



CABINET

11 DECEMBER 2018

EXECUTIVE DIRECTOR OF FINANCE: IAN DUNCAN

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE: COUNCILLOR
MALCOLM LONGLEY**

Subject:	Draft Budget 2019-20 and Medium Term Plan to 2022-23
Recommendations:	<p>That Cabinet:</p> <ul style="list-style-type: none">a) approves the 2019-20 Draft Budget, for the purposes of consultation, which includes:<ul style="list-style-type: none">i. an estimated net revenue budget of £411.08mii. a Band D Council Tax of £1,212.55, and an increase of 2.99% from 2018-19.iii. savings proposals as set out in Appendix E.iv. fees and charges at Appendix C and detailed schedule at Appendix Dv. the planned utilisation of the Dedicated Schools Grant (DSG) for 2019-20 pending the final DSG settlementb) notes the forecast medium term financial position 2019-20 to 2022-23 at Appendix Ac) notes the Fees and Charges Policy Appendix B

1. Purpose of report

- 1.1 This report sets out the 2019-20 Draft Budget and associated Medium Term Plan (MTP) for Northamptonshire County Council (NCC). The Draft Budget and MTP are based on the latest information currently available. It is a starting point for the budget consultation process leading to approval by Full Council on 21st February 2019. The Full Council meeting will also consider the associated Council Tax level and precept for 2019-20.
- 1.2 In accordance with the Council's Constitution, Cabinet will debate the Draft Budget proposals for review by the Overview and Scrutiny Committee and the general public during the 6 week consultation period. After considering the outcomes of both the Overview and Scrutiny review and the feedback received from local partners and the general public, Cabinet will recommend the proposals in the Final Budget and the Council Tax precept for 2019-20 to the Full Council meeting on 21st February 2019.

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 the county's communities and safeguarding the county's communities.

This initiative helps the Council to deliver this vision through the following strategic priorities outlined in the Council Plan:

- All children and young people are safeguarded and vulnerable children are protected from harm.
- Northamptonshire communities and individuals are safe.
- Reducing health inequalities amongst the county's communities.
- Tackling the top 10 health risks in partnership with citizens and health and social care colleagues.
- Narrowing the gap in achievement for vulnerable children and young people.
- Improving education progress attainment and skills at all key stages and throughout adulthood.
- Keeping communities and individuals safe and supported to be healthy and stay independent.
- Effective commissioning to ensure good care at the right time for the best price, which supports people in achieving their outcomes.
- Improving infrastructure and place-shaping to enable communities and businesses to thrive and grow sustainably, and generating prosperity.
- Maximising the use and value of our assets to support safe and efficient service delivery.

3. Executive Summary

- 3.1 This is a draft budget which builds on the work underway to stabilise the Council and the work to strengthen the governance of complex programmes of work.
- 3.2 It lays the foundations for the transformation of services so they are sustainable into the future as the Council prepares for the potential local government re-organisation within Northamptonshire.
- 3.3 This Budget optimises the use of our assets so they have a positive impact on costs and help to address the pressures we face in social care markets.
- 3.4 The key themes underpinning the development of the 2019-20 draft Budget are as follows:
- We are maximising the use of our assets in the county so we are less reliant on market forces within adult social care, can repatriate children in care to local settings wherever it's safe to do so, and are able to rethink delivery models of community assets.
 - Working effectively with our local partners including the Health Service and Borough and Districts Councils to make the most of the public pound in Northamptonshire.

- Focusing on what is important to our communities and enabling them to support each other.
- Ensuring our most vulnerable residents are kept safe.

3.5 The 2019-20 draft Budget delivers these outcomes in a financially sustainable manner.

4. Background and context

4.1 The County Council finds itself in an unprecedented financial position which has been well documented and has brought considerable attention both inside and outside the Council. The scale of the challenge faced by the County Council is set out in the table below.

The scale of the challenge: October 2018

Year	£m
2017-18 – Deficit Brought forward (un-audited)	35.2
2018-19 (assuming that £24.2m of the £35.4m of the budgeted savings in the February budget are achieved in year)	30.2
2019-20	59.9
Total	125.4

4.2 Addressing the gaps:

- 2018-19 - £30.2m less period 5 variations of (£10.1m) less variations of (£0.1m) less Northamptonshire Leadership Team budget challenge proposals of (£1.8m) = Stabilisation Plan target of £18.2m.
- 2019-20 - £59.9m: to be managed as outlined in this report.

