



CABINET

COMMITTEE DATE 13th December 2016

DIRECTOR OF FINANCE: Damon Lawrenson

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE AND PERFORMANCE:
Councillor Robin Brown**

Subject:	Draft Budget 2017-18 and Medium Term Planning and Funding Position to 2020-21
Recommendations:	<p>That Cabinet approves for consultation:</p> <ul style="list-style-type: none">a) the Draft Budget which sets:<ul style="list-style-type: none">i. a net revenue budget of £407.97mii. a Council Tax requirement of £269.36miii. a Band D Council Tax increase of 3.95%, including Social Care Precept of 2% taking Band D Council Tax from £1,111.25 to £1,155.14b) the Council Plan 2017-18 to 2020-21 at Appendix Ac) draft Medium Term Plan 2017-18 to 2020-21 as summarised at Appendix Bd) the planned utilisation of the Dedicated Schools Grant (DSG) for 2017-18 at Appendix C pending the final DSG settlemente) the Fees and Charges at Appendix E and detailed schedule as published on website. (See section 6.5)f) the detailed proposals underpinning the MTP revenue budgets for 2017-18 set out at Appendix H(1-5)g) the Capital Strategy at Appendix Ih) the Treasury Management Strategy Statement at Appendix K <p>That Cabinet:</p> <ul style="list-style-type: none">i) notes the Fees and Charges Policy Appendix Dj) notes the Reserve Policy at Appendix Fk) notes the Reserve Summary Statement at Appendix Gl) notes the Asset Utilisation Strategy 2016-17 at Appendix J

1. Purpose of Report

- 1.1 This report sets out the 2017-18 Draft Budget and associated Medium Term Plan (MTP) for Northamptonshire County Council (NCC). The Draft Budget and MTP are based on information currently available, as a starting point for the budget consultation process leading to approval by Full Council on 23rd February 2017. The Full Council meeting will also approve the associated Council Tax level and precepts for 2017-18.
- 1.2 In accordance with the Council's Constitution, Cabinet agrees the Draft Budget proposals for review by Scrutiny and the general public during a consultation period of six weeks. The outcomes of both the Scrutiny review and consultation will inform the Cabinet's recommendations on the budget and Council Tax precepts for 2017-18, together with the other budget framework documents included within the appendices of this report, to the Full Council meeting on 23rd February 2017.

2. How this decision contributes to the Council Plan.

- 2.1 The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing and/or safeguarding by ensuring that:

- People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities.
- People have the information and support they need to make healthy choices and achieve wellbeing.
- People achieve economic prosperity, in a healthy, low carbon economy which give access to jobs, training and skills development.
- Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure.
- Resources are utilised effectively and efficiently, in coordination with partners and providers.

3. General Background and Context

- 3.1 The County Council is operating in the most challenging conditions in its existence. Significant demographic growth, coupled with ever reducing funding from Central Government has led to a point where only radical transformation will ensure that we have a sustainable financial platform from which we can continue to deliver for the residents of the county. This financial platform is underpinned by our belief in the fair and equitable use of resources to meet the needs of the communities within Northamptonshire.
- 3.2 A commitment to low taxation and effective use of the public purse has been a feature of the Council's strategic planning for some time. Northamptonshire County Council (NCC) already has one of the lowest Council Tax rates and one of the lowest revenue spend per head amongst county councils in the country, which is a consequence of continuous review of service requirements being fair

and equitable in the use of its resources and now supported by a more outcome based approach to budgeting.

- 3.3 The County Council's commitment to efficiency is also matched by a strong track record for innovation in meeting and managing customer expectations and demand for services. NCC has been widely recognised for leading the sector in many key aspects of service improvement from our strategic alliances such as England's Economic Heartland and Total Transport programme that will drive growth and sustainable transport solutions in the county and beyond.
- 3.4 In Children's Services the Council has moved into the next phase of our Improvement Plan – "Getting to Good" following a successful Ofsted inspection. There are initiatives such as our Social Worker Academy that will help manage down dependency on temporary and agency staffing. Olympus Care Services Ltd, has continued to support delivery of outcomes for Adult Social Care, and will be building upon that success to create the bigger Northamptonshire Adult Social Services CLG. LGSS, the Council's jointly owned managed services provider continues to grow, with Milton Keynes becoming a new shareholder attracting new business and reducing costs.
- 3.5 Our Next Generation Council transformation programme provides the operating model that will offer an array of commercial and operational advantages that will truly modernise local public services in the county and assist with future financial sustainability. A further example of this is the creation of the unique and pioneering First for Wellbeing CIC with Northamptonshire Health Foundation Trust (NHFT) and the University of Northampton.
- 3.6 Our response to the current and future pressures is tri-fold: increase the reach and impact of our transformation programme and extending this outside of just NCC operations especially through collaboration with the NHS through the joint Sustainability & transformation Plan (STP); secondly diversify and increase our funding sources to ensure sustainability and resilience (use of Social Impact Bonds, funding from philanthropic and ethical sources, etc.) and thirdly reducing our operating costs even further by re-designing the way services are delivered and reducing any possible duplications in the system. This latter strategy will, during 2017-18, mean us exploring the Government's agenda for devolution and Local Government restructuring and in particular we believe it is in the interest of the people of Northamptonshire for the sustainability of local public services to evaluate the potential that can be unlocked through the creation of a unitary authority for Northamptonshire.

Council Plan 2016-17 to 2020-21

- 3.7 Our Council Plan approved by Cabinet in February 2016 continues to articulate our vision for the medium term and is an ambitious outline of our strategic approach to transformation. Next year 2017-18 will see the implementation of the second year of the plan, with the next phase of the Next Generation Council programme roll-out and acceleration of other initiatives introduced in the four-year plan. An update on the progress made over the past year is provided within Appendix A.

4. Financial Background and Context

Four Year Budget

- 4.1 The 2016-17 local government finance settlement was a first step along this road of self sufficiency and gave local authorities the opportunity for far greater certainty over their future funding through the acceptance of a multi-year (four year) settlement offer which has been accepted by NCC and the efficiency plan submitted by the deadline date in October 2016.
- 4.2 Department for Communities and Local Government (DCLG) has confirmed that NCC is now formally on the multi-year settlement which provides the necessary security for future funding with the allocations published as part of the 2016-17 local government finance settlement in 2017-18, 2018-19 and 2019-20. However, it needs to be noted that the Government will also need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities, any other unforeseen events.
- 4.3 In addition, funding will subject to the normal statutory consultation process for the local government finance settlement but there is an expectation that these allocations will be the amounts presented to Parliament each year.

