NHS organisations in the county, District Councils and other key agencies that have been developed over the past couple of years have proved highly valuable. The enhanced trust and confidence that has been established has enabled robust working arrangements and joint operational effectiveness to develop in a manner that would have been difficult to envisage before this. Delivery on the ground has consequently been effective and outbreaks of the virus have been identified, addressed and nullified. There was one particularly significant outbreak at a food processing operation in Northampton (Greencore) during August. The Council's Public Health team led the partnership response to this and the arrangements put in place were effective in quickly tackling the outbreak.

As well as engaging well with other local public sector bodies the Council has built effective relationships with DHSC's Regional Support and Assurance Team, hosted a fact finding visit by the Cabinet Office Covid-19 Task Force and contributed to a review of food processing outbreaks being conducted by the Joint Biosecurity Centre.

Ensure that essential safeguarding activity is maintained as much as the emergency permits and return essential safeguarding activity to the norm as quickly as the situation allows

The Council has, in common with other social care authorities, found it difficult to maintain the established processes for undertaking safeguarding activity.

Adult social services experienced a significant increase in safeguarding notifications during lockdown with neglect being the predominant concern. Each of these notifications were dealt with by a Covid duty team and prioritised to ensure there was no reduction in the quality of the Council's safeguarding process or the timeliness of response.

During the height of lock down the service also ensured every client or carer was contacted in order to ensure they were safe and relevant follow-ups also took place. Response is also being made to the longer term impacts of social isolation, mental health and hidden harm.

Safeguarding referrals in respect of Children are running at a level which would be regarded as normal for this time of year. The effects of an extended lockdown may however, result in a 'spike' in referrals. While this has not yet materialised, any

increase in referrals would be from schools and, as they have only just returned, it is pre-emptive at this point to state with certainty that a 'spike' will not develop.

Safeguarding activities have continued throughout the period. Case management has been adapted to ensure the children most at risk have been seen and staff kept safe. Performance reports validate that children have been seen during this period and that interventions have been progressed, albeit at a slower pace than in normal circumstances. The Children's Safeguarding Partnership has worked closely and with increased collaboration during this time and are providing a multi-disciplinary locality response which continues. Meanwhile the school attendance of vulnerable children during the lock down period in Northamptonshire averaged 24% which compares well with national data.

It is clear that a return to the normal ways of working are not imminent. Established ways of ensuring safeguarding remain a challenge to operate given the actions necessary to restrict transmission of Covid19.

It is becoming evident, however, as illustrated above, that different methods are being developed which can give assurance that safeguarding of children and adults can be pursued effectively in the meantime – and some of these measures will doubtless become part of a new 'norm'.

Maintaining a balanced financial position

The Council has (subject to audit) delivered a small underspend for the financial year 2019/20. This is the second successive year of delivering a balanced budget. At 31 March 2020 the Council's general and earmarked reserves (excluding COVID-19 Funding) was £45.5m, an increase of £5.7m on the previous year.

For the current year (2020/21) the Council's overall outturn forecast, as at the end of July, is an under-spend of £3.3m. This is an early estimate and may change as COVID-19 continues to impact on the Council's services throughout the rest of the financial year.

The external audit of the 2018/19 Accounts and Financial Statements resumed at the beginning of September after they were put on hold for three months by the Council's auditors. During the summer the Council undertook a significant amount of work to improve working papers and processes. Given the issues identified to date we anticipate that the accounts will require modification with regard to Minimum Revenue Provision (MRP) and Private Finance Initiative (PFI) schemes. This is disappointing and we continue to work with the Council to make further improvements to financial processes.

Deliver the local government reorganisation programme to a 'safe and legal' status

The work to ensure that reorganisation of local government in Northamptonshire takes place to the minimum of a 'safe and legal' standard was disrupted by the

Covid-19 response. Nonetheless, the Council maintained work on the core activities of the task and the project has remained on schedule.