4.3 It should be noted that the accounts for 2017-18 are still being reviewed by external auditors, and as such are subject to change.

4.4 The Council is actively managing shortfalls in three financial years. Ordinarily the Council's focus at this time of year would simply be on next year's Budget. Northamptonshire has to grapple with an unprecedented deficit from 2017-18 of £35.3m, delivering savings of £54.3m during 2018-19 (comprising delivered base budgeted savings of £24.1m and a gap of £30.2m) and a financial gap of £59.9m projected for 2019-20.

5. The Council's response to its financial challenge

5.1 The Council now has a new Cabinet and a highly experienced new Chief Executive leading a strengthened Management Team and is addressing the financial and service delivery challenges. This Budget process will be characterised by open and transparent consultation involving partners in the public, private and voluntary sectors, and local people.

- 5.2 In August 2018 the Council approved an Action Plan which describes the priorities for service delivery. The priority service areas have informed the development of the growth and savings proposals for 2019-20.
- 5.3 Spending controls have been significantly strengthened. A panel, supported by Finance, has been established for overseeing expenditure on placements for children. A similar panel is in place for adult services. All expenditure over £500 requires a business case and panel approval (with oversight from Directors and Internal Audit).
- 5.4 An informal Strategic Co-ordination Group led by Commissioners meets every week to monitor progress, discuss emerging issues and tackle them. This group includes the Leader, the Finance Portfolio Holder, the Chief Executive and the Executive Director of Finance. There is a particular focus on meeting the financial challenge.
- 5.5 A Transformation Task Force is focussed on identifying and delivering savings. A multi-disciplinary team with finance, procurement and service expertise, endorsed by Commissioners, led the development of the Stabilisation Plan, approved by Cabinet on 9th October 2018.
- 5.6 A new Director of Transformation started 15th October 2018, to oversee transformation. A Transformation Strategy was approved by Cabinet on 13th November 2018. Directors continue to develop business plans for the delivery of service improvement and savings proposals supported by the Council's Business Intelligence & Performance Management and Finance teams.
- 5.7 The Council's Executive Team is pulling together. In a short space of time progress is being made. For example:
- New strategies for service delivery are being created which will keep libraries open, involve the community and make savings
 - 'Silo working' between individual service areas has reduced
 - Children's Services are creating a new target operating model which will lead the Multi Agency Safeguarding Hub (MASH) returning to Angel Square and more efficient use of resources, empowerment of the workforce and financial savings
 - The Council is working with Health to implement the Intermediate Care Strategy and to actively manage adult social care costs
 - Shaw Healthcare and KierWSP are being challenged to deliver better value for money
 - Amey/Amber are being challenged to deliver savings on the existing Schools PFI
 - Contractual inflation payments are being constrained
 - The Chief Executive is discussing changes to services and other ideas for collaboration with District and Borough partners

- The Council is working with District and Boroughs on Council Tax measures
- Public Health is engaging with the health service, working together to improve the health of adults, and children in their early years
- The Council is engaging more with partners to ensure that its collective approach has a clear focus on prevention measures so as to reduce current and future demand for services

6. Outcome of capitalisation request

- 6.1 Within the Stabilisation Plan, Commissioners set out their intention to apply for a Capital Dispensation in respect of the unfunded deficit that existed at 31st March 2018. The effect of such a dispensation is to permit revenue expenditure to be treated as capital expenditure, thereby permitting capital receipts to be used as the financing source for such expenditure.
- 6.2 Given the extent of the Council's financial predicament, the Commissioners in fact made an application for a larger sum to assist with in-year challenges and to restore a modest sum to re-establish its reserves.
- 6.3 On 28 November 2018 the Council was informed that the application had been approved in full and a formal direction issued. The components of the approval are to assist with:
- Recovery of the 2017-18 deficit (currently assumed to be £35.4m, subject to audit);
 - Creation of an unallocated revenue reserve of £20m;
 - The management of risk associated with the delivery of the current year Stabilisation Plan
- 6.4 The maximum dispensation is for £70m. A copy of the direction is attached at Appendix F.
- 6.5 This approval is very much welcomed and represents a major step forward in bringing stability to our finances. However, it is important to note:
- The £20m unallocated reserve (known at NCC as the General Balance) cannot be used in substitution of savings i.e. we must identify savings to bridge our resource gap and deliver those plans in full in 2019-20;
 - That the dispensation would not have been awarded if the Secretary of State did not have confidence in our ability to recover our financial position on a sustainable basis. We must deliver to substantiate that confidence;
 - This is a one-off injection to our revenue position that must not be wasted;
 - It is the use of Northamptonshire's own money to balance our budgets.