Flexible use of Capital Receipts

- 4.4 As part of the Local Government Spending Review on 17th December 2015, the Government provided councils with the flexibility of utilising in year capital receipts for qualifying expenditure. This is to enable authorities to fund transformation and cost reduction programmes of reform from capital receipts in the years the flexibility is offered.
- 4.5 The capitalisation flexibilities have been explored in the context of the move to a Next Generation Council (NGC), set alongside the significant financial pressures that exist for 2016-17. As a result, the MTP includes the use of capital receipts to fund the Council's NGC transformation totalling £18m with a suggested profile of £16m required for 2017-18 and £2m in 2018-19. This is in addition to the amount set for 2016-17 which is approved at £21m. This profile will continue to be reviewed in line with receipts available and the progress made in delivering the county wide transformation programme.

Revenue Funding Outlook

- 4.6 By the end of this Parliament, local government will retain 100% of taxes raised locally. This will give local councils in England control of around an additional £12.5 billion of revenue from business rates to spend on local services. In order to ensure that the reforms are fiscally neutral, councils will gain new responsibilities, and some Whitehall grants will be phased out.
- 4.7 The purpose of fiscal devolution is to provide communities with the financial independence, stability and incentives to push for local growth and pioneer new models of public service delivery.

- 4.8 This amounts to a fundamental reform to the financing of local government. This move towards self-sufficiency and away from dependence on central government is something that councils have been campaigning for over a number of years.
- 4.9 In addition to the Four Year settlement offer work is ongoing around the design and implementation of the 100% retention of business rate income, which is expected to begin in April 2019. A number of consultations have been published with more expected over the next few months. The LGSS group of authorities will continue to contribute to this process through responses to these consultations and through work with organisations such as the Local Government Association and the Society of County Treasurers to ensure that any impact on NCC funding is considered.
- 4.10 Whilst, the Council welcomes the benefits of self-sufficiency, it needs to be noted there is a risk that the current unfunded pressure within local government will not be fully addressed within the new funding model. This could present additional pressure from the transfer of new responsibilities over and above the current impact of reduced funding over the medium term.

Capital Funding Outlook

- 4.11 The Government's Budget 2015 statement reconfirmed that national capital investment would be held constant in real terms in 2016-17 and 2017-18, and it will increase in line with GDP from 2018-19.
- 4.12 Mechanisms for distributing government funding continue to evolve with the introduction of the Local Growth Fund (LGF) and the increased role of LEPs in the strategic oversight of regional areas.
- 4.13 Further change also continues in the Education sector with the Education Funding Agency (EFA) providing direct support & grants to specific free school & academy build projects.
- 4.14 The changes to control around business rates growth may fundamentally change the balance of how funding flows through to support projects.
- 4.15 Further opportunities for alternative delivery models such as joint ventures and other new ways of working with partners will bring new opportunities and evaluation of risk in order to deliver a Capital Programme to support the future shape of the public sector and services to the public.

5. Resources

- 5.1 The Council wide approach to ensuring there is a robust Budget set for 2017-18, was to undertake a '**zero-based budgeting**' financial review of all planned service provision. This review built from the bottom upwards addressed structural deficits, the level of resources required to deliver the aspirations and key service priorities of each Directorate as outlined in their individual Business Plans. Whilst not activity based at this stage, this approach allowed the introduction of a robust budgeting methodology which will continue to be refined over the medium term.

- 5.2 The financial planning approach considered the prioritised service outcomes that were required to be delivered, in conjunction with the latest available financial and performance management information, to ensure that the optimum level of resources are set in 2017-18, and resources that were not required were re-prioritised accordingly.
- 5.3 Where the required budget fell short of existing resources, the gap has been mitigated through the introduction of service-specific proposals, detailed in our business plans, (See Appendices H(1-5)).
- 5.4 This method of budgeting supported the Council to plan the delivery of its services in the most cost effective manner – whether that is through delivering its objectives through in-house provision, externally commissioning contracts, or through third party transfers.

5.5 **Funding Announcements**

- 5.5.1 On 23rd November 2016 the Chancellor of the Exchequer announced the Autumn Statement which not only outlined the overall fiscal outlook for the next four years and the Government's response to the higher than expected forecast deficit compared with the Budget 2016 published by the Office for Budget Responsibility (OBR), but also confirmed that there will be an Autumn Budget released in future. This will enable more effective planning for the year ahead, and be followed by an update through a Spring Statement moving forward. The following sections consider those areas that will immediately have an impact on the medium term planning with assumptions discussed later within the report. Full details of the announcement can be found here:

<https://www.gov.uk/government/topical-events/autumn-statement-2016>

- 5.5.2 Further to this, it is anticipated that the Local Government Finance Settlement will be issued towards the end of the week commencing 12th December 2016. The finance team will be working through the detailed implications when the Local Government Finance Settlement is announced. Consequently, any financial impact and changes required will be incorporated into the Final Budget Report.

Chancellor's November 2016 Announcement

- 5.5.3 In summary, there were no specific changes announced in the plans for departmental expenditure or Local Government in particular. The Government is leaving in place both the current spending plans for the remainder of the Parliament set out in the Spending Review last autumn, and the increase in spending in 2020-21 in line with inflation, in addition to an increase in the National Living wage from £7.20 to £7.50 per hour from April 2017.
- 5.5.4 The fiscal outlook reported the budget deficit forecast to be higher than previously reported in the Budget 2016 with borrowing estimated to be £20.7bn by the end of the parliament (2020-21) and announced that the Government will no longer seek to deliver a budget surplus by 2019-20.

