

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11 JUNE 2024

CABINET MEMBER FOR FINANCE: COUNCILLOR MALCOLM LONGLEY

Report Title Revenue Monitoring Provisional Outturn 2023-24

Report Author Martin Henry, Executive Director (Finance)
Martin.Henry@westnorthants.gov.uk

Contributors/Checkers/Approvers

West MO	Catherine Whitehead	22/05/24
West S151	Martin Henry	22/05/24
Head of Communications	Becky Hutson	22/05/24

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1. Purpose of Report

- 1.1. The report provides an assessment of the Council's provisional outturn position against its approved 2023-24 budget, incorporating key financial risks, issues and opportunities identified since 1st April 2023 for General Fund and the Housing Revenue Account (HRA).

2. Executive Summary

- 2.1 West Northamptonshire Council provides a range of services to residents and businesses across the area including care to vulnerable adults and children, education, the collection and disposal of waste, household waste recycling, leisure and community wellbeing, highways, planning, economic development, collection of council tax and business rates, housing benefit, council tax support, housing and support for the homeless.
- 2.2 During its third year of operation the Council has driven forward the delivery of the Council plan and its key corporate priorities, against the continuation of a challenging local, national and global economy, both within the current financial year and the medium-term horizon. These pressures are in line with those being experienced both on a local and national basis and include;
- Demand and cost pressures within Social Care Services
During 2023-24 the Council has experienced increased service demand led pressures mirroring the national trends being reported across Local Authorities. There has been an increased growth in the number of social care placements across both Adults Social Care and the Northamptonshire's Children's Trust, accompanied by both increases in the cost and complexity of these placements.
 - Pressures within housing and temporary accommodation
Demand for Temporary Accommodation has also continued to remain high driving cost pressures as a result of the need to use emergency placements.
 - Demand led pressure in the delivery of Home to School Transport
Increased demand through the number of students requiring use of the service alongside increases in costs.
 - The cost of the 2023-24 pay award being greater than forecast at the time of setting the budget.
- 2.3 Throughout the year Service Management Teams have been focussed on reducing the cost of service delivery in their areas to support the Council to deliver spend closer in line with the budget, while ensuring that services were delivered without a corresponding reduction in service provision.
- 2.4 Table one summarises the provisional outturn position for this financial year.

Table One - Provisional Outturn 2023-24 by Directorate

Directorate	Net Budget £'000	Provisional Outturn Net Spend £'000	Provisional Outturn Variance £'000	P9 Outturn Forecast Variance £'000	Movement Since P9 £'000	Forecast Variance against budget %
Corporate Services	19,485	17,688	(1,797)	(396)	(1,401)	-9.8%
Chief Executive Office	2,879	2,771	(108)	0	(108)	-3.7%
Education Services	5,162	5,842	680	465	215	13.1%
Children's Trust	81,790	99,263	17,473	16,405	1,068	21.4%
Communities & Opportunities	14,456	14,459	3	1,476	(1,473)	0.0%
Adult Social Care	130,028	138,210	8,182	4,127	4,055	6.3%
Place and Economy	92,605	87,818	(4,787)	(937)	(3,851)	-5.2%
Finance Directorate	11,480	10,462	(1,018)	(500)	(518)	-8.8%
Cost of services	357,885	376,513	18,628	20,641	(2,013)	5.2%
Technical / Centrally Controlled Budgets	25,632	10,949	(14,683)	(14,507)	(176)	-56.1%
Total budgeted expenditure	383,517	387,462	3,945	6,134	(2,188)	1.0%
Less funding	(383,517)	(387,682)	(4,165)	(2,641)	(1,524)	1.1%
Net Position 2023-24	0	(220)	(220)	3,493	(3,712)	-0.1%

*Technical / Centrally controlled includes use of unallocated general contingency of £8.4m

- 2.5 The provisional outturn position for 2023-24 is a small underspend of £0.2m after the use of £8.4m of general budget contingencies which were set aside in the budget for risks that were identified at the time of setting the budget that subsequently crystallised within the financial year. The provisional outturn position shows a favourable movement of £3.7m from the period 9 position reported to Cabinet on 13th February 2024.
- 2.6 The figures above have also transferred eligible costs that were charged into revenue to Capital in order to protect revenue reserves. In total this capitalisation of costs amounted to £5.6m.
- 2.7 The main reasons for the underlying pressures are:
- Demand and cost pressures within the Children's Trust contract.
 - Demand (more people supported) and cost pressure (increased complexity) on Adult Social Care independent care budgets.
 - Pressures within housing and temporary accommodation.
 - Demand led pressure in the delivery of Home to School Transport
 - The cost of the 2023-24 pay award being greater than forecast at the time of setting the budget.

Housing Revenue Account

- 2.8 The Housing Revenue Account is a ring-fenced account used to manage the Council's housing stock. The costs of managing and maintaining the properties, collecting rents and meeting the interest cost of monies borrowed to pay for investment in the housing stock are all charged to the housing revenue account.
- 2.9 Northampton Partnership Homes (NPH) are an arms-length management organisation and manage the Council's housing stock on its behalf, and is responsible for the delivery of the following services:
- Allocations and lettings
 - Repairs and maintenance
 - Housing management, including dealing with anti-social behaviour
 - Tenancy support
 - Tenant involvement
- 2.10 The financial reporting of service delivery for these areas is also supplied by NPH and are incorporated in the Councils HRA's financial position for the current year.

- 2.11 The HRA is reporting a balanced position against the original budget, this includes requested carry forwards of £0.5m shown for the continuation of key activities planned to be delivered in 2024 and is reflected as a contribution to reserves.
- 2.12 During the year the HRA has experienced a number of pressures on budgets, with the main reason for underlying pressures being:
- Dwelling rent - amount due reflecting mainly less new build dwellings coming on stream than budgeted for
 - Depreciation – a much higher charge than anticipated due to a rise in property valuations from our external valuers
 - Increasing cost and demand for repairs and maintenance
- 2.13 These pressures are offset in the main by increased service charge income, reductions in borrowing costs due to capital programme major scheme rephasing, and an improved bad debt position.
- 2.14 In addition to this, a detailed review of retained budgets has highlighted a number of legacy residual budgets that are no longer used, reflected in a £0.6m forecast underspend within General Management, as well as a number of smaller efficiencies which brings the HRA into a balanced position overall.

Dedicated Schools Grant

- 2.15 The Dedicated Schools Grant (DSG) is a ring-fenced specific grant allocated to the Local Authority (LA) by the Government to support a range of education related services.
- 2.16 The Department for Education (DfE) currently operate a four-block funding model for funding schools and pre-16 education including early years as set out in the following table:

Table Three – DSG

DSG Block	Gross Expenditure Budget	Recoupment	Net Expenditure Budget	Provisional Outturn Forecast Expenditure	Provisional Outturn Forecast Variance	Movement from Period 9
	£'000	£'000	£'000	£'000	£'000	£'000
Schools	342,159	(274,335)	67,824	67,206	(618)	(484)
Early Years Provision	27,845	0	27,845	26,906	(939)	(565)
High Needs	70,145	(17,221)	52,924	58,898	5,974	375
Central Schools Services Block	3,792	0	3,792	3,487	(305)	(294)
TOTAL	443,941	(291,556)	152,385	156,497	4,112	(968)

- 2.17 The DSG provisional outturn variance is an overall overspend of £4.1m due to pressures within the High Needs Block, a favourable movement of £1.0m from the position reported at Period 9.