7. Current year update

7.1 2018-19 financial position as at period 7

- 7.2 The Cabinet receives monthly monitoring updates on its revenue budget showing variations on income and expenditure. The progress on delivering savings is carefully monitored. The most recent revenue report, as at 31st October 2018 (Period 7), provides an overall forecast outturn of £457.9m, compared to available resources of £442.3m, a net pressure of £15.6m. This is an improvement of £14.5m since the s114 notice in August 2018 and shows progress towards balancing the in-year position.
- 7.3 The Stabilisation Plan, approved by Cabinet on 9th October 2018 as a means of closing the financial gap, sets out savings proposals of £18.2m. In addition, further savings of £1.7m have also been identified. So far, after one month, £4.6m of these proposals have been delivered.
- 7.4 These savings are being actively pursued through the Transformation Task Force which meets weekly. Business plans have been developed to steer the implementation of the savings. Clear plans are in place and staff at all levels are working hard to deliver them. The Council's Leadership Team of Cabinet and the senior executive team are working together and driving progress.
- 7.5 The draft 2019-20 Budget assumes that the proposals in the Stabilisation Plan will be fully delivered in 2018-19 and that mitigations will be found for any unachievable proposals. The Council is working towards a balanced outturn for 2018-19.

8. Draft 2019-20 Budget

- 8.1 A report was considered by Cabinet in October setting out the latest financial forecast. The report included an updated assessment of the savings required for the following financial year. It also provided an update on the assumptions which underpin the MTP such as inflation, demography and demand pressures. The October report identified a financial gap of £59.9m in further savings.
- 8.2 This Budget Report for 2019-20 updates this financial position and includes savings measures for the purpose of consultation. Final decisions will be taken in February 2019. Since the October paper further work has been undertaken to validate the Council's financial position, and review the assumptions in the MTP.
- 8.3 Funding assumptions have been updated to include latest information, including the implications of the latest announcements from the Government in the Autumn Budget 2018. These are set out later in this report.
- 8.4 The key financial assumptions for the medium term have been refreshed. This report updates the financial performance against the existing budget, updates inflation indices, reviews the latest economic data, and reviews demand and demographic assumptions based upon latest trend information.

8.5 Additional savings proposals have been identified that can address the Council's budget gap, along with those already identified through the published Stabilisation Plan. Details of these savings proposals are summarised later in this report, and set out in full in Appendix E.

9. 2019-20 funding

(a) Government funding – 4 year settlement

9.1 Along with 97% of all local authorities in England, the Council accepted the Government's fixed four year settlement offer for 2016-17 to 2019-20. Whilst this resulted in considerable real terms reductions in funding, it did provide greater certainty and should have allowed the Council sufficient time to plan its service provision within the known resource envelope.

9.2 The four year offer as at the 2016-17 settlement was as follows

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
Settlement Funding Assessment	140.08	121.39	110.90	101.21
of which:				
Revenue Support Grant	55.87	35.52	22.49	9.98
Baseline Funding Level	84.21	85.87	88.40	91.23

Table: Four year offer from Local Government Finance Settlement 2016-17.

(b) Government funding - other

9.3 During the past three years the government has made announcements on other grants outside of the fixed 4 year settlement, both increasing and decreasing. The table shows the main grants included in other government funding for 2018-19 and the planning assumption for 2019-20:

Grant	2018-19 £m	2019-20 £m	Change £m	Notes
Dedicated School Grant	585.0	589.0	4.0	Based on provisional 2019-20 data.
Public Health Grant	34.8	33.9	(0.9)	Based on provisional estimate for 2019-20
Better Care Fund	15.3	18.2	2.9	Based on Local Government Financial Settlement data
Adult Social Care Funding	13.1	22.0	8.8	Increase includes new funding of £7.2m announced in Autumn Statement 2019
Pupil Premium Grant	11.3	11.3	0.0	
Revenue Support Grant	22.5	7.8	(14.7)	Based on Local Government Financial Settlement data, including an adjustment for the transfer of the Fire Service.
Unaccompanied Asylum Seeker Grant	2.9	2.9	0.0	
Troubled Families Grant	1.8	1.8	0.0	
Adult Learning Grant	2.8	2.2	(0.6)	
PFI Funding	6.5	6.5	0.0	
Schools PFI	11.5	11.5	0.0	
New Homes Bonus	3.9	3.9	0.0	
Business Rates S31	3.6	4.1	0.5	Based on latest intelligence and estimated data.
Other Grants	14.3	11.3	(3.0)	£1.7m reduction due to removal of Adults Social Care funding which was a one-off in 18-19. Other grant movements are individually immaterial.
Total Grant Income	729.2	726.2	(3.0)	

Table: Grant income forecasts 2019-20, compared with 2018-19.