- 5.5.5 The Chancellor acknowledged that the decision to leave the EU has led to some economic uncertainty, and has responded by generating “fiscal headroom to support the economy through the transition”.
- 5.5.6 Economic and fiscal forecasts provided by the Office for Budget Responsibility (OBR), show slowing growth compared to previous forecasts. Growth forecasts have been reduced to 1.4% in 2017 which is expected to recover as uncertainty diminishes – suggesting growth of 1.7% in 2018, 2.1% in 2019 and 2.0% in 2020.
- 5.5.7 As the Government will no longer seek to deliver a budget surplus by the end of the parliament (2019-20) a new Charter for Budget Responsibility will be published, with the following three provisions:
- The public finances should be returned to balance as early as possible in the next Parliament, and, in the interim, cyclically-adjusted borrowing should be below 2% by the end of this Parliament.
 - Public sector net debt as a share of GDP must be falling by the end of this Parliament.
 - Welfare spending must be within a cap, set by the government and monitored by the OBR.
- 5.5.8 It was also announced that investment for infrastructure and innovation will be prioritised in order to raise productivity and that this commitment will be funded in the short term from additional borrowing.
- 5.5.9 A large focus within the Autumn Statement continued to be around infrastructure and housing delivery. The three elements which may help enable the council in the delivery of its ambitions in relation to Highways Infrastructure and for which the outcome/impact for Northamptonshire are currently unknown are:
- The newly announced National Productivity Investment Fund of £23bn. The focus around this is for Innovation and Infrastructure with allocations covering Housing, Transport, Digital Communications and Research & Development. The detail on how much of an opportunity this may be for the Council is currently unknown with detail on allocations or the bidding process expected over the coming months.
 - The government announcement of £1.8bn of round 3 Local Growth Fund (LGF) grant to be managed via the LEPs, with £542m earmarked for the Midlands. Northamptonshire submitted 3 bids via SEMLEP in relation to the fund covering A43 Northampton to Kettering phase 3, A509 Isham bypass and preliminary design work for the Northern Orbital. The outcome for bids submitted is due to be announced shortly.
 - The outcome of the New Homes Bonus (NHB) consultation which ran from 17th December 2015 to 10th March 2016.

6. Medium Term Financial Plan - Revenue

6.1.1 Appendix B sets out the four year expenditure forecasts together with the total funding due for the period 2017-18 to 2020-21, and takes account of investment required to meet any structural deficit following the outcome of a 'Zero Based Approach' to budget setting.

6.1.2 The Table below provides details of the changes in funding over medium term in addition to the unavoidable pressures

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	Total £m
Changes in Government funding	20.1	10.5	10.2	8.0	48.8
Changes to Other Grants & Income	2.3	(0.6)	(6.6)	1.6	(3.3)
Flexible Use of Capital Receipts	(4.0)	14	2.0	0.0	12.0
Transfer to and from Reserves	0.7	0.0	14	0.0	14.7
Changes in Local Funding	(13.9)	(14.2)	(13.6)	(9)	(50.7)
Total Reduction / (Increase) in Funding	5.2	9.7	6.0	0.6	21.5
Unavoidable Pressures	61.7	22.9	21.9	19.7	126.2
Total Savings Required	66.9	32.6	27.9	20.3	147.7

Table 1 : Summary changes in funding

6.1.3 To provide further explanation of the Table above the following sections outline changes to the assumptions on:

- Government Funding and Other Grants
- Council Tax
- Key Spending Assumptions

6.1.4 The impacts on the MTP are then summarised, identifying the additional savings required in order to balance the MTP for 2017-18. The remaining four years indicates the estimated pressures and funding changes with savings continuing to be scoped.

6.2 Government Funding

Settlement Funding Assessment and Associated Grants

6.2.1 As previously mentioned the multi-settlement offer has been accepted and provides some reassurance of the expected funding over the four year period 2016-17 through to 2019-20. The funding makes assumptions for both the Revenue Support Grant and Business Rates baseline. The main Government grant funding has been reduced by an average 8.5% in all years of the plan. The estimated projection for 2020-21 reflects a mid point using a number of models with forecast changes in funding amounting to an overall reduction of £49m over the medium term plan.

Business Rates Retention

6.2.2 The Business Rates Retention Scheme continues to present a number of risks and opportunities for Northamptonshire. As detailed in the following sections.

- 6.2.3 The Business Rates revaluation will take effect from April 2017 and recent valuation lists have reported an overall national average increase in rateable values of 11%. The multiplier is adjusted to ensure that revaluation is fiscally neutral from a national point of view, an increase in rateable values has resulted in a reduction to the multiplier. Tariffs and top ups will be adjusted to account for corresponding changes in yield for individual authorities.
- 6.2.4 Draft valuation lists show that Northamptonshire has grown at a significantly lower rate than the national average (which has been affected by substantial increases in London). This means that when the new, reduced multiplier is applied, business rates yield in Northamptonshire will fall. This will be offset by an increase in the top up paid to the County Council.
- 6.2.5 Whilst there has been some reassurance that this potential change in net yield will be offset by a change in the multiplier and top up or tariff used for funding, there are still some risks in future years that will need to be considered. These include;
- The estimated financial impact of any reduced yield as a result of additional appeals and reduced collection rate.
 - An impact on the costs borne by the DSG for business rates in schools. Although we are still collecting information on this our latest estimate is for an overall cost increase of 7% as a result of the revaluation with no uplift in the DSG funding.
- 6.2.6 However, on the upside the Northamptonshire Pooling Arrangement has provided continued benefits over the last three years with a total of £1.5m generated to date and the assumed target of £0.8m has been factored into the funding for 2017-18 through to 2019-20.
- 6.2.7 The Draft Budget makes some assumptions for existing growth, estimated shortfall on the collection fund and changes in RPI for 2017-18 and will be revised alongside the impact of the revaluation at the end of January 2017, when this will be confirmed by the districts and boroughs via the NNDR1 forms.

Education Services Grant

- 6.2.8 The Local Government Association (LGA) have issued a briefing on the Autumn Statement. "The Government is pressing ahead with the planned £600 million cut to the Education Services Grant (ESG), despite deciding not to go ahead with the Education for All Bill which would have removed councils' school improvement duties. Councils will now have duties with no funding to pay for them."
- 6.2.9 The announcements to date indicated a significant reduction in funding for ESG from September 2017 linked to when the statutory responsibilities for LAs regarding school improvement being removed. Unless the funding is revised the Local Authority will be in a position of retaining a legal responsibility but the funding having been removed the latest estimates have been included within the MTP, however, it is anticipated that Department for Education (DfE) announcements in December should clarify.

Dedicated Schools Grant

- 6.2.10 Information on the Dedicated Schools Grant (DSG) is contained in Appendix C. The DSG is a ring fenced grant that supports a range of mainly education related services. Over 90% of the DSG funds direct education provision including schools and early education providers. The grant in gross terms is £536 million but this is reduced in year through the Education Funding Agency (EFA) DSG recoupment for schools that are academies, which means that Central Government adjust the Council's DSG in order for the EFA to fund academies directly. In 2017-18 the DSG recoupment is estimated at approximately £340 million, which is 63% of the overall DSG grant.

