

## Children's Trust Joint Committee

### 8<sup>th</sup> July 2024

<b>Report Title</b>	NCT 2023/24 Outturn
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<b>Executive Member</b>	<p>Cllr Fiona Baker – Cabinet Member for Children, Families &amp; Education, WNC</p> <p>Cllr Scott Edwards, Executive Member for Children, Families, Education &amp; Skills, NNC</p>

<b>Key Decision</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

#### List of Appendices

Appendix A NCT 2023/24 Outturn Extract

#### 1. Purpose of Report

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- 1.1. The purpose of the report is to provide an update on Northamptonshire Childrens Trust's (NCT) 2023/24 Outturn.

## **2. Executive Summary**

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- 2.1. In accordance with the Service Delivery Contract (SDC) the Councils agreed a 2023/24 Contract Sum of £150.938m with NCT for the delivery of its' services at the meeting of the Strategic Group in November 2022. This was approved by both Councils and NCT's Board as part of setting each organisations budget for 2023/24.
- 2.2. The Contract Sum for 2023/24 included the delivery of £7.672m of savings identified by the Trust. NCT have reported that £6.752m were delivered and that £0.920m were categorised as a Red RAG rating, meaning the savings were not delivered.
- 2.3. Agreed savings in the Contract Sum are netted off the Trust's budget meaning that non-delivery of any savings would be reflected as a pressure in the outturn for 2023/24 and it is likely that the Councils will have to fund this unless mitigations are found by NCT.
- 2.4. As shown in Appendix A NCT's Outturn Report presented to the Operational Group in June 2024 reported a forecast position of £28.382m above the 2023/24 Contract Sum. This rises to £31.586m with £2.094m for agreed additional in year funding, £0.725m for costs outside of the contract sum and £0.400m of ICB income which is in dispute.
- 2.5. There are a number of known pressures totalling £1.303m that have not been included in NCT's 2023/24 outturn. These are set out in Section 5.8.
- 2.6. This takes the overall impact on the Councils to £32.889m above the Contract Sum agreed at the start of the year
- 2.7. Pressures in the outturn for 2023/24 will need to be funded by the Councils which will be based on the contract split of 44.16% for NNC and 55.84% for WNC.

## **3. Recommendations**

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### **3.1. It is recommended that the Committee:**

- a) Note NCT's Draft Outturn for 2023/24 is £31.586m above the Original Contract Sum and includes the non-delivery of £0.920m of red rated savings.
- b) Note that the overall impact on the Councils increases to £32.889m above the original Contract Sum when items totalling £1.303m not currently in NCT's outturn are included as detailed in Section 5.8.

### **3.2. Reason for Recommendations**

For the Councils to maintain financial oversight of their ownership of and commissioning arrangements with NCT.

### **3.3. Alternative Options Considered**

To do nothing – however this is not recommended. The recommendations set out in this report will allow the Councils to maintain financial oversight of their ownership of and commissioning arrangements with NCT.

## **4. Report Background**

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- 4.1. North Northamptonshire Council (NNC) and West Northamptonshire Council (WNC) are committed to supporting Northamptonshire Children's Trust (NCT) to deliver children's social care and targeted early help services across Northamptonshire.
- 4.2. From 1<sup>st</sup> April 2021, after the abolition of Northamptonshire County Council, North Northamptonshire Council (NNC) and West Northamptonshire Council (WNC) became joint owners of Northamptonshire Children's Trust (NCT). Whilst NCT is operationally independent of the Councils, the Councils still retain significant control over NCT and are responsible for making decisions on a number of 'reserved matters' that are set out in the NCT's Articles of Association.
- 4.3. In accordance with the Service Delivery Contract (SDC) the Councils agreed a 2023/24 Contract Sum of £150.938m, including £7.672m of savings, with NCT for the delivery of its' services at the meeting of the Strategic Group in November 2022. This was approved by both Councils and NCT's Board as part of setting each organisations budget for 2023/24.

## **5. Issues and Choices**

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- 5.1. The Councils have established the Children's Trust Joint Committee to discharge the functions of the Councils that relate to ownership of NCT, the provision of support services to the Trust and consider relevant matters arising in relation to the delivery of children's early help and social care services and their financial position.
- 5.2. As shown in Appendix A NCT's Outturn Report presented to the Operational Group in June 2024 reported a forecast position of £28.382m above the 2023/24 Contract Sum. This rises to £31.586m with £2.094m for agreed additional in year funding, £0.725m for costs outside of the contract sum and £0.400m of ICB income which is in dispute.
- 5.3. There are a number of known pressures totalling £1.303m that have not been included in NCT's 2023/24 outturn as set out in Section 5.8
- 5.4. There are £0.160m of staff redundancy costs that have not been included in the Outturn. Confirmation of the actual amount is being sought from NCT but an estimate has been provided based on discussions with NCT to date.