Note: The difference between the 19-20 Revenue Support Grant figure shown in the table above, and the figure in the table at paragraph 9.2 is due to the transfer of the Fire Service.

9.4 Chancellor's budget announcement

9.5 On 29th October 2018 the Chancellor of the Exchequer delivered the Autumn Budget 2018.

9.6 The specific announcements that affect the funding of the Council are outlined below.

- An additional £650m grant funding will be released towards Social Care in 2019-20, improving the total additional grants allocated to adult social care nationally in 2019-20 by 31.7% (£1.9bn in 2018-19 compare to

£2.5bn in 2019-20). This is split into £240m and £410m, for preventing bed-blocking crisis and alleviating pressures within Adult and Children's Social Care respectively. NCC's allocation of this funding is £2.7m in 2018-19. The 2019-20 allocation is estimated to be £7.2m. The Council welcomes this additional grant funding.

- There is also an allocation of £84m over five years to help more children to stay at home safely with their families. This is expected to form an 'innovation fund' for Councils to submit bids for funding. It is not yet known whether NCC will receive an element of this funding.

9.7 The National Living wage will rise by 4.9% from April 2019, increasing from £7.83 to £8.21 per hour, while the National Minimum Wage average rate for all age groups will rise by 4.4%.

9.8 It should be noted that the provisional local government finance settlement is expected to be announced on 6th December 2018 and therefore the figures set out in this report and appendices reflect funding estimates based upon the previous year's financial settlement so inevitably there will be some change. The outcome of the local government finance settlement will be incorporated into the final budget report to be presented to Full Council on 21st February 2019.

(c) Business Rates

9.9 The Council is a member of the Northamptonshire Business Rates Pool, which includes all Northamptonshire District and Borough Councils with the exception of Northampton Borough Council. The total budgeted business rates income for Northamptonshire as a whole (including Northampton Borough Council) in 2018-19 totals £292m. Of this income 50% is classed as Central Government share and 50% is retained locally, of which the Council receives 20%.

9.10 The pooling agreement includes the payment of a pooling 'dividend' based on forecast business rates income growth. The pool dividend is defined as additional money the pool will receive over and above what each Council member would have received if there was no pool. The pooling dividend is allocated proportionately in line with business rates growth and based on an 80:20 split between District Councils and the County Council, and is estimated to be worth £1.6m to NCC in 2019-20.

9.11 Northamptonshire has submitted a bid to become a pilot area for 75% Business Rates Retention in 2019-20. This pilot bid for £17m is currently with the government for consideration and the successful bids are expected to be confirmed alongside the provisional local government finance settlement. The draft MTP presented in this report makes no assumptions regarding the pilot bid, and were Northamptonshire to be successful, the effect of the 75% retention will be incorporated into the MTP for the final 2019-20 budget in February 2019.

(d) Council Tax

9.12 Council Tax represents the largest source of funding for general fund services. There are a number of important assumptions that have been made in compiling this draft budget:

- The referendum threshold for council tax increases will remain at 2.99%. It should be noted that an additional 1% increase in Council Tax would generate an estimated £2.9m in additional funding for the Council.
- No increase to the Adult Social Care precept is assumed for 2019-20.
- A growth in taxbase assumption of 2.25% per annum. The estimated tax base also includes an assumption for delivery of increased tax base benefits generated through the continuation of the Stabilisation Plan initiatives into 2019-20.
- The Council is working with Districts and Borough Councils to review the current taxbase information, refresh assumptions and work together to implement schemes that will improve this process and increase the forecast taxbase. These schemes include the planned implementation of a review of the Single Person Discount scheme. The measures are estimated to increase the taxbase and generate additional income of £3m. Also the continuation of the review of reserves and bad debt provisions carries into 2019-20. There is a level of risk associated with the full delivery of these proposal, and final tax base is subject to confirmation from the District and Borough Councils.
- The plans assume there will be an estimated surplus on the individual collection funds of individual districts and boroughs at 31 March 2020 worth a total of £4.6m to the County Council.