High Needs Block

- 2.18 The overspend in the High Needs Block totals £6m. The in year overspend is predominantly in provision for pupils with SEN (£3.5m) due to increased support for pupils in mainstream and special schools, in SEN units and for those without EHCPs. By supporting more mainstream schools and units to meet higher levels of need, pressures on more expensive specialist independent placements are avoided.
- 2.19 The large majority of the remaining high needs block overspend is mainly due to increased demand and costs for independent placements provision (including out of county placements) for pupils with SEND (£2.3m) with sufficiency issues in meeting demand in county, despite the increases as outlined in the previous paragraph.
- 2.20 The capital programme includes £34m investment in a new special school with a target completion date of September 2025, and continuation of works to increase resourced places in mainstream schools and special school expansions over the next academic year to support better outcomes for children, create in excess of an additional 600 places and reduce financial pressures over the medium term. This will be funded through central government grants and Council borrowing.

Early Years Block

- 2.21 The early years block provisional outturn variance is an underspend of £0.9m.
- 2.22 There is an underspend of £0.4m on central expenditure which in the main relates to staffing vacancies. Active recruitment has been ongoing in order to fulfil the offer of advice, support and guidance to the sector around quality first teaching, safeguarding, SEND specialist support, transitions, funding and any other areas of need.
- 2.23 Three and four year old funding is underspent by £0.4m and two year old funding is underspent by £0.1m due to fewer hours claimed according to the January census figures compared to the budgeted hours. This accounts for the movement since the Period 9 report.

Central Schools Services Block

- 2.24 The central schools services block provisional outturn variance is an underspend of £0.3m.

Schools Block

- 2.25 There is a £0.6m underspend on the schools block which largely relates to underspends on delegations (£0.4m) which will be ring fenced (to maintained schools whose delegated budgets were reduced for this central function following approval through the schools forum) and carried

forwards into next financial year to support this activity. The remaining balance is due to an underspend on the growth fund due to a rebate adjustment relating to academies.

Table Four DSG Balances

DSG Block	Balance as at 31 March 2023	Movements in Year 2023-24	2023-24 Provisional Outturn Variance	Balance as at 31 March 2024	Movement from Prior Year
	£'000	£'000	£'000	£'000	£'000
Schools	(441)	387	(618)	(672)	(231)
Early Years	(1,717)	0	(939)	(2,656)	(939)
High Needs	1,967	(1,703)	5,974	6,238	4,271
Central Schools Services Block	(1,610)	0	(305)	(1,915)	(305)
TOTAL	(1,801)	(1,316)	4,112	995	2,796

- 2.26 The table above shows that the WNC DSG balances move from an overall surplus of £1.8m as at the end of March 2023, to a deficit of £1.0m as at the end of March 2024. These balances are carried forward into 2024-25 as part of DSG balances, along with confirmation of a supporting deficit recovery plan.
- 2.27 The deficit balance is mainly due to the challenges the Council faces around increasing demand, rising costs due to inflation, and current lack of placement supply in county to meet demand for SEND as outlined under the High Needs Block section above. These issues are replicated nationally.
- 2.28 The council faces additional challenges in that the funding it receives from central government is amongst the lowest compared to regional and national benchmark, with the increase in funding in recent years being at the bottom end of the annual % uplift through the High Needs National Funding Formula, and at just 3% for 2024-25. Even if the Council were to get the maximum uplift in funding at 5%, this would not even be sufficient to meet the structural deficit.
- 2.29 The most recent estimate from the f40 group of the national High Needs block deficit is £2.3bn at the end of March (rising to £3.6bn by March 2025 with no intervention), with some London authorities with deficits in excess of £100m, and some regional neighbours with deficits up to £30m.
- 2.30 WNC is actively undertaking significant work to put in place actions to mitigate and manage demand pressures in year, and across the medium term.
- 2.31 The Council is committed to working with the sector, from early years through to post 16, and using expertise across all partners to develop best practice in ensuring a system wide approach to ensure that there are enough high-quality services and provisions, which are jointly planned and delivered, so children and young people can stay within their local communities wherever possible.
- 2.32 There is currently a statutory override in place (meaning that any DSG deficits are not included

in councils' main revenue budgets) which has been extended until March 2026.

Public Health Grant

- 2.33 The Public Health Grant for 2023-24 was £19.7m and is a ring-fenced grant for use on public health functions.

Table Five – Public Health

	2023-24 Budget £'000	Provisional Outturn Spend £'000	Provisional Outturn Variance £'000	Period 9 Forecast £'000	Movement from Period 9 £'000
Health Protection and Healthcare Public Health	2,809	2,649	(160)	2,789	(140)
Wider Determinants	3,480	3,489	9	3,432	57
Health Improvement and Communities	1,072	961	(112)	1,071	(110)
People & Wellbeing and Commissioning	8,332	8,580	248	8,453	127
Management and Admin	4,009	4,020	11	3,985	35
Public Health Grant	(19,730)	(19,730)	0	(19,730)	(0)
Planned use of Public Health Reserves	4,088	4,088	0	4,088	0
General Fund (for Healthwatch)	153	100	(53)	100	0

- 2.34 The Public Health Directorate are reporting a £0.05m underspend due to reduced expenditure being incurred on the Healthwatch contract. This underspend includes a balanced Public Health Grant position. Although there are some underlying pressures against the Public Health Grant due to the cost of disaggregation, project delivery, and adults prevention and wellbeing services these are currently mitigated through reductions in non-statutory expenditure and use of the Public Health reserve.
- 2.35 The Public Health Reserve has also been used for several time limited projects including supporting delivery of the Council's Anti-Poverty Strategy, the development of the Local Area Partnership model and additional capacity in the Public Health Team to support with Health Protection and recommissioning of statutory services. The closing balance of the Public Health Reserve is £6.4m.

3. Recommendations

3.1 It is recommended that the Cabinet:

- a) Note the provisional outturn position for 2023-24 and associated risks
- b) Note the deliverability assessment of West Northamptonshire Council savings requirement for 2023-24 summarised in section 10 and detailed in Appendix B
- c) Note the Treasury Management update in Appendix C
- d) Approve aged debt write off's detailed in section 7
- e) Approve additions to the 2023-24 Flexible Use of receipts strategy detailed in section 8
- f) Recommend that Full Council approve amendments to the General Fund capital programme of £5.6m for additional capitalisation identified in 2023-24.
- g) Delegate authority to the Executive Director – Finance in consultation with the portfolio holder for finance to apply any budget virements required to effectively manage the overall budget.