Funding Risks

- 6.2.11 The Medium term plan estimates to receive annual grants and contributions in the region of £133m excluding schools and income from Flexible use of Capital Receipts. This presents a continued risk if not guaranteed in future years and the following details some of those that present a significant risk moving forward.
- 6.2.12 The Section 31 Grant for small business rates relief was given to fund the gap in Settlement Funding Assessment. This grant compensated authorities for both the reduction in the inflationary rate 2% cap applied to Business Rates in previous years as well as additional reliefs for small businesses. The impact of the rates revaluation to be introduced from April 2017 suggests that this grant will only continue to fund small business rates reliefs which is subject to change in line with business growth within the region.
- 6.2.13 The Local Authority currently receives ESG grant for retained duties (£15 for all pupils in the county) plus £77 per pupil for general ESG funding for each pupil in maintained schools. The latest estimate is £4.6 million ESG income in 2016-17. The Government are committed to reducing ESG funding to Local Authorities significantly in 2017-18. Further announcements are still to be made but the Authority's latest understanding is that the £77 per pupil funding will end in August 2017 (£3m full year income loss to Northants) and that the retained duties funding of £1.6m p.a. will move to the DSG, although the EFA rules may not allow all of this funding to be retained to fund central education services.
- 6.2.14 The Spending Review announced that £1.5bn would be added to the ring-fenced Better Care Fund (BCF) progressively from 2017-18 to provide an allocation of £14.4m for NCC by 2019-20. According to the Government the "Improved Better Care Fund" and additional Council Tax flexibility would 'provide significant resources to address the demographic pressures facing the social care system'. The initial figures for BCF are reflected in the draft budget, alongside the existing funding streams from health and any additional impact resulting from new burdens or reduced income will be considered within the MTP once confirmed by Government.
- 6.2.15 As reported within the Final Budget in February 2016 the methodology used to allocate New Homes Bonus Grant will change and reduce from 2018-19. The Spending Review (SR2015) announcement highlighted that £800m would be taken from the New Homes Bonus and reinvested to support Local Authorities with the continued pressures in Social Care which has been distributed through

the BCF. The 2017-18 allocation is expected to be confirmed within the Final Settlement in February 2017.

6.2.16 Public Health Grant is grant funding given to deliver Public Health and Health and Wellbeing outcomes. The indicative funding was published in February 2016 for 2017-18 of £35.7m with notional reductions for future years through to 2019-20 which have been included in the MTP until final confirmation is received later in the year.

6.2.17 Capital Programme risks, both actual and future, continue to surround the Council's ability to announce capital investment. These include: delivery on the forecast capital receipts of £33.9m (2017-18 to 2021-22); unaffordable future match funding commitments; on-going costs of front funding innovative investment; potential for funding gaps on existing committed capital schemes (such as the receipt of section 106 contributions); and the potential for Government to extend its policy of allocating capital funding to Growth Deals rather than directly to local authorities, resulting in potential shortfalls in capital maintenance funding.

6.3 Council Tax

6.3.1 The current Council Tax revenue accounts for over 60% of Northamptonshire County Councils Net Budget within the 2016-17 budget approved by Council in February 2016, and as set out in Appendix B. This is based upon a 3.95% overall increase in Council Tax collection and includes the continuation of the Social Care Precept of 2% which has been applied in accordance with the recommended level announced within the SR2015.

6.3.2 The budgeted Council Tax income for 2017-18 totals £269.36m including 2% Social Care Precept. The estimated Council Tax base has been provided by Districts and Borough Councils with a headline Band D Council Tax of £1,155.14 which will be finalised and confirmed within the Final Budget report.

6.3.3 The precepts calculated for each Borough and District based on an average band D rate of £1,155.14 are set out below;

District	Tax Base	Core Precept (£)	Adults Social Care Precept (£)	Total Precept (£)
Corby	18,336	20,773,221	407,426	21,180,647
Daventry	29,800	33,761,016	662,156	34,423,172
East Northamptonshire	30,685	34,764,420	681,836	35,446,256
Kettering	31,059	35,187,362	690,131	35,877,493
Northampton	64,823	73,439,138	1,440,364	74,879,502
South Northamptonshire	34,527	39,116,329	767,190	39,883,519
Wellingborough	23,950	27,132,981	532,160	27,665,141
Total	233,180	264,174,467	5,181,263	269,355,730

6.4 Council Tax Referendums

- 6.4.1 As set out in the Department of Communities and Local Government (DCLG) report 'The Referendums relating to Council Tax Increases (Principles) Report 2016-17' each billing authority and precepting authority must determine whether its total amount of Council Tax is excessive - where excessive is defined as the total amount of Council Tax (including 2% Adults Social Care Precept) being 4% or greater than 4%.
- 6.4.2 The 2017-18 Local Government Finance Settlement technical consultation paper proposes the continuation of the above principles in relation to Council Tax Referendums.
- 6.4.3 The MTP assumes a 3.95% increase until 2019-20 including the Adults Social Care Precept, this is then reduced to 1.95% for 2020-21.

6.5 Fees and Charges Income

- 6.5.1 As part of the overall medium term planning the fees and charges are reviewed with any inflationary increases forming part of the annual consultation process in line with the existing policy as shown within Appendix D.
- 6.5.2 A summary of the main changes to charges is given within Appendix E with the detailed schedule reflecting the draft charges which can be found at:

www.northamptonshire.gov.uk/draftbudget
- 6.5.3 The Next Generation Council Model aims to provide an environment where opportunities can be maximised through joint working and income generation which is reflected within the Policy. However this will continue to be reviewed and updated as transformation takes place with the introduction of the federated vehicles for both Adults and Childrens services.
- 6.5.4 In addition, a proposal for Fees and Charges Policy is in place (15-004-19a/c/d) to maximise income generation including fees and charges and is included within each of the Business Plans at Appendix H(1-5).

6.6 Revenue Budget Pressure and Outturn 2016-17

- 6.6.1 The budget proposals put forward for 2017-18 are subject to the assumption that there is no overspend in the current year 2016-17 and that the savings proposals not fully delivered or considered within the MTP will be recurrently mitigated ahead of the new financial year.
- 6.6.2 The significant challenges faced during 2016-17 have been raised through the Monthly Financial Report with an existing forecast overspend totalling £12m to be reported to Cabinet in December 2016 with details of interventions to mitigate the pressures within Adults and Childrens Services in particular.

6.6.3 In a potential event that the budget is not fully delivered without a balance drawn down from General Reserves there will be additional proposals required to ensure that the reserve are replenished to the agreed policy level.