9.13 The budgeted Council Tax income for 2019-20 totals £304.62m, this includes both Council Tax precept of £300m and Collection Fund income of £4.6m. The Band D Council Tax, currently estimated to be £1,212.55, will be finalised and confirmed within the Final Budget report in February 2019.

(e) Transfer of Northamptonshire Fire and Rescue Service (NFRS) to the Office of the Police and Crime Commissioner (OPCC)

9.14 The governance of Northamptonshire Fire and Rescue Service will be transferring to the Office of the Police and Crime Commissioner (OPCC) with effect from 1st January 2019. The Council's medium term financial plan has been adjusted to account for this transfer of service with the following key assumptions;

- The business rate income assumptions are based on the 2018-19 Local Government Settlement data, with 1% allocation to Fire Service.
- A proportion of the section 31 grant relating to business rates has been allocated to the Fire Service.

- The Council's 2019-20 Council Tax rate is based on separation of the 2018-19 Band D rate of £1,236.35, with £59.00 of this rate allocated to Fire Service, this ensures overall that there is no additional cost from the transfer to the Council Taxpayer.
- The Council has removed budget of £22.6m from the 2019-20 draft budget relating to the Fire Service operational budget, support service costs and other overhead costs (as per appendix A). The gross budget and funding removed from the MTP in respect of the Fire transfer are set out in the following table:

Budget transfer to the Fire Service as part of the OPCC	2019-20 £m
Gross Expenditure	
Fire Service Budget	22.6
Grants	
Central Government Grants	(0.4)
Government Funding	
Government Baseline Funding and Business Rates Retention	
Top-up	(2.8)
Revenue Support Grant	(2.2)
Business Rates Baseline	(2.5)
Business Rates Growth	(0.4)
Council tax to be collected	(14.7)
Council Tax Collection Fund.	(0.1)
Total, based on 2018-19 approved budget data	(0.54)

(f) Fees and charges income

- 9.15 Annually, as part of the budget setting process, the fees and charges are reviewed with any increases forming part of the annual consultation process in line with the existing policy as shown within Appendix B.
- 9.16 A summary of the main changes to fees and charges from the prior year is provided within Appendix C and a detailed schedule reflecting all of the draft fees and charges is contained within Appendix D.

(g) Funding - Summary

- 9.17 The following table shows the Council's income and funding for 2019-20, compared to 2018-19. Note this excludes Dedicated Schools Grant, which is covered in section 9.18.

	2018-19 £m	2019-20 £m	Change £m
Income:			
Service Specific Grants	64.7	63.7	(1.0)
Specific Adult Social Care Funding	28.4	33.0	4.6
Other Government Grants	21.1	24.9	3.8
Fees & Charges (Note 1)	24.7	30.3	5.6
Assessed Client Contributions	33.7	33.4	(0.3)
Other Income	10.5	10.4	(0.1)
Budgeted flexible use of capital receipts / use of reserves	31.7	0.0	(31.7)
	214.8	195.7	(19.1)
Funding:			
Council Tax (including collection fund surplus)	287.8	304.6	16.8
Business Rates Retention Income	90.8	94.8	4.0
New Homes Bonus	3.9	3.9	0.0
Revenue Support Grant	19.9	7.7	(12.2)
	402.4	411.0	8.6
Total Revenue Resources (exc Dedicated Schools Grant)	617.2	606.7	(10.5)

Table: Summary of forecast revenue resources 2018-19 compared to 2019-20 (see Notes below)

Notes:

1. The increase in Fees and Charges income is attributable in part to Olympus Care Services (OCS) coming back in-house. Therefore fees and charges income of £3.9m from OCS is included in the 2019-20 budget but is not shown in the 2018-19 figures. Fees and charges have also been adjusted for inflation. See Appendix D for a full schedule of the Council's proposed Fees and Charges for 2019-20.
2. Grant income figures, including the Revenue Support Grant, reflect the Local Government Finance Settlement 2018-19.
3. It should be noted that the 2018-19 figures have been adjusted to remove the Northamptonshire Fire and Rescue Service, in order to enable a like for like comparison between years. This is because NFRS is due to transfer to the OPCC on 1st January 2019 and has therefore been removed from the 2019-20 budget to reflect this transfer. Council Tax and Business Rates income figures have been adjusted accordingly, as the OPCC will precept for the Fire and Rescue Service in 2019-20 rather than the Council.

9.18 Dedicated Schools Grant (DSG)

9.19 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 £589 million but this is reduced in year through the Education and Skills Funding Agency (ESFA) DSG recoupment for schools that are academies, which means that Central Government adjust the Council's DSG in order for the ESFA to fund academies directly. In 2019-20 the DSG recoupment is estimated at approximately £384 million, which is 65% of the overall DSG grant.