4. Reason for Recommendations

- 4.1 To ensure members are updated on the 2023-24 Provisional Outturn position for the Council detailing service performance against the Council's approved 2023-24 Budget.
- 4.2 To comply with both legislative and regulatory requirements in ensuring members receive an annual update on both the Council's Treasury Management and Flexible Use of Capital Receipts Strategy including annual performance and changes requiring approval.
- 4.3 To ensure compliance with the Council's financial regulations by requesting Cabinet approval where required on key financial adjustments.
- 4.4 To recommend to full Council the capitalisation of costs previously charged to the revenue account which officers believe can be transferred to Capital in order to protect revenue resources.

5. Report Background

- 5.1 The Council's budget for 2023-24 is £383.5m, was approved on 24 February 2023 by Full Council, and includes £32m of savings proposals. This report includes an analysis of the delivery of these efficiency and income proposals, and the in-year variations to budgeted assumptions.

6. Financial Overview by Directorate

- 6.1 This section of the report provides an update on the forecast variations against the 2023-24 budget. A more detailed breakdown of the 2023-24 forecast is included in Appendix A.

Corporate Services

Net budget £19.49m

Provisional outturn £17.69m

Underspend £1.80m

Variance percentage -9.8%

Summary Position 2023-24

- 6.2 The Corporate Services Directorate delivers services including human resources, customer services, Digital Technology and Innovation (DTI), legal, democratic and transformation services.
- 6.3 The Directorate is reporting a £1.8m underspend, a favourable movement of £1.4m from the previously reported position.
- 6.4 The Directorate has undelivered savings proposals which result in a pressure of £0.2m. This is due to a pressure on the Target Operating Model of £0.2m, which has been re-profiled for delivery in 2024-25.
- 6.5 Overspends across the Directorate total £2.9m mainly due pressures on DTI contracts of £2.2m driven by increase in demand and inflation and a reduction in income of £0.4m from wedding ceremonies, within the Registration Service. There are further overspends across the Directorate of £0.3m, including £0.1m market driven income pressures across Legal and Democratic services.
- 6.6 A review of capital projects identified balances of £ 0.7m found to be of a capital nature, resulting in reduction in base budget revenue spend and increased retention of one-off funding, which protects both general fund and earmarked reserves balances.
- 6.7 Underspends and management actions across the Directorate total £5m, and include; DTI contract rationalisation £1.3m, DTI staff savings due to vacancies and delays in recruitment £1m, centralisation of hardware purchasing £0.4m and DTI additional income £0.5m, and various other underspends of £1.3m.

Movement from Period 9

- 6.8 There has been an overall movement of £1.4m underspend since period 9 in the main driven by delays in recruitment of £0.8m and additional income received £0.2m. Additionally a review of project expenditure has been undertaken, which resulted in works of a capital nature being transferred to capital, therefore reducing base budget revenue spend.
- 6.9 There has been an increase in pressure from the Registrars service due to a reduction in wedding ceremony income, which has been offset by reduced staffing pressures £0.1m, and reduction in income pressures of £0.3m.

Chief Executive Services

Net budget £2.88m

Provisional outturn £2.77m

Underspend £0.11m

Variance percentage -3.7%

Summary Position 2023-24

- 6.10 Chief Executive Office includes the Chief Executive, Assistant Chief Executive, Communications Business Intelligence Services, and the Sustainability team.
- 6.11 The Directorate is reporting an overall underspend of £0.1m in 2023-24 with a favourable movement of £0.1m from the balanced position reported in period 9.

Movement from Period 9

- 6.12 There are pressures within the service which are offset in-year by underspends on staffing due to delay in recruitment, mainly in Business Intelligence and Performance Information (BIPI) where the restructure was delayed and only completed mid-year and capitalisation of transformational staff costs.
- 6.13 Additional income has also been received over and above budget , mainly from Public Health for support services; grant income in BIPI (SALT data collection grant); and income from sustainability projects.

Education Services

Net Budget £5.16m

Provisional Outturn £5.84m

Overspend £0.68m

Variance percentage 13.1%

Summary Position 2023-24

- 6.14 The Directorate is reporting a provisional outturn position of £0.68m overspend, an adverse movement of £0.22m from the previously reported position.
- 6.15 The Education Service has undelivered savings proposals which result in a pressure totalling £0.24m. This is predominantly due to slippage in the implementation of a consolidated commissioning service across Children's and Public Health.
- 6.16 Overspends across the Directorate total £0.62m, which is partly due to £0.2m unbudgeted historical pension strain costs from the legacy County Council.
- 6.17 A further pressure of £0.2m is due to Educational Psychology income falling short of the target due to the continued focus on statutory work. Additional capacity in the Educational Psychology

team is being commissioned on a fixed term basis from April 2024, funded by one off resources, to undertake work on the backlog of statutory assessments needed to significantly improve the current performance, while enabling the substantive service to continue to recruit permanent staff and complete new assessments. This is in the context of a national recruitment crisis for these roles.

- 6.18 The remaining overspend is due to SEND staffing for inspection readiness and improvement and the creation of a commissioning function for education contracts and placements (£0.14m), and legal costs due to continued demand in relation to tribunals and related costs (£0.07m).
- 6.19 Underspends and management actions across the service total £0.18m and offset the pressures above in part.

Movement from Period 9

- 6.20 There has been a £0.22m adverse movement from the position reported at period 9 which is mainly due to the invoicing in quarter 4 of additional and unanticipated historical pension strain costs relating to a legacy authority and additional investment in SEND improvement activities.

Northamptonshire Children's Trust

Net budget £81.79m

Provisional outturn £99.26m

Overspend £17.47m

Variance percentage 21.4%

Summary Position 2023-24

- 6.21 The contract for Northamptonshire Children's Trust (NCT) provides children's social care services across both West and North Northamptonshire Councils. NCT is reporting a provisional outturn overspend across the whole County of £31.6m.
- 6.22 In addition to this, there are costs totalling £0.9m relating to the truing up of support services transferring to NCT dating back to 2022-23, not included within the current contract sum, and a further £0.3m for staffing costs outside the service delivery contract associated with redundancy and pension strain costs and invest to save activity.
- 6.23 Of this total amounting to £32.8m, the net financial contribution from West Northamptonshire Council (after applying funding retained in the Council) is £17.5m greater than the Council's share of the initial contract sum of £150.9m which is representative of a challenging national context relating to the cost of children's services. This represents an adverse movement of £1.1m from the position previously reported.
- 6.24 Pressures across all children's placements now make up £24.7m of the total provisional outturn variance (a deterioration of £1.4m from the period 9 reported position) with £13.8m of the total attributable to WNC. The total across both Councils includes approximately £9m relating to a structural deficit due to additional demand and increased average placement costs since the setting of the contract sum in November 2022. The total also includes placements savings

proposals totalling £1.3m which are undeliverable, and as a result have been written out in the 2024-25 contract sum. The remaining pressure is due to a combination of demographic growth, complexity of need driving higher average placement costs (particularly in residential and supported accommodation) and average price increases above budgeted growth and inflation.