Detailed blueprints were delivered to the Shadow Authorities earlier this month and have been approved for implementation. This is the culmination of a considerable amount of planning work, and the critical phase of implementation can now begin. To enable this, the recruitment of statutory officers for the new authorities has been completed and all will be in post by the end of the year.

We have maintained a close overview of this work as you requested and are confident that implementation will be effective. Progress has been independently verified by a former unitary council Chief Executive Andrew Flockhart, who was appointed by the LGA as a critical friend. At a recent Joint Implementation Executive meeting he summarised that “The Future Northants programme has prepared a coherent, comprehensive and well documented programme. The programme has strong leadership that is providing clear direction and is allocating resources in a strategic and responsive manner. There is a clear understanding of the issues and risks being faced and they are being addressed and mitigated effectively”.

Implementation of the plans are clearly the most sensitive phase of the reorganisation. Whilst the risk of the County Council becoming distracted by any significant developments in the Covid-19 pandemic over the coming months is a very real one, the Council must nonetheless undertake all of the implementation responsibilities that it has accepted under the Blueprints if the new Councils are to be given the start in life that they will need and expect.

Deliver the Children’s Trust

The work being undertaken by the Council to transfer its Children’s social care operations to a Children’s Trust was interrupted by the need to respond to the Covid-19 pandemic. The ‘go live’ date of July 2020 was partly delayed until 1 November 2020 because of this.

The delay is more than unfortunate. It has been our view from the outset that the operation of the Trust should occur at the earliest opportunity, certainly before Local Government Reorganisation (LGR) and we had been disappointed that it could not have been created even earlier than in July. It is now clear that 1 November is the last feasible date for the initiation of the Trust without such work becoming extensively entwined with the timescale for implementation of LGR. In our view this would create a significant burden upon the management resource and technical capability of the authority and thus pose a considerable risk to the success of both Local Government Reorganisation and the Trust. This risk would increase further should the Council have to divert management resource towards dealing with any increase in Covid-19 transmission in the county.

These challenges are largely well understood, which is why 1 November has been committed to by all concerned ‘on the ground’ in the planning process. An enormous amount of work is being undertaken in a short time by the Council and by the Trust to achieve transfer on this date. At this point, we believe this is attainable. Should it

transpire for any reason that this is not so, an urgent review will be necessary into the options for delivery of both projects, since it is unlikely that they could proceed in tandem with any confidence that the outcomes would meet the expectations for success that have been set.

Enhance all other services as originally planned

The Adult Social Care service of the Council is notable for having maintained a good standard of service throughout the years of the Council's decline. It has continued to do so, and its standards of performance remain high.

Negotiations to bring about performance and financial improvement in the Shaw PFI care contract that the Council entered into in 2003, and which continues until 2034 are now entering their final phase. We are expecting a public announcement very soon about the outcome of these negotiations which we remain hopeful will secure better value and an improved service.

The Council is part way through a transformation project on adult social care which is already benefiting recipients by delivering better individual outcomes and is more efficient, therefore reducing overall costs. The service has also been pursuing improvements across its interface with the NHS for more seamless service delivery. This closer integration of services and intelligence has enabled a strong response to the Covid emergency and puts the Council and the NHS on firm ground in preparations for the winter season.

On an individual level we are very pleased to acknowledge the work of Anna Earnshaw, Executive Director of Adult Social Care. She has received well deserved recognition for her work through the Municipal Journal Annual Awards scheme where she has been awarded Corporate Director of the year.

All available data regarding performance and finance suggests there has been and continues to be incremental improvement within what remains a fragile Children's service. The existence of 'unallocated' children's safeguarding case referrals, which has plagued the Council for many years has been eradicated with the last such cases being recorded in December 2019. It is clear that the Partner in Practice together with the DfE appointed Commissioners and Children's services staff are having an impact.

Ofsted is due to inspect the authority in October and will form a judgement about the depth and breadth of improvement achieved by the Council and give us a clearer view on the current state of performance. Our view is that the service remains delicate and requires constant vigilance.