6.7 Reserves

6.7.1 The Council's Reserves Policy states that the level of reserves should be determined by taking account of the strategic, operational and financial risks facing the authority. Specifically, the Council is required to maintain general reserves sufficient to cover the key financial risks that it faces, as identified in its financial risk register. (See Appendix F).

6.7.2 In determining a prudent level of reserves to maintain, the Chief Financial Officer will take into account a number of factors. These could include:

- The current and future levels of inflation and interest rates,
- Estimates of the level and timing of capital receipts,
- Any risk and inherent service pressures from demography and demand,
- The scale, scope and deliverability of planned efficiency savings, and
- The financial risks inherent in partnership arrangements.

6.7.3 With the organisational changes ahead the Council will aim to review and update the reserves position to take account of future risks and responsibilities.

6.7.4 The current forecast earmarked reserve levels indicate that there will be a total balance carried forward into next year in the region of £32.2m which includes Specific Schools Reserves of £23.9m. Full details are shown within Appendix G (excluding Schools).

6.7.5 The estimated end of year forecast balance of General Reserves continues to remain at £12m which is in line with the agreed level laid down within the Reserves Policy of two to five % of the Net Budget Requirement.

6.8 Business Planning - Key Spending Assumptions

6.8.1 The impact of these pressures over the four years of the MTP in the context of the whole budget are shown in Appendix B and summarised below in Table 2. This clearly demonstrates the areas where the Council is facing the unavoidable spending pressures of £126m over the next four years, which must be met with savings and Council Tax.

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	Total £m
Inflation	7.5	10.1	10.2	10.9	38.7
Other Service Pressures	54.2	12.8	11.7	8.8	87.5
Total 2016-21 MTP	61.7	22.9	21.9	19.7	126.2

Table 2 : Summary of Pressures

6.9 Business Plan Summary for 2017-18

6.9.1 Table 3 below provides an overall summary of the Directorate resource allocations with total growth and savings included. This also presents the commitments to Schools and Council Tax requirement.

Directorate	Base	Service Pressures	Savings	Gross Budget	Income	Net Budget
	£m	£m	£m	£m	£m	£m
People						
Adults Social Care	194.4	33.9	(35.2)	193.1	(49.8)	143.3
Children, Families and Education	143.5	26.0	(18.0)	151.5	(20.5)	131.0
Public Health and Wellbeing	52.6	0.1	(1.8)	50.9	(44.9)	6.0
Total People Services	390.5	60.0	(55.0)	395.5	(115.2)	280.3
Place Services	130.4	1.7	(8.5)	123.6	(41.3)	82.3
NCC Group - CE Services	71.4	(0.0)	(3.4)	68.0	(22.7)	45.3
Total Service Budget	592.3	61.7	(66.9)	587.1	(179.2)	407.9
Dedicated Schools Grant and Schools Grants	196.2	0.0	0.0	196.2	(196.2)	0.0
Overall Total	788.5	61.7	(66.9)	783.3	(375.4)	407.9

Table 3: Directorate Allocations

6.10 Unavoidable Pressures

6.10.1 In addition to reduced Government funding, there are other, local pressures that can arise from changed assumptions in local client service demand, local demographic trends, as well as the identification of new, individual service pressures that need to be factored into the medium term plans. These continue to be reviewed and are detailed within Appendix H (1 – 5).

6.10.2 As part of the review of the MTP, the assumptions behind existing pressures were reviewed and challenged. This includes detailed calculations on demography and client demand pressures, inflationary pressures on contracts and gas, electricity and fuel price pressures.

Key Assumptions on Inflationary and Service Pressures

6.10.3 Inflation adds a huge pressure to the County Council's spending. These assumptions have been, and will continue to be, subject to an in depth review. The current assumptions are as follows:

- Pay inflation – Negotiated locally;
- National Living Wage – based on national figures and third party intelligence through contract negotiations;
- Apprenticeship Levy – estimate based on 0.5% of the total salary budget for NCC funded services;

- Pensions – percentage increases in the employer’s contribution based on triennial valuation of the Pension Fund (2015-16 to 2019-20);
- Contract inflation – based on current analysis of existing contract inflation;
- Utilities inflation – based on prices already negotiated by procurement;
- Private Finance Initiatives (PFI) and Public Private Partnerships (PPP) inflation – based on contract agreements;
- Waste management inflation – based on price per tonne; and
- Other local demand and spending pressures including the impact of demography.

6.10.4 In addition to a review of the assumptions behind spending pressures there were service pressures following the review of budgets that need to be taken account of to ensure that the overall budget correctly matches commitments against it. The major service pressures are shown in Table 4 below.

Services	Pressure	Amount £m
Adults Social Care	Investment required to address the structural budget deficit identified within Adult Social Care following a review of the significant demand pressures experienced within 2016-17. This incorporates a Zero Based Budgeting review applied to existing budgets.	24.3
Children, Families and Education	Investment is required to address the structural budget deficit identified within Children’s Services following a review of the significant demand pressures experienced within 2016-17. This incorporates a Zero Based Budgeting review applied to existing budgets.	23.2
Total Increased Service Pressures		47.5

Table 4 : New Service Pressures 2017-18

- 6.10.5 The pressures in Adults Services relates to the full year impact of the demand experienced in 2016-17 within the independent care provision. Total client numbers have increased marginally, although there has been a shift from residential placements to Community Care, where in 12 months the number of residential placements has reduced from 1,475 at October 2015 to 1,364 in October 2016. Community care packages in the same period have increased from 4,102 to 4,280.
- 6.10.6 The complexity of care packages and increase in provider costs have increased the average weekly cost of a community care package across client groups from £360 to £380 in the last 12 months contributing to the overall demand pressure.
- 6.10.7 Additional pressures have been driven from unplanned liabilities in the 2016-17 Better Care Fund. The 2017-18 budget addresses this alongside providing for the inflationary and demographic trends forecast.
- 6.10.8 Children’s Services have experienced significant, continued increases in demand for social care provision. The total number of looked after children has increased from 827 at the end of March 2014, rising up to 995 to the beginning of April 2016. This is an unprecedented 20% increase in demand over the last two years.