- 5.5. The truing up of 2023/24 Support Services budgets to actual costs of delivery is taking place with an early indication of a £0.435m pressure to deliver support services. This includes £0.200m for non-delivered Red RAG rated savings related to reductions in property related costs as part of the Support Services. Any Support Services savings are passed back to the Council's via a corresponding reduction in the income provided to NCT in Contract Sum to buy back Support Services. This means that NCT was not able to deliver this saving. Confirmation of the actual amount will be confirmed at the outcome of the truing up but an estimate has been provided based on information supplied by both Councils to date. It should be noted that NCT have no control over this expenditure and any pressure is funded by the Councils as per the contract split.
- 5.6. An amount of £0.708m relates to the TUPE transfer of Learning & Development and Health & Safety services to NCT. These services transferred to NCT as part of agreed Change Controls approved by the Children's Trust Joint Committee in 2022 but the corresponding income was not included in NCT's Contract Sum.
- 5.7. This takes the overall impact on the Councils to £32.889m above the Contract Sum agreed at the start of the year as set out in the table below:

Area	Value
NCT 2023/24 Outturn	£31.586m
<b>Items not reported in outturn</b>	
22/23 – Part year impact of H&S and L&D TUPE'd to NCT	£0.208m
23/24 – Full year impact of H&S and L&D TUPE'd to NCT	£0.500m
Redundancy and Pension Costs	£0.160m <i>(to be confirmed)</i>
<b>Subtotal</b>	<b>£0.868m</b>
Support Services True Up (including additional Red RAG'd property related savings not included in outturn)	£0.435m <i>(estimated)</i>
<b>Total items not reported</b>	<b>£1.303m</b>
Total variance impact on Councils	<b>£32.889m</b> <i>Increase of £0.395m from P12 (£32.494m)</i>

- 5.8. Pressures in the outturn for 2023/24 will need to be funded by the Councils. Funding of pressures is based on the contract split of 44.16% for NNC and 55.84% for WNC.

## **6. Next Steps**

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- 6.1. Council and NCT officers will agree the final outturn which is still subject to external audit and agree additional payments to cover the overspend.

## **7. Implications (including financial implications)**

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### **7.1. Resources, Financial and Transformation**

- 7.1.1. When the Trust was being developed, detailed work was completed to calculate how costs would be split between North and West Northamptonshire Councils. This was based on the relative populations and demand for children's social care services in each council area. It was agreed that WNC would contribute 56% and NNC would contribute 44% exclusive of any specific grants that are given directly to NNC or WNC to passport to the Trust.

- 7.2. The Outturn report from NCT sets out a total pressure of £31.586m. There are a number of known items that have yet to be included in NCT's outturn, details of which are set out in Section 5.8 of this report. This would increase the overall impact on the Councils to £32.889m above the original Contract Sum agreed at the start of the year.

- 7.3. Pressures in the outturn for 2023/24 will need to be funded by the Councils, which will be based on the contract split of 44.16% for NNC and 55.84% for WNC.

### **7.4. Legal and Governance**

- 7.4.1. The relationship between NCT and the Councils is governed by a series of contractual and legal agreements.

- 7.4.2. The recommendations set out in this report will allow the Councils to fulfil their responsibilities as set out in the Service Delivery Contract, the Articles of Association and Support Services Agreement in terms of oversight.

- 7.4.3. The arrangements provide a sound foundation so that the Councils are able to maintain an oversight whilst respecting the autonomy of NCT as a wholly owned company.

### **7.5. Relevant Policies and Plans**

- 7.5.1. NNC has identified 'Brighter, Better Futures' as a key priority in its Corporate Plan recognising that children, young people and their families may need help at different stages in their lives. They will aim to provide help as early as possible and provide the right support, at the right time in the right way to ensure that children are safeguarded and get the best start in life.

7.5.2. WNC has identified 'Improved life chances: Best Start in Life' as a key priority of its Corporate Plan, including a focus on early help services to ensure children have the best start in life and parents have the right support at the right time from the right service, to enable families to thrive.

7.5.3. Both NNC and WNC's identified priorities will be achieved by supporting NCT to provide higher standards of support.

## **7.6. Risk**

7.6.1. Both Councils have identified the failure of Northamptonshire Children's Trust to deliver services to the agreed standards and to sustain improvement in children's social care services as a risk on their strategic risk registers.

## **7.7. Consultation**

7.7.1. This report has not been subject to any consultation.

## **7.8. Consideration by Executive Advisory Panel (NNC)**

7.8.1. This report has not been considered by NNC's Executive Advisory Panel.

## **7.9. Consideration by Executive Leadership Team (WNC)**

7.9.1. This report has not been considered by ELT.

## **7.10. Consideration by Scrutiny**

7.10.1. This report has not been considered by the overview and scrutiny committees of either NNC or WNC.

## **7.11. Equality Implications**

7.11.1. There are no specific equality implications arising from this report.

## **7.12. Climate and Environment Impact**

7.10.1 There is no specific climate impact arising from this report, however as NNC and WNC committed to considering impact on the environment which is managed via the individual strategic lead partnership organisation via organisational policy and commitments.

7.10.2 NNC, WNC and NCT are aware there are emissions associated with publishing web content and will seek to minimise the impact where possible.

### 7.13. **Community Impact**

7.13.1. There is no specific community impact arising from this report.

### 7.14. **Crime and Disorder Impact**

7.14.1. There is no specific crime and disorder impact arising from this report.

## **8. Background Papers**

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8.1. None