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

### Document Control

| <b>Version History</b> (please see version control guidance) |                |                |   |
|--|----------------|----------------|---|
| <b>Date</b>  | <b>Version</b> | <b>Author</b>  | <b>Brief Comments on Changes</b>              |
| 27/05/2020   | 1.0            | Audra<br>Stham | Updated LGR and Transformation Budget Changes |
| 13/07/2020   | 1.0            | Audra<br>Stham | Outturn Report                                |
|  | 1.0            | Audra<br>Stham | Outturn Report                                |

| <b>Distribution (For Information, Review or Approval)</b> |                           |
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(1) Responsibility: I=Information, R=Review, A=Approval

| <b>Document Approval</b> |            |
|--------------------------|------------|
| <b>Date</b>              | <b>Who</b> |
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### 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 third 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/<br>(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                |
| <b>Total</b>                    | <b>22,697</b> | <b>22,697</b> | <b>0</b>         |

| Benefits Realisation            | Budget        | Outturn       | Variance   |
|---------------------------------|---------------|---------------|------------|
|                                 | 2020/21       | 2020/21       |            |
|                                 | £000          | £000          | £000       |
| Business Rates Retention Pilots | 2,246         | 1,630         | 616        |
| NCC Transformation              | 12,235        | 12,383        | -148       |
| <b>Total</b>                    | <b>14,481</b> | <b>14,013</b> | <b>468</b> |

The overall variance of £0.468m has increased since the last report by £0.229m. It is still expected that savings not delivered in 20/21 will still be delivered in later years.

### 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. Since period 3, reported in July, there is slippage of savings from the New Learning Disability Provision as the build and opening of Oaktree Rise for Transforming care clients has

been delayed to later into 2021-22. The savings impact is a profile issue not an inability to achieve the savings.

### **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 £14,013m during 2020/21. This will leave £35.528m 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.