- 6.25 Staffing costs are £4.2m higher than the amount included in the initial contract sum (£2.3m WNC share). The total includes £1m additional funding for the in-year pay award which has been approved, and £1.1m for the continuation of additional managed team capacity to support improvement. The remaining overspend is due to requirement for agency staff (which come at a cost premium) to cover vacant posts. The recruitment of social workers is a key challenge both locally and nationally and there is a shortage of social workers across the country, with the agency market and the associated costs attracting a greater number of social workers. The NCT pay offer ensures that the lowest paid receive a higher percentage increase in recognition of the increased impacts of the cost of living and will assist in the recruitment and retention of key staff in hard to recruit areas.
- 6.26 Legal costs, transport, other care and expenditure in children's homes make up a total of £1.9m (£1m WNC) overspends which are mainly due to increased demand and inflation above budgeted levels. Underspends of £0.2m (£0.1m WNC) across other non-placement related care expenditure mitigates this in part.
- 6.27 Following a review of historical aged debt in relation to partner contributions for complex joint funded packages of care and placements, NCT have made a provision in their accounts for bad debt totalling £0.4m which is a charge to revenue (£0.2m WNC share).
- 6.28 There are £0.7m total costs outside the service delivery contract payable to NCT which mainly relates to the provision of the Adults Emergency Duty service by NCT. After accounting for approved funding included in the WNC budget, the net additionality to the Council is £0.2m.
- 6.29 The WNC share of additional costs as set out in paragraph 6.22 is £0.7m and this is mitigated by a budgeted contingency of £0.5m and other one-off funding totalling £0.2m.
- 6.30 Forecasting is challenging given the current pressures on placement provision through demand, complexity and in some cases court ordered placement provision. Combined with inflationary pressures on these demand led budgets and social work recruitment, these factors present a risk to projections for the 2024-25 contract sum. The Trust have management actions in progress around joint funded packages of care, but have raised concerns that costs could increase due to issues surrounding placements and continue to closely monitor the financial position.

Movement from Period 9

- 6.31 There has been a £1.1m adverse movement from the position reported at period 9.
- 6.32 This is predominantly due to increases in demand led pressures across placements, transport and other care provision, and agency staff covering staff vacancies totalling £2.8m and additional costs identified outside the contract sum totalling £1.2m (paragraph 6.22) across the county. This is mitigated in part by a reduction of £0.8m to the bad debt provision following further work

being undertaken in seeking settlement of the majority of historical invoices. The WNC share of this is £1.8m which is offset by one off funding totalling £0.7m, resulting in the net movement of £1.1m.

Communities and Opportunities

Net budget £14.46m

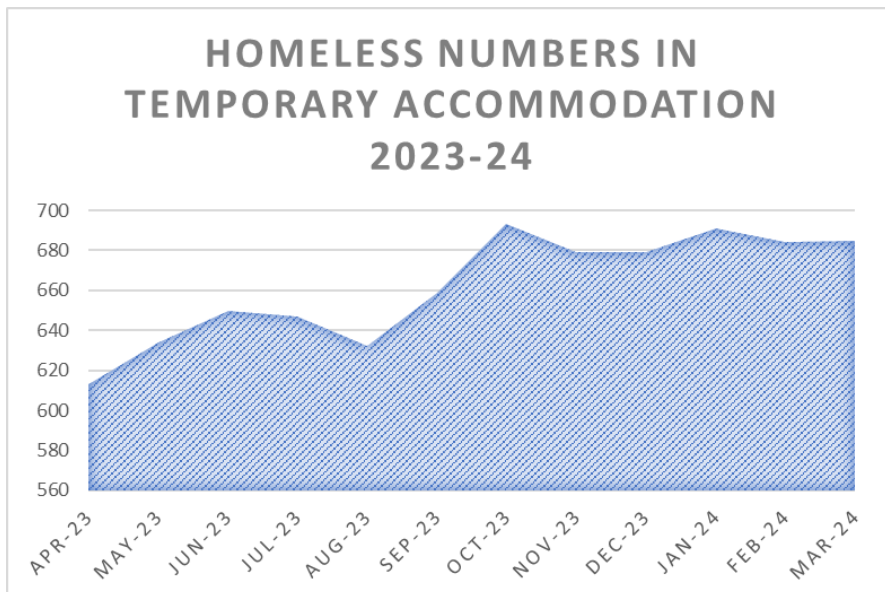
Provisional outturn £14.46m

Overspend £0.00m

Variance percentage 0.0%

Summary Position 2023-24

- 6.33 The Communities and Opportunities directorate includes Housing, Leisure, Libraries, Economic Development, Regeneration and Community Safety and Engagement. The Directorate is reporting a balanced position for provisional outturn 2023-24. The main Directorate pressures experienced during 2023-24 are in relation to the Homelessness service. Demand for temporary and supported accommodation has remained high which is in line with what has been seen nationally and the council has faced challenges to limit the use of expensive nightly purchase accommodation by using less costly council owned dwellings and by investing in preventative measures.
- 6.34 The table below shows the monthly demand through the year for temporary accommodation. It can be seen that upward trajectory had been curtailed and more or less plateaued over the latter part of the year.



- 6.35 Cross Directorate project groups have been working during the year and continue to work on a number of key initiatives which fall under two main areas. Firstly preventative measures to mitigate the numbers presenting as homeless and secondly supply measures to reduce the need for placement in expensive nightly purchase accommodation. A combination of both these main areas actions are starting to positively impact with demand currently stabilising and supply being

boosted by a number of council acquisitions being delivered in year. The results of these initial actions and future mitigations should bring down costs over time.

- 6.36 The Directorate has offset these pressures by targeting appropriate external funding into delivering on the areas of work mentioned above and also by careful management of various underspends and over recovery of income across the Directorate which include better than expected recovery of Leisure Contract Management Fees.

Movement from Period 9

- 6.37 There has been a favourable movement of £1.5m from the position reported at period 9 mainly due to the increase in demand for accommodation slowing and the use of an allocation of grant funding to offset against accommodation costs. Alongside this, there has been several revenue budget savings across the Directorate and additional external funding identified to offset.

Adult Social Care

Net budget £130.03m

Provisional outturn £138.21m

Overspend £8.18m

Variance percentage 6.3%

- 6.38 The Adult Social Care Directorate consists of services that provide support to older people or those living with disabilities or with mental or physical illness under the Care Act, to promote their independence, improve their well-being and keep them safe. This support enables them to manage their needs and live life to the fullest regardless of the challenges they may face as a result of their circumstances. The Directorate also has responsibility for Public Health.
- 6.39 Adult Social Care had net growth added into the budget for 2023-24 of £22m, that included proposals to bring the independent care budget in line with forecast demand and to respond to both inflationary pressure and increases in national minimum wage. However, the cost of packages through both hospitals and the community, since setting the budget, continued to increase contributing to the pressure on independent care. These pressures are consistent with those seen nationally. The service achieved £9.65m of the savings target and put in place a number of mitigations and stretch targets to bring the care pressure down.

