



## Report of the Leader of the Council

### Northampton Borough Council

Monday 12<sup>th</sup> December 2016

#### **Internal Auditors Report into the Football Club Loan**

The findings of the Internal Auditors Report showed extremely serious shortcomings in the way that the council assessed, granted, and monitored the loan to NTFC. Having recently taken over as Leader, I apologise unreservedly to every resident of the town for the significant number of errors made at all stages of this transaction. I can assure taxpayers that every one of the issues identified by the Auditors is being, or already has been, the subject of action to ensure that such a series of shortcomings in vital processes cannot ever be allowed to happen again.

Since becoming Leader, I have found some reassurance through seeing the process improvements that have already been made since the failure of the loan, and that the Chief Executive and Senior team are acutely aware of the importance of thorough, diligent processes across all transactions and decisions within the council. I have made it clear that I am looking to them to ensure further improvement and the implementation of every Auditors recommendation, to ensure correctness of all our processes, and for the implementation of the comprehensive Governance Action Plan that we are working to. This Action Plan is the subject of daily discussion between the Chief Executive, Senior Team, and myself, reflecting the fact that this is of the very highest priority. The Governance Action Plan will carry the weight of being one of the council's most important plans, and will ensure compliance to good management on projects and activities, however large or small, backed up by rigorous checking and compliance monitoring to ensure that it is followed, without fail.

You will receive regular updates on the implementation of the Governance Action Plan, and the Audit Committee has been asked to monitor it through reports to every one of its meetings.

#### **Transformation Programme**

Compliance and diligence must also become a part of the 'culture' of the council, and as part of the drive to make the council a modern organisation that serves the town through the highest possible standards, I was delighted to be involved in the launch of the Council's Transformation Programme. Conceived and begun by my predecessor, Cllr Mary Markham, in conjunction with the Chief Executive, this programme recognises that the most effective and efficient service will be delivered through staff that feel they have a say in improving service delivery, and that their efforts and successes are recognised.

#### **Unitary Status**

I recently updated the Overview and Scrutiny Committee on this issue, which remains on the national agenda, and advised them that we had hosted a meeting at

the Guildhall of the Leaders and Chief Executives from the seven District and Borough Councils across the county, followed by a meeting on this with the County Council. There remain some differences between councils' enthusiasm to pursue Unitary Status, and also differences in the Unitary model that would be preferred. Whilst the County Council's Network has produced a report focusing on the benefits of a county-wide unitary approach, I am aware of the widespread, cross-party view amongst Northampton Councillors that Unitary would bring both savings and service improvements on a more local basis. The District Council's Network has reported that more localised Unitary Councils are better able to represent their communities, and have a greater focus on services and 'place', rather than larger administrative county area Unitaries.

I anticipate that the commissioning of a formal piece of independent analysis will progress in the near future, to help identify the challenges and opportunities that Unitary could bring our town, but there are two key points that I would mention at this stage. Firstly, it is essential that any Unitary council arrangement ensures that we are fairly and adequately enabled to fund the very large and increasing social care services costs that we might be required to deliver to our residents. Secondly, I am aware of the popularity of the concept of a Unitary Northampton with an enlarged boundary, and agree with the strong rationale supporting this approach. However, it must be noted that the Government is currently only seeking Unitary proposals from areas where all councils involved agree on the proposal, and therefore that agreement would need to be reached with our neighbouring councils for boundaries to be extended.

**Councillor Jonathan Nunn**  
**Leader of the Council**