- 9.20 The Dedicated Schools Grant (DSG) is a ring-fenced grant and is used to fund schools and academies through the Schools Block, fund services to high need pupils including special schools, alternative provision and out of county placements through the High Needs block and fund early years settings for 2, 3 and 4 year olds through the Early Years Block.
- 9.21 The DSG funding is allocated to Northamptonshire over the 4 DSG blocks (Schools, Central Schools, High Needs and Early Years) although ESFA regulations do allow some movement between blocks with Schools Forum approval.
- 9.22 The latest DSG funding announcements for 2019-20 are provisional, this is because the schools and high needs blocks allocations will be updated in December for October 2018 pupil numbers, with an announcement published by the ESFA expected in December 2018.
- 9.23 The ESFA regulations allow up to 0.5% of the schools block to be moved to the high needs block to cover pressures in that area. Following consultation with schools and approval by Schools Forum at the December 2017 meeting 0.24% (£1.1 million) was moved between the 2 blocks for 2018-19. The Council have consulted with schools regarding moving the allowed maximum of 0.5% (£2.3m) between the schools and high needs blocks in 2019-20 to alleviate pressures in this area. The following table sets out the latest utilisation of DSG funding over the 4 DSG blocks, assuming Schools Forum approval at the 4th December meeting.

TOTAL DSG BUDGET	2018-19 (actuals) £m	2019-20 (budget) £m	Movement £m
Central Schools block	10.98	11.04	0.06
Schools Block	454.03	458.26	4.23
Early Years Block	45.15	45.15	0.00
High Needs Block	70.56	74.56	4.00
TOTAL	580.72	589.01	8.29

Table: Utilisation of DSG funding over the four DSG blocks

- 9.24 There will be revisions to the DSG grant allocations where high needs will be updated, and the early years block updated for actual January 2019 early years numbers. Both revisions are expected to be announced by July 2019.

10. Demands on the budget

10.1 Key Assumptions – Inflation and revenue service pressures

- 10.2 Inflation and service demand pressures are reviewed throughout the year to ensure these costs are accurately reflected in the medium term financial position.
- 10.3 The assumptions behind each inflation and service demand pressure has been examined and challenged throughout the year. The key planning assumptions are as follows;

- Contractual inflation assumptions have been based upon the latest inflationary price indices, and contract-specific indices.
- National Living Wage included at £8.20 per hour. National living wage contract inflation impact within Adult Services included at 2.37%.
- Pension fund inflation assumptions are in line with the NCC actuarial report and forecasts.
- 0% pay inflation included in 2019-20 with 2% applied in future years.
- Recognition of the impact of on-going service demand identified after the budget was set in 2018-19 and under-delivery of budget proposals from prior years.
- Demography and client demand pressures based on population growth statistics (Office for National Statistics), prevalence data, and historical trend analysed and service specific intelligence where applicable.
- Recognition of all other inescapable commitments.

10.4 The following table sets out the anticipated costs of inflation, demography and service demand for 2019-20 by directorate, a total of £43.5m. A full list of the detailed proposals can be found in Appendix E.

Directorate	Inflation £m	Budget pressures £m	Total Growth Items 2019-20 £m
Adult Services	1.9	23.1	24.9
Chief Executive Services	0.0	0.2	0.2
Children First Northamptonshire	1.0	3.3	4.4
LGSS	0.0	0.2	0.2
Place	2.7	5.3	7.9
Treasury, Insurance & Technical Services	1.1	3.5	4.6
Wellbeing & Prevention Services	0.0	1.3	1.3
Total	6.7	36.8	43.5

Table: Budget Pressures by Directorate

10.5 The impact of these pressures over the four years of the MTP in the context of the whole budget are shown in Appendix A and summarised in the table below. This sets out overall spending pressures of £116.5m over the next four years, which require offsetting income or savings to mitigate.