Summary Position 2023-24

- 6.40 The provisional outturn for the Adult Social Care Directorate is an overall £8.2m pressure against budget for 2023-24 which is an adverse movement of £4.1m from the reported Period 9 position. The reported pressure of £8.2m is driven largely by significant demand and cost pressures since budget setting.
- 6.41 The Directorate have implemented plans to deliver £10.1m of savings with £9.65m achieved in 2023-24 as detailed in table 12 of this report. Only three proposals were not delivered in full with a shortfall of £0.46m for external funding, winter planning projects and optimisation of single-handed care.

- 6.42 Within Adult Services the independent care overspend is £11.1m. Pressures on the budget continued to increase during the year, despite several ongoing successful projects delivering £5.7m of savings by aligning care packages to eligible need and increasing reablement episodes to prevent clients going into early long-term care. It is also evident that care packages from hospital discharges are continuing and exceeded the available funding from health once the initial six-week period had passed.
- 6.43 The number of short-term episodes of care increased by over 7% compared to 22-23 and long term client numbers increased by 4%. There was a significant increase in clients accessing care for short periods (less than a year).
- 6.44 Due to the additional demand for social care, income from client contributions has been exceeded by £2.6m that has also been driven by a number of one-off invoices in year. This has contributed to offset the position and is one off in year benefit.
- 6.45 The graph below is an extract from Power BI supplied by BIPI, which shows the number of active clients increased by 174 from April'23 to March'24.

Active by Date - Since April 2023



- 6.46 Other pressures across Adult Services related to transport costs of £1.4m based on journeys recharged through the Place Directorate. Other overspends of £0.2m relate to Adults Mental Health Practice (AMHP), property voids £0.1m, legal charges £0.1m, Housing Benefit subsidy loss £0.1m and £0.1m shortfall on the savings target for optimisation of single-handed care. Offsetting this was £0.3m of underspends across Care Management staffing where there are a number of vacancies.
- 6.47 Within Safeguarding and Wellbeing services, there was a pressure of £0.5m against the Longlands Specialist Care Centre primarily driven by the inability to recruit to permanent staff and having to employ agency staff. In addition, DOLS team (Deprivation of Liberty Safeguards) had a £0.02 staffing pressure from the use of agency staff for professional assessments. These pressures are offset in part by both staffing and non-staffing underspends across Provider Services of £1.4m. This includes the closure of both Boniface and Ridgway care homes. The Assistive Technology

service had an underspend of £0.7m of which £0.4m included income from sale of equipment that was retained in the revenue budget and staffing underspends plus £0.2m of further staffing underspends identified within call care services due to vacancies.

- 6.48 The Health and Reablement service reported an overspend £0.1m relating to utilities and business rates in Turn Furlong which has been offset by staffing vacancies earlier in the year in Reablement and Flow and Capacity Teams of £0.4m and increased recovery of costs for the PFI unitary charge for Specialist Care Centres of £0.1m.
- 6.49 Within the management budget there was an overall overspend of £0.6m in year due to an undeliverable saving of £0.2m following a review of external funding conditions and a further £0.2m shortfall of winter funding against forecast. The remaining overspend was driven by the shortfall on the centrally held vacancy factor £0.2m.
- 6.50 Commissioning & Performance have reported an overall underspend of £0.3m attributable to staffing underspends and a number of contracts ceasing in year of £0.4m less an overspend of £0.1m relating to PFI indexation above original budget set.
- 6.51 Public Health have reported £0.05m underspend relating to the Healthwatch contract which is a one-off benefit as the contracted is reprocured next year.

Movement from Period 9

- 6.52 Adult Social Care is reporting an overall increase in the revenue pressure of £4.1m from Period 9 to provisional outturn.
- 6.53 This has primarily been driven by the demand pressures against the independent care budgets of £6.3m. £1.8m of this is an increase in both the cost and volume of care packages up and above the forecast for the last quarter of the year plus a further £1.7m of accruals for packages with 2023-24 start dates. This was attributable to the pressure associated with a large number of cases that had been backdated to when client's finances had dropped under the threshold where the Local authority may become eligible to pay.
- 6.54 The support responsibility for £1.6m of care previously assessed to sit outside of WNC, however at year end on review these costs need to remain, creating an increase in pressure. In addition, £0.6m of previously forecast 'stretch' Supported Living savings and £0.7m of estimated reduction in the cost of hospital discharges, will not be achieved.
- 6.55 A further £0.5m of client transport pressure has materialised as the cost pressure of providing transport services remains. A project team has been set up to review transport requirements for the Directorate and explore other transport options for service users. Savings have started to be identified that will have impact in 2024-25.
- 6.56 Additional client contributions have increased in the last quarter by £1.1m where the income billing continued to be higher than forecast against the £18.2m of base budget. The previous £0.75m savings delivery pressure relating to Specialist care centres has now been removed from the year end position due to external Legal advice indicating that these costs should not be borne by WNC.

- 6.57 £0.4m of further staffing underspends driven by Provider services, due to an inability to recruit to vacant frontline posts before the end of the financial year. £0.5m of underspend driven by both Assistive Technology sales income being retained within revenue and staffing underspends in the team.

Place and Economy

Net budget £92.61m

Provisional outturn £87.82

Underspend £4.79m

Variance percentage -5.2%

Summary Position 2023-24

- 6.58 The provisional outturn for the Place Directorate is an overall £4.8m underspend against budget for 2023-24 which is a favourable movement of £3.9m from the reported Period 9 position. Within this position, there is a pressure of £1.4m on savings delivery and in year net savings and mitigating actions totalling £6.1m.
- 6.59 Of the £1.4m budgets savings delivery pressures identified, approximately £0.9m of the pressure is due to slippage on the implementation of several proposals and unachieved income proposals. There are approximately £0.4m of unachievable savings proposals, which are primarily from the waste service, due to not changing service delivery. These pressures have however been mitigated within the waste service.
- 6.60 Highways and Transport had in year pressures of £2.8m in relation to increased demand (SEN) and price (Mainstream) on Home to School Transport. There is also a £0.4m pressure on car parking income due to demand/volume compared to budget.
- 6.61 The Planning Service are reporting in year pressures of £0.6m due to a shortfall on planning application income, this has been offset by the use of one-off funding of £0.4m.
- 6.62 The Directorate has experienced other pressures in relation to increased costs for hosted services, inflation (Streetlighting PFI), property income shortfall, and technical adjustments (lease) totalling £0.5m.
- 6.63 These pressures are being offset by an overall net staffing underspend across the Directorate of £0.7m. This is due to delays in service restructures and recruitment to vacant posts.
- 6.64 Following a review of highways activity, works to the value of £4.6m have been found to be of a capital nature, resulting in reduced revenue spend and retention of base budget and one-off funding now not required.
- 6.65 Additional income has been achieved of £0.8m due to an increase in network management activity in the year, £0.2m additional recycle income at HWRC's, commercial waste £0.1m, and licencing income of £0.1m, with the Directorate also recovering legal costs of £0.1m and funding in relation to HS2 £0.1m to support expenditure during the year. An underspend on the Winter

Maintenance budget of £0.5m has also materialised due to mild weather conditions over the winter period.