- 6.10.9 Since April 2016, the total number of looked after children has remained consistently high throughout the financial year, averaging at 988. However this number increased significantly throughout October, with the county's looked after children totalling 1,020 at the end of October 2016. This is the first time that this number has exceeded 1,000.
- 6.10.10 There has also been historic and ongoing increases to the cost of children's social care as a result of higher numbers of children subject to child protection plans, complex case loads, recent changes to S20 guidance, less cost effective supply of placements available due to the 46% increase in unaccompanied asylum seeking children aged between 16 and 17, and generally higher framework contract costs, in the main due to the introduction of the living wage.
- 6.10.11 This budget addresses the cost of this significant increase in demographic growth and demand for services, and sets aside resources for the growth anticipated in future years.
- 6.11 **Savings**
- 6.11.1 Next year presents significant challenges when reviewing and developing a four year Medium Term Plan which not only needs to respond to an ever changing environment and economy but also faces the impact of Government changes and priorities. Whilst the Council has successfully delivered previous savings through efficiencies and innovation, a more collaborative approach to deliver services, provide value for money and reduce cost for the people of Northamptonshire is the way forward.
- 6.11.2 The executive summaries at Appendix H (1-5) provide a service perspective on the overall proposed options put forward for consultation, illustrating how they will deliver the Council's priorities and outcomes within the resources available.
- 6.11.3 A large proportion of the £148m that will need to be saved or offset by additional income between 2017-18 and 2020-21 will be delivered by services continually reviewing and redesigning how they operate within the new federated model. However, the significant challenge that the Council is faced with in 2017-18 will result in some radical service transformation and re-prioritisation of how the Council needs to meet its statutory obligations.
- 6.11.4 The Table below summarises the total savings scoped within the Business Plans for 2017-18. Savings proposals are provided in detail within Appendices H(1-5). Savings targets for the future years are set out in Table 1 in section 6.1.2.

	2017-18 £m
People - Adults Social Care	(35.2)
People - Children, Families and Education	(18.0)
People - Public Health and Wellbeing	(1.8)
Place Services	(8.5)
Service MTP Savings	(63.5)
Chief Executive Services	(2.3)
Corporate Functions	(0.6)
LGSS Managed	0.0
LGSS operational	(0.5)
Total NCC Group	(3.4)
Total 2016-21 MTP Savings	(66.9)

Table 5 : Summary of Savings

- 6.11.5 Through the continuing work on delivering the Next Generation Council (NGC) and finessing the details of our proposition, we have been moving closer to our strategic model for sustainable local government in Northamptonshire. In April 2016, our new social enterprise First for Wellbeing was officially launched in Northamptonshire as a Community Interest Company (CIC) founded by NCC, Northamptonshire Healthcare NHS Foundation Trust (NHFT) and the University of Northampton. This is the first of the delivery vehicles which will support the creation of the NGC and is designed to deliver integrated wellbeing services to help people live a happy and healthy life, focusing on prevention services.
- 6.11.6 Throughout 2016, work has been carried out to scope the work required to transfer the Adult Social Care Services and Children, Families and Education directorates into delivery vehicles wholly owned by NCC but with the ability to trade and attract additional funding. Preliminary business cases have been approved by Cabinet and work continues at pace to ensure arrangements are in place for a smooth transition. Throughout the year, these service areas have operated in shadow form, under the strategic commissioner arrangements at the heart of the NGC model, and will continue to do so until fully transferred into the new entities. These are on target to be implemented before the end of the financial year enabling any impact of service redesign to be included within the Business Plans for 2017-18 and provide the necessary reassurance on savings delivery over the medium term.
- 6.11.7 In addition, plans continue to be developed to improve customer care pathways and create synergies through integration and joint working with Health and district and borough councils.
- 6.12 **Summary Medium Term Plan**
- 6.12.1 Appendix B sets out the four year expenditure forecasts together with the total funding due for the period 2017-18 to 2020-21, and is summarised in the Table below.

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Net Expenditure MTP base budget	416.5	408.0	412.3	422.2
Service Pressures and Investments	61.7	22.9	21.9	19.7
Savings Proposals	(66.9)	(32.6)	(27.9)	(20.3)
Revised Movement in Capitalisation 2017-18	(4.0)	14.0	2.0	0.0
Movement in Budget Smoothing/Reserves	0.7	0.0	13.9	0.0
Revised Net Service Expenditure	408.0	412.3	422.2	421.6
To Be Met By				
Other Central Grants and Contributions	(11.3)	(11.9)	(18.4)	(16.9)
Government Base Funding (SFA)	(122.7)	(112.7)	(102.5)	(94.4)
Council Tax and Collection Fund	(274.0)	(287.7)	(301.3)	(310.3)
Balance	0.0	0.0	0.0	0.0

Table 6 : Total Revenue Expenditure and Funding 2017-18 to 2020-21

6.12.2 The funding of the Net Expenditure position above is based on the four year multi settlement offer, the latest information on other Government Funding and assumed levels of Council Tax and Council Tax base.

6.12.3 Whilst the Government has provided some reassurance in the Autumn Statement with keeping spending plans almost entirely unchanged, the actual settlement figures have yet to be announced. This means that the numbers set out in within this report and appendices only reflect the latest known information, and will be subject to change.

7. Capital Strategy 2017-18 to 2021-22

7.1.1 The Council's Draft Capital Strategy sets out the framework and strategy to be adopted over the plan period following consultation with elected Members and stakeholders. Through this consultation process three key objectives (Golden Rules) have been articulated:

- The Council's annual discretionary capital financing costs should not rise above the self- imposed ceiling of 9% of its annual net revenue budget over the plan period and any future plan periods.
- All net capital receipts will be allocated 50% to repay Council borrowing and 50% for re-investment in funding of the Council's Capital Programme.
- Innovative capital funding will be released to support the growth of the local economy through investment in infrastructure that will pump-prime economic growth for the benefit of Northamptonshire. Innovative investment will be subject to strict investment criteria and robust business cases. Invest to Save funding is unlimited but is subject to strict investment criteria and robust business cases which clearly evidence revenue savings to the Council.

7.1.2 As a result of the adoption of the capitalisation flexibilities to support the revenue budget in relation to transformation costs as outlined in sections 4.4 and 4.5 the Golden Rule relating to use of capital receipts will continue to be subject to potential revision. This is a continuation of the plan from 2016-17 and additional financing costs will be incurred as a result. The strategy will be to bring the Council back inside the Golden Rules in the next MTP period from 2020-21.

7.1.3 These Golden Rules have underpinned the approach resulting in a Capital Programme covering the plan period which can announce the following:

- Capital Programme forecast of £659m (Committed Capital Programme plus Development Pool) over the five year plan period;
- A Development Pool totalling £532m and the prioritisation of 47 key schemes against the associated funding streams making up the Pool;
- Discretionary Funding Pot totalling £39.5m over the plan period including the announcement of £24.5m of new discretionary funding;
- Forecasted capital receipts of £33.9m over the plan period supporting the levels of capital investment able to be announced;
- 60 schemes/priorities achieving programme entry into the Council's Pre-Qualification Group which the Council will consider for future capital investment.