	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Total £m
Inflation	6.7	11.6	12.2	12.4	42.9
Budget Pressures	36.8	13.0	11.3	12.5	73.6
Total 2019-23 MTP	43.5	24.6	23.5	24.9	116.5

Table: Summary of Pressures

10.6 The total base budget pressures in 2019-20 are significantly higher than in future years as this figure includes the impact of on-going service demand

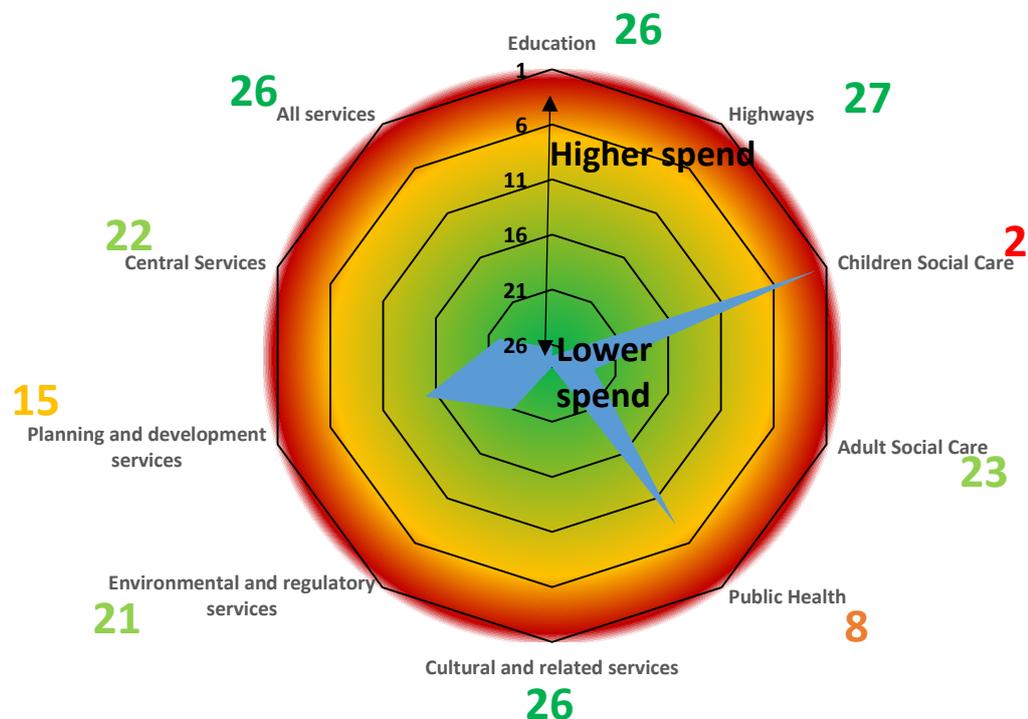
identified after the budget was set in 2018-19, a total of £13.4m, and under delivery of budget proposals from prior years totalling £12.1m, a total of £25.5m. It is important that these base budget pressures are recognised, to ensure a robust 2019-20 budget.

11. Addressing the funding gap

11.1 In addressing the Council's funding gap, it is in the context that the Council is a low spending authority overall. In terms of its 2017-18 expenditure, it is ranked 26th out of the 27 county authorities overall, at a spend of £956 per head of population on all services, compared to an average of £1,125 and the highest of £1,442. This is set out in the following diagram:

Spend footprint: Rank of spend per head against all Shire Counties

Source: 2017-18 MHCLG General Fund Revenue Outturn



11.2 In approaching the budget challenge a number of new transformation opportunities have been developed through a renewed focus on changing the way services are provided in a more affordable manner, which have been reviewed and tested through business cases.

11.3 There has been closer working with local partners, such as districts and boroughs to look at cross cutting initiatives across Northamptonshire.

11.4 Directors working with Finance have also reviewed their 2018-19 cost base, based on the latest in year forecast, and provided in the 2019-20 budget the ongoing financial impact of in-year underspends or overspends (that cannot be mitigated) to ensure the opening base budget is congruent with current levels of service demand and historic savings delivery.

11.5 A series of ‘star chamber’ meetings have taken place between Cabinet Members, Directors and Assistant Directors, supported by Finance and HR. These sessions provided constructive dialogue between service directors and the Cabinet about:

- Priority objectives;
- Service plan delivery and financial performance;
- Planned business change and opportunities for increased value for money; and
- Business risk and exploration of the statutory environment that each service area operates in.

11.6 Detailed discussions were undertaken in respect of each Directorate, including a line by line review of all areas of the budget. Consideration was also given to the demography and cost pressures within each area, as well as the funding available and the options to reduce costs and transform services. These sessions were followed up with a series of budget workshops under the leadership of the new Chief Executive which took the Cabinet through the budget position in greater detail and enabled a discussion on the priorities of future service provision.

11.7 There have been a combination of initiatives to address the forecast gap, which include investing in assets to help services run at better value, new ways of working with our partners, new ways of working with communities, new ways of working for our most vulnerable, and getting better value from our contracts.