- 6.66 There is also a one-off benefit in 2023-24 resulting from an over accrual and reconciliation of PFI Street Lighting energy from 22-23 totalling £0.3m.
- 6.67 Assets and Environment have £0.5m business rates savings across property estates, car parks and the market due to revaluations during the year. Utilities across the property portfolio are underspent by £0.5m due to decrease in price and consumption.
- 6.68 The Waste Service has in year underspends on Garden Waste costs and reduced fuel prices and savings on waste refuse and recycling budgets totalling £0.8m.
- 6.69 There are various minor variances across a number of budget/service areas totalling £0.8m.

Movement from Period 9

- 6.70 The Place Directorate is reporting and overall favourable movement of £3.9m from Period 9 to provisional outturn. The key variances since period 9 reporting are:
- 6.71 Home to School Transport had an adverse movement from Period 9 of £0.7m due to increasing demand (SEN) and price (Mainstream), this coupled with the non-delivery of in year mitigations.
- 6.72 There has been an adverse movement on car parking income of £0.5m due to volumes/demand compared to budget assumptions.
- 6.73 Following a review of highways activity, works to the value of £4.6m have been found to be of a capital nature, resulting in reduced revenue spend and retention of base budget and one off funding now not required.
- 6.74 Due to the mild winter, a saving of £0.5m has been realised within winter maintenance. Alongside this savings on utilities (price and consumption) of £0.4m have materialised.
- 6.75 There is a net favourable movement of waste collection and disposal costs of £0.4m due to reduced tonnages.
- 6.76 Additional income of £0.3m has been received in relation to additional network management activity on the Highways Network.
- 6.77 Additional performance and unavailability deductions of £0.2m on the Schools PFI (Northampton Town Learning Partnership) have been realised.
- 6.78 There have been net favourable movements across a number of budgets/service areas totalling approximately £0.6m.

Finance

Net budget £11.48m

Provisional outturn £10.46m

Underspend £1.02m

Variance percentage -8.8%

Summary Position 2023-24

- 6.79 The Finance Directorate services include Strategic Finance, Accountancy, Revenue and Benefits, Procurement, Finance Operations and Internal Audit services.
- 6.80 The Directorate is reporting an overall underspend of £1.02m in 2023-24. This is a favourable movement across the Directorate from period 9 of £0.5m.
- 6.81 There are underlying pressures within Revenue and Benefits, due to vacancies and the need for agency cover £0.5m, an increase in the cost of the Housing Benefit audit of £0.2m, cost of running dual systems £0.1m, and other minor pressures across the Directorate of £0.1m.
- 6.82 The above pressures have been offset by underspends of £1.9m, including an increase in Council Tax and summons income of £1m, and additional new Burdens grant of £0.1m within Revenue and Benefits. A reduction in external audit costs of £0.5m, reduced spend on professional services of £0.1m, and minor underspends across the Directorate of £0.2m

Movement from Period 9

- 6.83 The main movements within the Directorate are in Revenue and Benefits, there has been an increase in staffing pressures of £0.3m, plus additional Housing Benefit audit costs of £0.2m. These have been offset by additional Council Tax and summons income of £0.9m.
- 6.84 There has also been an additional increase in pressure due to unachievable legacy income targets and minor overspends of £0.1m, which have been offset by other minor underspends across the Directorate of £0.2m.

Technical/Centrally Held Items

Net budget £25.63m

Provisional outturn £10.95

Underspend £14.68m

Variance percentage -56.1%

- 6.85 Technical and centrally controlled budgets include the treasury budgets, pension deficit contribution payments for West Northants and the contingency budgets. This area will also reflect any council wide corporate cross cutting issues or opportunities.

Summary Position 2023-24

- 6.86 The Technical and Centrally Controlled Directorate are reporting an overall underspend of £14.7m against budget for 2023-24 with key variances detailed below.
- 6.87 A council wide contingency budget is managed within the centrally controlled budget which at the start of the year stood at £19.0m. This consisted of a disaggregation budget of £0.5m brought forward from 2022-23, pay inflation £7.6m and a general contingency of £10.9m.
- 6.88 This contingency position includes a budget pressure relating to the pay award agreed for staff which was greater than that assumed at the time of setting the budget. The Council's budgets were prepared and published in February 2023 and following the publication the national economic outlook materially changed with increased inflation rates. The pressure of £1.1m is the amount over and above what was included in the February 2023 budget, which for 2023-24 was linked to the national pay offer which has recently been agreed with the Trade Unions.
- 6.89 The Council's contingency budget has been fully utilised to contribute towards the Council's overall position. A summary of commitments against the general contingency is shown below:

Table Six

	Period 9 Forecast	Provisional Outturn	Movement from Period 9
	£m	£m	£m
2023-24 Opening Contingency Budget	19.03	19.03	-
Pay Inflation	(7.51)	(7.51)	-
Disaggregation contingency allocation to Corporate Services	(0.54)	(0.54)	-
Insurance	(0.05)	(0.05)	-
General Contingency Balance	10.94	10.94	0.0
Agreed transfers			-
Pay award (additional due to local agreement)	(1.15)	(1.15)	-
Cultural events	(0.20)	(0.20)	-
Bus subsidies	(0.22)	(0.22)	-
Schools PFI	0.00	(0.12)	(0.12)
Legal Income Pressure	0.00	(0.35)	(0.35)
Pensions	0.00	(0.55)	(0.55)
Forecast Commitments	(1.17)	0.00	1.17
Remaining balance	8.20	8.35	0.15

- 6.90 There is an underspend of £4.4m within treasury management. This underspend is due to several factors including an improved position on investment income due to higher interest rate yields, and more surplus cash being available for investment, and not undertaking new borrowing for the capital programme until the latter part of March 2024.
- 6.91 Minimum Revenue Provision (MRP) has an underspend of £1.8m. MRP is charged on capital schemes funded by borrowing in the year after scheme completion, due to slippage in the WNC capital programme there is a reduced charge payable in 2023-24. There is also an over delivery on the pensions savings proposal driving a £1.0m benefit within centrally controlled.
- 6.92 Also within centrally controlled there is a reported pressure in relation to the increased use of legal support services during 2023-24 which has resulted in an overall pressure of £0.8m across the services, further process review is currently being undertaken with updates in early 2024-25.

Movement from Period 9

- 6.93 There has been a favourable movement of £0.2m from the Period 9 position. This is due to further underspends identified within Treasury Management along with additional legacy income received within centrally controlled budgets, partially offset by pressure in Legal Services, Adult Learning and Insurance.
- 6.94 The Treasury Management position improved by £0.8m since period 9 due to further movements on the Council's loan portfolio. This includes a review of internal lending leading up to the year end and the exercising of the Council's borrower option to repay the principal resulting in an interest payment saving.