7.1.4 The Councils Draft Capital Strategy 2017-18 to 2021-22 setting out the background, framework, funding and full details of the priority schemes can be found in Appendix I.

7.1.5 Schemes prioritised within the Development Pool and considered within the Councils Treasury projections in relation to Prudential Borrowing requirements over and above the current Capital Programme are identified in the Table below. These total the £39.5m referred to in 7.1.3.

Discretionary Funding Pot	Budget 2017-18 to 2021-22 B/F £m	Prioritised Balance 2017-18 £m	Prioritised Balance 2018-19 £m	Prioritised Balance 2019-20 to 2020-2021 £m	New Discretionary for Approval 2021-2022 £m	Total Discretionary Funding 2017-18 to 2021-22 £m
Property Minor Works	4.0	1.0	1.0	2.0	1.0	5.0
Highway Management	6.2	0.0	0.0	6.1	2.5	8.7
IT Infrastructure	3.2	0.7	0.6	1.9	2.0	5.2
A361 Chipping Warden Relief Road	1.0	1.0	0.0	0.0	0.0	1.0
Daventry Library Fit Out	0.6	0.4	0.2	0.0	0.0	0.6
A14 Cambridge to Huntingdon Improvement Scheme	0.1	0.0	0.0	0.1	0.1	0.2
Total b/fwd	15.1	3.1	1.8	10.1	5.6	20.7
Highway Asset Maintenance Strategy (capitalisation) (NEW)	0.0	2.0	2.0	4.0	2.0	10.0
Fire Appliance Replacement Programme (NEW)	0.0	1.1	1.3	3.0	2.0	7.4
Equipment (Fire & Rescue) (NEW)	0.0	0.3	0.3	0.6	0.3	1.4
Total Funding Balance	15.1	6.5	5.4	17.7	9.9	39.5

Table 7 : Discretionary funding 2017-18 – 2021-2022

8. Asset Utilisation Strategy

- 8.1 The Asset Utilisation Strategy is an over-arching document which sets out the Council's approach to the utilisation and rationalisation of its property portfolio, outlining current issues and challenges and the steps being taken to achieve the required outcomes. The Strategy is currently under review and will be brought forward for approval with the final budget papers for Cabinet in February. In the meantime, the current 2016-17 document is attached at Appendix J for information.

9. Treasury Management

- 9.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 9.2 The Act requires that the Council sets out its Treasury Management Strategy Statement (TMSS) for borrowing, and prepares an Annual Investment Strategy. The Treasury Management Strategy at Appendix K, details the underlying policy that will govern the annual strategy statements.
- 9.3 The refreshed TMSS continues to comply with the CIPFA Code of Practice (revised 2012) and has been updated to reflect the current financial environment.
- 9.4 An increasing Capital Financing Requirement (CFR) coupled with falling reserves and balances mean that the Council's underlying need to borrow is increasing. The Council has now maximised its internal borrowing position to optimise the treasury position, reduce credit risk associated with investing and generate revenue savings. Therefore new loans, which have been budgeted for, will be required to maintain sufficient operational cash resources. Sources of finance include short term loans (out to 5 years) from other local authorities, the PWLB and the Municipal Bonds Agency. The Section 151 Officer and LGSS Treasury Team will monitor the Council's balance sheet health alongside forecasts for interest rates and deploy an appropriate borrowing strategy, minimising short to medium term costs.
- 9.5 The Minimum Revenue Provision policy, set out within Appendix K-4 of the Treasury Management Strategy Statement sets out the policy for the forthcoming year.

10. Consultation and Scrutiny

- 10.1 In order to fulfil the requirements of Part 4 (C) Budget and Policy Framework Procedure Rules, a six week period of consultation on the Draft Budget and Council Plan 2017-18 will begin on Tuesday 13th December 2016 and conclude on Tuesday 24th January 2017.
- 10.2 The structure and design of the consultation will be broadly consistent with the Draft Budget and Council Plan Consultation which was carried out last year.

- 10.3 To ensure the widest possible reach, a variety of consultation methods will be used to maximise the range of accessible channels for consultees:
- An interactive and accessible website – available free at libraries for those without internet access.
 - Online survey – available free at libraries for those without internet access
 - A bespoke email address
 - Social media - including Facebook, Twitter and LinkedIn
 - Postal address
 - E-petitions/petitions
 - Formal correspondence from the Leader of the Council and Chief Executive will be sent to the following key stakeholders, inviting them to comment through the above consultation channels and asking them to promote the consultation to their members/community: Partner organisations, MPs, MEPs, Town and Parish Councils, Residents Associations, Voluntary Sector Infrastructure Organisations, Voluntary sector organisations representing groups with protected characteristics, Chamber of Commerce and Federation of Small Businesses.
 - A toolkit has been developed to enable user groups/forums such the Children & Young People's Partnership Shadow Board, Children in Care Forum, Older Peoples Forum, Learning Disabilities Partnership, to hold their own discussions. This will allow debates to be tailored to individual group needs.
- 10.4 A Budget Scrutiny process will also run simultaneously with the consultation process outlined here. Scrutiny is a means for councillors not in the Cabinet to investigate local issues, influence the development of policies and services, and hold decision-makers to account. Budget Scrutiny involves councillors reviewing significant proposals from across the Draft Budget and reporting their conclusions about the deliverability of these proposals to the Cabinet. In this way Budget Scrutiny assists in the development of the final Budget proposals and supports local democracy.
- 10.5 Members of the public and representatives of community groups can contribute to Budget Scrutiny by giving councillors their views about which proposals they should scrutinise and about how particular budget proposals may affect services. There will be opportunities to do so, as part of meetings of the Council's Budget Scrutiny Working Group, at the following times:
- Monday 19th December at 12.15pm – This meeting will be used by councillors to select budget proposals for more detailed scrutiny in January.
 - Tuesday 3rd January at 12.00pm – This meeting will focus on the outcomes that the Council is seeking to achieve in relation to the environment, planning and transport and how it uses its assets and capital budget.
 - Wednesday 4th January at 4.00pm – This meeting will focus on matters relating to the delivery of children, families and education services.
 - Thursday 5th January at 12.00pm – This meeting will focus on matters relating to the delivery of adult social care services.

