

Document Type	Information Report
Programme	Future Northants
Title	Future Northants Finance Monitoring Report
Audience for this document	
Joint Implementation Board, Joint Implementation Executive, North Northamptonshire Shadow Executive and 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.	

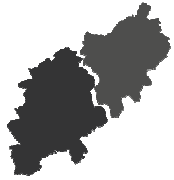
Document Control

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
29/10/2020	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 is reported on a monthly basis. 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.

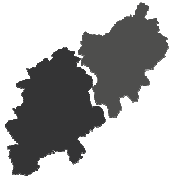
Investment	Budget	Outturn	Variance
	2020/21	2020/21	Under/ (Over)
	£000	£000	£000
Business Rates Retention Pilots	7,802	7,802	0
NCC Transformation	4,250	4,250	0
Other Programme Costs	4,948	4,758	190
Staff Costs	5,697	5,697	0
Total	22,697	22,507	190

Benefits Realisation	Budget	Outturn	Variance
	2020/21	2020/21	
	£000	£000	£000
Business Rates Retention Pilots	2,246	1,452	794
NCC Transformation	12,235	12,020	215
Total	14,481	13,933	1,009

Overall Total **8,216 8,574 819**

The overall variance of £0.819m has increased since the last report by £0.461m. Explanations for this variance are detailed overleaf. It is still expected that savings not delivered in 20/21 will be delivered in later years.

Investment



The majority of investments cost projections are in line with the original budget. Recruitment to the statutory positions is now complete and due to the various start dates has produced a favourable variance of £0.190m. If needed in future this can be used to supplement the contingency budget.

There is currently overspend projected on recruitment of £140k. The original recruitment budget of £160k covered the costs for the statutory appointments only. Whilst the statutory positions have now been filled, work continues at pace to fill key director positions, including appropriate media campaigns to attract the best candidates. It is therefore proposed to vire £140k from the contingency budget to cover these additional costs.

Benefits Realisation

An analysis of the impact of the current health crisis on the realisation of financial benefits is undertaken regularly on each of the Business Rates Retention Pilot schemes and NCC savings. This 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 enters into another lockdown period, which will be challenging in the lead up to setting budgets for the two unitary councils.

The variances reported above relate to a declining position in the following areas:-

Business Rates Retention projects:

BRR04 – CFN Improving Fostering

Further slippage due to the impact of Covid-19 on activities to recruit in house specialist foster carers thereby reducing external placement costs. The service has been successful in recruiting 2 foster carers with 5 more in the pipeline.

BRR06 – CFN Practice Improvement

Further slippage in delivery due to the prioritisation of the services response to the Covid-19 pandemic. The service expects to recruit to the Edge of Care service shortly and expects this to be fully operational by the end of the calendar year.

NCC Transformation

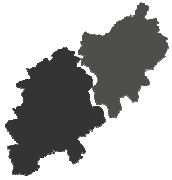
Adults –

Shaw PFI Programme

The reduction of saving has been aligned to the new contract variation date (December) Prior reporting was based on expectation of an earlier sign off. Full year savings will be achieved in 21-22

Mental Health Review

The Mental Health review was going to generate savings by reviewing existing clients, and whether the level of services they were receiving matched their eligible needs. However, in the current year the service have been unable to do these reviews due to more urgent cases coming through and the level of need coming through being higher (More acute/complex needs)



Revised Financial Forecast

There remains considerable financial risk to the above outturn position, which may change on a regular basis depending on the recovery of the economy and the increasing 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 £13,472m during 2020/21. This will leave £36,069m 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.