Funding

Summary Position 2023-24

- 6.95 The Council's net service budget is funded from the following areas: Council Tax income, Business Rates income, Government grants, one off funding and reserves. A breakdown of the funding budget is detailed below in Table Seven.

Table Seven

Funding	Net Budget
	£'000
Council Tax income	(244,908)
Business Rates income (including S31 Grant)	(90,839)
Adult Social Care Grants	(33,855)
Transfer from Reserves	(7,939)
New Homes Bonus	(3,510)
Services Grant 2023-24	(2,028)
Other Government Grants	(438)
Total Funding	(383,517)

- 6.96 Overall the Council's provisional funding position includes additional income of £4.2m, which consists of £3.6m additional business rates income driven by increased yield compared to budgeted assumptions along with additional grant income of £0.7m announced following the 2024 local government financial settlement, including business rates levy surplus of £0.42 and business rates green plant and machinery exemption compensation of £0.25m relating to the financial years of 2022-23 and 2023-24.

Movement from Period 9

- 6.97 The provisional outturn position is consistent with the position reported as at Period 9.

7. Aged Debt

- 7.1 During 2023-24 a collectability assessment and review of the Council's aged debt portfolio has been undertaken and following a robust review process, a number of invoices have been assessed as non-collectable.
- 7.2 Customer invoices totalling £1.5m have been assessed as uncollectable during the year and approved have been for write-off. All but £0.1m relate to legacy invoices that were raised prior to the formation of WNC. Table eight details those approved by Cabinet in July 2023 , with the remaining balances subject to S151 approval due to customer balances not exceeding £25k .

Table Eight – Aged Debt Write Offs

	Cabinet approved write-offs (over £25k) £k	Officer approved write-offs (under £25k) £k	Total Write-Offs £k
<i>Write-offs processed during 2023-24:</i>			
Adult Social Care	451	575	1,026
Place and Economy	36	20	56
Other	383	0	383
Total approved write-offs	870	595	1,465
<i>Over £25k write-offs to be approved:</i>			
Adult Social Care	0	0	279
Grand Total	870	595	1,744

- 7.3 Specific provision has been made for any legacy debt write off to mitigate the impact of legacy write off's on the Council's outturn position. A total of £1.4m has been written off against this specific provision in 2023-24.
- 7.4 There are eight invoices totalling £279k relating to customer balances exceeding £25k that require Cabinet approval for write-off, and subject to Cabinet approval will be written off in 2024-25. The full £279k debts are in relation to deceased Adult Social Care clients, where all collection process have been exhausted and recommended for write off following assessment by the debt team. Where the debt team has been advised of extenuating circumstances, legal advice has been sought and debt has been reviewed as uneconomical to pursue.

8. Flexible Use of Capital Receipts

- 8.1 During 2023-24 the Council's Flexible Use of Capital Receipts strategy allowed the funding of specified transformation costs through the use of capital receipts as detailed below in table nine.

Table Nine

	Spend Estimate 2023-24 £000	Provisional Outturn £000	Provisional Outturn Saving £000
Transformation Team	2,151	2,558	
Time limited project costs to enable savings delivery	1,625	1,027	
Statutory redundancy costs from reorganisation and reform	500	1,284	
Transformation Savings as per the 2023-24 Budget and MTFP			10,417
Total	4,276	4,870	10,417

8.2 Within the 2023-24 provisional outturn position the Council has incurred transformation programme resource related expenditure of £4.9m against a budget of £4.3m. These costs will be funded through the use of capital receipts which will ensure that the council maintains maximum flexibility in the employment of its finances.

8.3 Time limited projects includes £0.4m for Strategy and Architecture transformation within DTI and £0.2m to support transformational work with Northamptonshire Children’s Trust.

9. Reserves

9.1 The Council has inherited reserves from the former District and Borough councils as well as the former County Council. Many of these were earmarked for a specific purpose, although some are more flexible. Due to the ongoing review of the balance sheet disaggregation from the former county council, the opening reserve balances for West Northamptonshire Council are still to be finalised.

9.2 The following table provides a breakdown of the opening level of General Fund reserves and how they have been utilised during 2023-24.

Table Ten

Description	Opening Balance as at 01/04/23 £000	2023-24 Net Commitments £000	Closing Balance as at 31/03/24 £000
General Balance	(35,679)	0	(35,679)
Risk Reserve	(18,332)	(3,350)	(21,682)
Budget Investment	(8,199)	4,572	(3,627)
Transformation Reserve	(9,228)	3,424	(5,804)
Invest to save	(1,151)	26	(1,124)
Service Specific Reserves	(24,467)	(324)	(24,791)
Other Reserves Total	(61,378)	4,348	(57,029)
Section 31 Grants	(87)	87	0
S106 Reserves	(2,474)	0	(2,474)
Ringfenced / Technical	(15,379)	5,065	(10,314)
Ringfenced / Technical Reserves Total	(17,939)	5,152	(12,788)
Specific Covid reserves	(1,702)	1,140	(562)
Specific Covid Reserves Total	(1,702)	1,140	(562)
Earmarked Reserves Total	(81,019)	10,641	(70,378)
Grand Total	(116,698)	10,641	(106,057)

Risk Reserve

- 9.3 Within the estimated level of reserves there are a number that could be described as ‘smoothing’ reserves, set up to deal with fluctuations and volatility.

Budget Investment

- 9.4 Budget investment reserves were set up using balances from the risk reserve to fund approved one-off budget proposals.

Transformation Reserves

- 9.5 This includes the £5.5m reserve held to fund any one-off transformational programmes or activities identified during the year and the £3.7m Business Rates Retention Sustainability Fund. Total commitments of £2m were drawn down to fund approved transformation projects.

Invest to Save Reserves

- 9.6 During 2021-22 a reserve of £1.2m was set up to be released for invest-to-save initiatives as they come forward. This reserve is released at the discretion of the S151 officer. There currently remains a balance of £1.1m in this reserve.

Service Specific Reserves

- 9.7 There are reserves set up at the request of services for specific purposes. They are drawn down when the service incurs expenditure for the purpose the reserve was set up for. Many of these

reserves were set up by predecessor authorities. All reserves have been reviewed and where it has been deemed that they are no longer required they have been transferred to the risk reserve.

Section 31 Funding Reserve & Ringfenced / Technical Reserves

9.8 The Section 31 funding reserve is held to offset the risk to the collection fund from the impact of COVID on business rates and council tax income and has been almost completely used for this purpose. The ringfenced/technical reserves holds the Public Health grant reserve, Insurance Reserve and Enterprise Zone reserve.