LGSS

The dissolution of LGSS is under way and is being managed by a transition team and programme board of senior officers from all partner councils. All staff have been consulted and repatriation of services returning to councils is on track to be complete by October. Transaction services which will still be shared across partners will move

to a lead authority model by December. At that point, LGSS will cease to exist, and all references and branding will be removed.

LGSS Law

LGSS Law's financial performance continues to improve. The company – which is jointly owned by Northamptonshire County Council, Cambridgeshire County Council and Central Bedfordshire Council – made a profit of £350,000 in the last financial year. Having spent 2019/20 reviewing its practices and processes, the firm was able to increase turnover by 8.3% and reduce its operating costs by 9.7%. It also significantly reduced the amount owed to its shareholder creditors. The client base continues to grow and widened to include more than 100 organisations across the public and not-for-profit sectors including Local Authorities, Clinical Commissioning Groups, Foundation Trusts, Charities and Fire Services. The company is well placed financially in the current year, continues to build on its recent financial performance, and as such is expecting to post further profits later in the year.

Public Protection services

The Council's Public Health, Trading Standards, and Emergency Planning Services have all been tested by being at the forefront of the Covid 19 response, and all have performed well.

Overall, it is of note that staff absence levels continue to fall, and that the sudden switch to incorporate extensive elements of home working has produced improvements in productivity.

Complaints and complaints handling

In our last update to you we mentioned that while improvements had been made in the handling of complaints, performance across the Council wasn't where it needed to be. This has been borne out by the latest Ombudsman report. While the council's performance remains broadly in line with national trends, it is disappointing to see there are still delays in responding to complaints and an increase in those complaints upheld.

Corporately the council has responded by implementing an improvement plan which includes increased management focus, additional training and ensuring the necessary prioritisation is given. Specific external support for complaints handling within children's services has been assigned to ensure improvement ahead of the service moving into the Trust.

Our activity and next steps

In all of the above, our engagement has continued at both strategic and operational levels of the Council's services and relationships with partner agencies. We have continued to meet and resolve issues amongst the other Councils (shadow and District), and meet regularly with MPs, leading Members, senior managers, staff and Trades Unions.

We have instigated a critical piece of work which will draw to a close our intervention in Northamptonshire; namely the arrangements for formal close-down of the County Council. Dedicated resource has been assigned to this by the Council to ensure distractions to the new unitary organisations are kept to a minimum.

Summary

In summary, the Council's services are in a sufficiently competent shape to face the challenge and opportunity of reorganisation. The Shadow authorities are approaching the incorporation of county services with some confidence – a marked departure from the prevailing view at the time when the possibility was first raised.

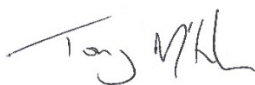
The Council continues to successfully manage a volume and complexity of work which is almost certainly greater than that faced by any other Council in the country.

For all Councils, as in Northamptonshire, business as usual is being stretched by the experience of addressing renewed financial pressures, and the need to respond to Covid-19. The additional work in Northamptonshire includes; continuing the resurrection of services that had become limited or even moribund; reintroducing the fundamentals of basic financial discipline and administration in corporate and service operations; taking the lead on creating two new unitary authorities and establishing a Children's Trust. This range and scale of work programme would stretch an authority that had an established record of delivering success. For all of these things to be undertaken simultaneously by an authority which only two years ago was the most conspicuously dysfunctional in the country is a formidable task. It is to the credit of the Council's Members and officers, the forbearance and support of partners and the patience of the people of Northamptonshire that it can do so with an expectation of success on all fronts.

It is, nonetheless, a challenge, and the next six months will not be easy for it, as its progress, while real, remains fragile and rests on inevitably shallow foundations. We will continue to ensure that it rigorously prioritises its work, does not overreach, and that its legacy to its successor bodies will be one that can continue to be built on, rather than one of having to be fixed.

The Intervention remains on track and we remain firm in our resolve that the response to Covid, the set-up of the Children's Trust or preparations for the set-up of unitary authorities will not disrupt its proper conclusion.

Yours sincerely



Tony McArdle
Lead Commissioner



Brian Roberts
Finance Commissioner