- Friday 6th January at 12.00pm – This meeting will focus on the outcomes that the Council is seeking to achieve in relation to adults' and children's health and wellbeing.

11. Equality Screening

- 11.1 Before taking decisions on the budget overall, and on savings proposals in particular, it is important that Members are fully aware of the potential implications of the proposals on people with protected characteristics, in order to comply with the general equality duty.
- 11.2 Equality Impact Assessments (EqIAs) have been prepared for all savings proposals that may or will have an impact on service users and residents. These are available in draft form by following the link below. Hard copies will also be available to Members prior to this Cabinet meeting. The detail contained in the EqIAs will assist in the decision-making process by allowing Members to have due regard to the three aims of the Equality Duty when considering the budget proposals by understanding their impact on people with protected characteristics. Where an EqIA is not required, this is explained in an overarching summary.
- www.northamptonshire.gov.uk/eqias
- 11.3 Further work undertaken during the consultation period (including findings from the consultation) will be used to inform the final EqIAs which will be considered as part of the final decision-making process on the budget in February.

12. Chief Financial Officer Considerations

- 12.1 Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer (CFO) must make a statement with regard to the robustness of the budget estimates and the adequacy of the level of reserves, when the Final Budget is presented to Full Council in February 2017.
- 12.2 In advance of this, there are a number of issues that the CFO needs to consider alongside this requirement, such as:
- 12.3 The magnitude of savings to be found, and the ability to deliver such large savings in a single year when the budget contains a significant amount of fixed costs over the short term.
- The level of risk the MTP carries as a result of the risk assessed levels of demand and demography.
 - The successful engagement of members, senior officers and their teams in developing and establishing the four year position to smooth the MTP savings plans, aligning them with the available resources and using borrowing from reserves where appropriate to deliver this.
 - The continued uncertainty changes to Government funding calculations, through Local Government Resources Review (LGRR) through other partners such as the NHS.
 - The risk of external challenge where appropriate consultation is not undertaken in a timely and targeted manner.

- 12.4 The CFO needs to consider the targeted and balanced use of reserves and one-off funding and potential base budget contingency allocations, to ensure that pressures can be mitigated and rephased over future years, where it is prudent to do so, where resources allow it and where robust plans exist over the medium term to balance the budget as a whole.
- 12.5 Where budget proposals are unable to be delivered, or new base budget pressures appear, such as greater demography growth than planned for, it is more prudent to ensure that some base budget provision is made in the medium term to ensure the budget is sustainable.
- 12.6 Given the above factors, and recognising the need to be able to both build a robust and deliverable budget and deliver the necessary savings in an effective and coherent manner, NCC must take steps to ensure full and proper challenge and consultation is undertaken on the figures presented in this report, prior to approval by Full Council on 23rd February 2017. £66.9m is a significant level of savings to deliver in a single year and action plans are being developed, to be reviewed over the coming months, to ensure that these will be in place to be implemented ahead of the new financial year.

13. Alternative Options considered

- 13.1 The acceptance of this report by Cabinet for submission to Full Council is a required step in the final approval of the 2017-18 budget and framework documents. In developing individual budget proposals, the Cabinet and senior officers will have considered alternative options through a series of scheduled meetings throughout the budget planning and setting process.

14. Financial Implications

- 14.1 The financial implications of the Council's draft plans are set out in detail in the appendices of this report.

15. Risk and Business Continuity Management

- 15.1 The robustness of the proposed estimates and the adequacy of the proposed reserves must be addressed in the formal report to be made in February 2017 to both the Cabinet and the Council by the Chief Financial Officer (Section 151 Officer). This report is required under Section 25 of the Local Government Act 2003 prior to the Council agreeing its 2017-18 budget.
- 15.2 The task of planning how the Council spends its financial resources, in an ever increasing challenging financial climate, inevitably results in higher budget delivery risks. The Cabinet must have regard to the Council's risk profile as set out in the risk registers, ensuring that budgets and the Council's financial reserves are sufficient to mitigate risks to acceptable levels. The Cabinet should also be satisfied that all budget proposals are sufficiently robust and deliverable.

a) Risk/s associated with the proposal

Risk	Mitigation	Residual Risk
The Council is unable to deliver a balanced Budget for each year of the Medium Term Financial Plan: Proposals identified for 2017-18 will not be fully deliverable within the timeline available	Robust financial management processes to review and fully develop the following years Budget proposals with action plans in place for regular monitoring via the Budget Tracker.	Amber
Deliverability of savings proposals to address any estimated funding shortfall within the Medium Term Financial Plan	Robust Budget Setting and Planning processes in place to Provide Officers with the necessary support in the development of strategic ideas which are linked to the Council Plan.	Amber

b) Risk/s associated with not undertaking the proposal

Risk	Mitigation	Residual Risk
The Council will not be in position to manage the impact of reduced funding and increased demand on services	Regular review of the funding and pressures through financial monitoring and forecasting to provide intelligence within the planning process.	Amber

16. List of Appendices

- Appendix A* – *The Council Plan*
- Appendix B* – *Budget Summary*
- Appendix C* – *Dedicated Schools Grant*
- Appendix D* – *Fees and Charges Policy*
- Appendix E* – *Fees and Charges Summary*
- Appendix F* – *Reserves Policy*
- Appendix G* – *Reserves Summary*
- Appendix H(1-5)* – *Directorates Executive Summary Business Plans*
- Appendix I* – *Capital Strategy*
- Appendix J* – *Asset Utilisation Strategy – 2016-17*
- Appendix K* – *Treasury Strategy*

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Background Papers:	Various guidance, technical papers, models from Society of County Treasurers, DCLG and Local Government Association
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so, please outline the timetable here	Yes Final Budget February 2017
Does the report include delegated decisions? If so, please outline the timetable here	N/A
Is this report proposing an amendment to the budget and/or policy framework?	YES
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: All YES
Has the report been cleared by the relevant Director?	YES Name of Director: Damon Lawrenson
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Robin Brown
Has the relevant scrutiny committee been consulted?	Scheduled Scrutiny Committee: Finance & Resources
Has the report been cleared by Legal Services?	YES Name of solicitor: Laurie Gould
	Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property issues been cleared by Property and Asset Management?	N/A Name of officer:
Are there any community safety implications?	No
Are there any environmental implications:	No
Are there any Health & Safety Implications:	No
Are there any Human Resources Implications:	YES
Are there any human rights implications:	No
Constituency Interest:	All