HRA Reserves

9.9 Closing HRA reserve balances for 2023-24 are reflected in table eleven below:

Table eleven

Reserves	Opening Balance 01/04/2023 £'000	Prior year underspends B/F £'000	Adjusted Opening Balance £'000	Received in Year £'000	Applied in Year £'000	Proposed Reassignment £'000	Provisional Closing Balance £'000
HRA General Reserve	(324)	(1,325)	(1,649)	(477)	0	(50)	(2,176)
HRA Leaseholder Reserve	(500)	0	(500)	0	0	500	0
HRA Service Improvement Reserve	(1,000)	0	(1,000)	0	0	250	(750)
ERP Agresso Reserve	0	0	0	0	0	0	0
HRA Insurance Reserve	(300)	0	(300)	0	0	300	0
Total HRA Reserves	(2,124)	(1,325)	(3,449)	(477)	0	1,000	(2,926)
Working Balances	(5,000)	0	(5,000)	0	0	(1,000)	(6,000)
Total HRA Reserves	(7,124)	(1,325)	(8,449)	(477)	0	0	(8,926)

*The recent completion of 2021-22 and 2022-23 years end accounts has resulted in a change to the opening balance of reserves being held for HRA. The reserves have increased by £652k for 21-22 and by £673k for 22-23.

10. Summary of savings delivery 2022-23

10.1 The Council has a savings requirement within its 2023-24 budget of £32m. Finance and Service Directors have undertaken a review of savings deliverability, with the summary forecast position reported in table twelve.

Table twelve

Directorate	2023-24 Savings Proposals £'000					
		RAG Analysis				
	Budgeted saving	Blue	Green	Amber	Red	Expected saving
Adult Social Care	(10,110)	(9,652)	0	0	(458)	(10,110)
Centrally controlled Budgets	(7,563)	(7,497)	0	0	(66)	(7,563)
Chief Executives Office	(636)	(622)	0	0	(14)	(636)
Communities & Opportunities	(1,737)	(1,028)	0	0	(709)	(1,737)
Corporate Services	(5,440)	(5,206)	0	0	(234)	(5,440)
Education Services	(530)	(292)	0	0	(238)	(530)
Finance	(714)	(714)	0	0	0	(714)
Place and Economy	(5,248)	(3,896)	0	0	(1,352)	(5,248)
Total	(31,977)	(28,906)	0	0	(3,071)	(31,977)
% Total		90%	0%	0%	10%	
Movement from prior month		(13,221)	11,991	907	323.0	
Period 9 position		(15,686)	(11,991)	(907)	(3,394)	

Blue = Delivered and Confirmed

Green = Deliverable, on target

Amber = Deliverable, with risks

Red = Unlikely to be delivered

- 10.2 Services management teams have focused throughout the year on maximising the delivery of the 2023-24 budgeted savings proposals, despite challenging external economic conditions, resulting in the delivery of £28.9m savings, which represents 90% of the Councils total savings target . There is a remaining balance of red proposals totalling £3.0m, and where proposals have been assessed as red, service teams have focused on ensuring there are alternative mitigating actions in place reducing this pressure within the provisional position .
- 10.3 Proposals assessed as red are set out in detail in Appendix B. The largest red rated (undeliverable) savings proposal is the Temporary Accommodation (TA) prevention and management plan savings of £0.5m for Reduction in TA spend through improved move on and reduced use of expensive nightly purchased accommodation, which reflects pressures being reported at national level across Local Authorities

11. Implications (including financial implications)

Resources and Financial

- 11.1 The resource and financial implications for West Northamptonshire Council are set out in the body of, and appendices to, this report.

Legal

- 11.2 There are no legal implications arising from the proposals. The report has been cleared by Legal Services.

Risk

- 11.3 The Council has reported a small underspend for the financial year, which includes the utilisation of £8.4m general contingency set aside within the 2023-24 budget process to mitigate budget risks. This contingency has been fully utilised to manage any financial risks within the year and demonstrates a prudent decision within the budgeting process to hold this contingency.
- 11.4 As part of the local government reorganisation a number of Council services are hosted by either West Northants or North Northants Council, with these services being delivered across organisations. As such there is an inter-authority charging process to ensure each organization is compensated for the delivery of these services, agreement on final charges is to be confirmed and charges are only included on a provisional basis and may be subject to change dependant on final agreement.
- 11.5 Also, as part of the ongoing review of the balance sheet disaggregation from the former county council, the opening balances for West Northamptonshire Council are still to be finalised.
- 11.6 The financial issues within this report link to **Strategic Risk SR14: Financial Sustainability**, which is currently summarised as follows:

Ref.	Summary	Gross Risk	Current Net Risk	Target Net Risk	Risk Owner	Cabinet Portfolio
SR14	Financial Sustainability Increasing demand for services, increasing cost of services and uncertainty relating to local government funding is a continuing risk to the Council which needs to be closely and carefully monitored	20	10	10	Executive Director - Finance	Finance

Consultation

- 11.7 The Council carries out public consultation and communications on its annual budget proposals. These activities took place in the months prior to the budgets being approved by Full Council in February 2023 for the 2023-24 budget.
- 11.8 Any management interventions that require a policy change will be subject to a consultation before any decision is taken.
- 11.9 Where consultation is necessary, full details will be presented to Cabinet separately. Cabinet can only make a decision after taking careful account of the results of such consultation in order to reach an informed decision.

Consideration by Overview and Scrutiny

- 11.10 All 2023-24 budget proposals were consulted on prior to the budget being approved by Full Council in February 2023. Any management interventions that require a policy change will be subject to a consultation before any decision is taken. Where consultation is necessary, full details will be presented to Cabinet separately. Corporate Overview and Scrutiny carried out a full budget scrutiny programme of work which fed into the final budget proposals and also consider the regular budget monitoring reports throughout the year.
- 11.11 Corporate Scrutiny will also consider this report.

Climate Impact

- 11.12 All management interventions and mitigations identified within this report will be reviewed on an individual basis for any environmental impact.

Community Impact

- 11.13 This report will have a positive impact on the community by providing scrutiny on how public funds are being used to fund services for local residents in 2023-24.

Communications

- 11.14 Communication will continue with service directors to seek to deliver a balanced budget in 2023-24.

12. Background Papers

- 12.1 The following documents disclose important facts on which the report is based and have been relied upon in preparing the report:
- 12.2 Final Budget Report and Medium-Term Financial Plan, meeting of Council, 22 February 2023
<https://westnorthants.moderngov.co.uk/documents/s10478/2023-24%20Final%20Budget%20Report%20-%20Full%20Council.pdf>
- 12.3 Revenue Monitoring report Period 4

<https://westnorthants.moderngov.co.uk/documents/s13437/Item%2008%20-%20WNC-%20Revenue%20Monitoring%20Report%20-%202023-24%20-Period%204.pdf>

12.4 Revenue Monitoring report Period 7

<https://westnorthants.moderngov.co.uk/documents/s14591/Revenue%20Monitoring%20Period%207%20-%20Financial%20Year%202023-24.pdf>

12.5 Revenue Monitoring report Period 9

<https://westnorthants.moderngov.co.uk/documents/s16439/Revenue%20Monitoring%20Period%209%20-%20Financial%20Year%202023-24.pdf>