

Document Type	Information Report
Programme	Future Northants
Title	Future Northants Finance Monitoring Report
Audience for this document	
West Northamptonshire Shadow Executive	
Purpose of this document	
The purpose of this report is to provide a summary of the forecast outturn position of the Future Northants Programme.	

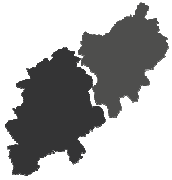
Document Control

Version History (please see version control guidance)			
Date	Version	Author	Brief Comments on Changes
27/05/2020	1.0	Audra Satham	Updated LGR and Transformation Budget Changes
13/07/2020	1.0	Audra Satham	Outturn Report

Distribution (For Information, Review or Approval)	
Name	Resp⁽¹⁾

(1) Responsibility: I=Information, R=Review, A=Approval

Document Approval	
Date	Who



1. Introduction

The programme expenditure and benefits realisable were reviewed, amended and presented to each of the North and West Executive committees in June 2020. Progress against this realigned budget will now be reported on a monthly basis, with this report being the first in that series. The budget monitoring relates to 20/21 only with any resulting slippage for future years being noted.

2. Background

The budget to deliver local government reorganisation and the forecast outturn for 2020/21 is summarised below and in full detail at Appendix 1.

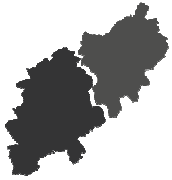
Investment	Budget	Outturn	Variance
	2020/21	2020/21	Under/ (Over)
	£000	£000	£000
Business Rates Retention Pilots	7,802	7,802	0
NCC Transformation	4,250	4,250	0
Other Programme Costs	4,948	4,948	0
Staff Costs	5,697	5,697	0
Total	22,697	22,697	0

Benefits Realisation	Budget	Outturn	Variance
	2020/21	2020/21	
	£000	£000	£000
Business Rates Retention Pilots	2,246	1,515	731
NCC Transformation	12,235	12,850	-615
Total	14,481	14,365	115

Investment

As can be seen the investment costs are currently projected in line with budget. Whilst recruitment to all positions is still on-going, producing a favourable variance within the period, these savings will be used to further strengthen ICT resources and communications and engagement, related to the shortened implementation period.

Benefits Realisation



An analysis of the impact of the current health crisis on the realisation of financial benefits was undertaken on each of the Business Rates Retention Pilot schemes and NCC savings on the basis of what was known or assumed during April and May. This was and remains a fast moving, dynamic period of time and there are a number of assumptions in the analysis that will require ongoing review as the country starts to return to normal and enters into a recovery phase, which will be challenging in the lead up to setting budgets for the two unitary councils.

The variances reported above relate mainly to adults and children's services. The following explanations are an extract from NCC's budget monitoring report to the Executive committee:-

Children First Northamptonshire (CFN)

It is expected that there will be reduced applicants for foster carers during lock down and whilst covid-19 is still prevalent. As a result CFN are forecasting a shortfall in savings delivery for both 19-002-10 'In-House Foster Carers' of £0.208m and 19-002-02 'Improvement in capacity building in foster care' of £0.670m.

The social care transport activity costs relating to April 2020 reveal that there continues to be high demand, making the realisation of savings (19-002-12) in the short term unlikely, with a forecast shortfall of £0.250m. Future social care transport is planned over the summer in preparation for the new school year, after which it is expected that savings will begin to be delivered. Furthermore, a dynamic purchasing system for social care transport is set to go live by the end of quarter 2 which will improve management information and forecasting.

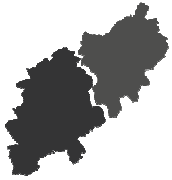
Additional pressures in home care support during school closures for children with disabilities, and less children leaving care due to restrictions on placement moves, due to covid-19, is currently estimated to result in savings shortfalls of £0.200m for 19-002-03 'Disabled Childrens Review' and £0.592m in placements related savings across 19-002-07 'Improved Childrens Outcomes' and 19-002-08 'Reduction in Residential Care'.

The prioritisation of the service response to covid-19 has also meant that work on the options appraisal for the new model of delivery for the Contact service has been delayed and therefore the associated savings totalling £0.100m (19-002-06 'New Contact Offer') are currently forecast not to achieve this financial year.

The Disabled Children's Team domiciliary care framework (19-002-11) was established at the end of Period 2 which will ensure greater control over future costs. However, initial forecasts indicate that the framework is unlikely to deliver the £0.100m savings in 2020-21 as it will take time for existing packages of care to come to an end and new packages to commence on the framework. It is expected that the benefits of the framework will be realised in future years.

An initial high level review of the staffing rolling forecasts across the Directorate shows that there still remains a reliance on agency staff to cover vacancies. As a result, savings proposal 19-002-05 'Reducing Reliance on Agency Staff' is forecast not to deliver the £0.138m saving, despite some early success in converting Agency Staff.

Northamptonshire Adult Social Services (NASS)



There is a forecast shortfall of £4.715m against the NASS savings proposals due to the direct impact of covid-19 on health and social care teams to respond to the pandemic. The shortfall relates initially to the following proposals; Strengths Based Working (STB) (19-001-14), Rapid Response Falls and Admission Avoidance Service (RR) (19-001-08) Care Home Review (19-001-05). STB and RR are directly being impacted by the changes in the way adult social care teams have been asked to respond to the emergency and the pathway changes with Health Partnerships. The planned development and implementation of the "New Ways of Working" has been paused to allow resources to focus on providing care, support and response to the pandemic. It is now expected that STB will deliver reduced savings in 2020-21 and RR will likely be remodelled as part of a review of the impact of the pandemic.

There is an initial forecast under delivery of savings of £0.55m (non covid-19) which is mainly driven by an expected 6 month delay in concluding the Shaw contract variation which is now expected in October 2020. This is due to delays in the legal terms and conditions of the future variation. There are also variances in non-delivery of savings against Shaw – Funded Nursing Care of £0.248m and Shaw PPP review of packages £0.08m. These will need to be reviewed over the coming months.

Place

With regard to the 'Place' budget, the early assessment of savings delivery due to the anticipated impact of Covid-19, reduced the savings forecast from £4.241m down to £2.241m. The service has indeed experienced a significant reduction in income generation as a result of the pandemic, but is still expecting to deliver a number of the budgeted cost efficiency measures in areas such as highways, waste, and economic development which means the projected outturn stands at £3.566m, a favourable variance of £1.325m from the revised baseline assessment.

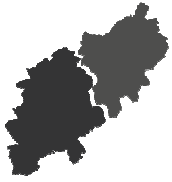
Revised Financial Forecast

There remains considerable financial risk to the above outturn position, which will not be fully understood for some time yet depending on the recovery of the economy and any further outbreaks of Covid-19.

It is important to note that of the total £84.448m savings, £34.907m has already been delivered in 2019/20 and we are on track to deliver £14,365m during 2020/21. This will leave £35.176m to be delivered beyond vesting day.

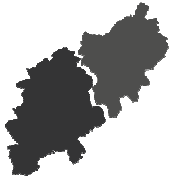
3. Conclusion

Overall we are on track to deliver local government reform and transformation within budget, despite the very challenging environment in which we are operating. Risk remains high but by the end of 2020/21 a total of approximately £50m worth of savings will have been delivered.



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