11.8 The Council's 2019-20 savings requirement totals £42.9m. The following table summarises the savings by Directorate at the draft budget stage;

	2019-20 £m
Adults Social Care	(21.9)
Children First Northamptonshire	(10.8)
Public Health and Wellbeing	(3.2)
Place Services	(2.6)
Chief Executive Services	(0.2)
Corporate Functions and cross-cutting proposals	(3.8)
LGSS	(0.4)
Total	(42.9)

Table: Summary of Savings

11.9 Appendix E sets out the detailed individual savings proposals.

11.10 Due diligence has been undertaken in respect of the savings proposals, including review by the Council's Leadership Team, support from the Budget Taskgroup, and production of supporting business cases in conjunction with the Council's Transformation Director.

11.11 The following table provides an overall summary of the Directorate resource allocations for 2019-20 with total growth and savings included.

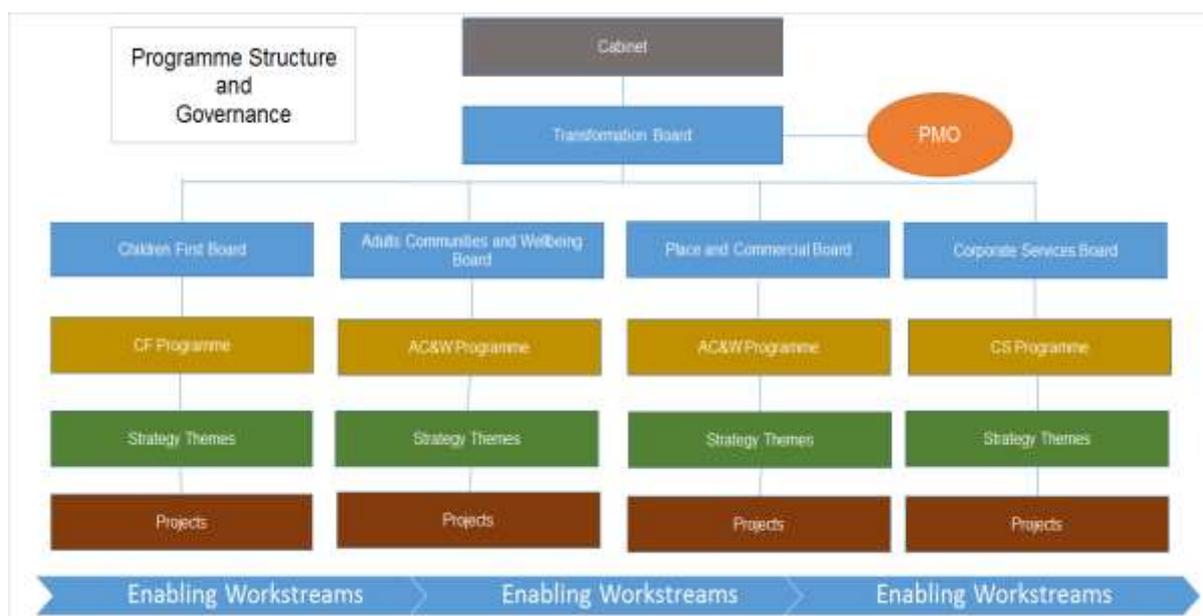
Directorate	Base £m	Service Pressures + Inflation £m	Savings £m	Gross Budget £m	Income £m	Net Budget £m
Adults Social Care	239.2	24.9	(21.9)	242.2	(82.3)	159.9
Children First Northamptonshire	138.3	4.4	(10.8)	131.9	(25.6)	106.3
Public Health and Wellbeing	45.1	1.3	(3.2)	43.2	(40.7)	2.5
Place Services	129.1	7.9	(2.6)	134.4	(39.5)	94.9
NCC Group – (Chief Exec Services, Corporate, and LGSS)	54.5	5.0	(4.4)	55.1	(7.6)	47.5
Total Service Budget	606.2	43.5	(42.9)	606.8	(195.7)	411.1
Dedicated Schools Grant and Schools Grants (see section 8.18)	589.0	0.0	0.0	589.0	(589.0)	0.0
Overall Total	1,195.2	43.5	(42.9)	1,195.8	(784.7)	411.1

Table: Directorate Allocations

12. Savings implementation and Transformation Strategy

12.1 On 13th November 2018, Cabinet approved the Transformation Strategy which will provide a framework for transformational activity – the means through which the Stabilisation Plan will be delivered. The associated programme costs are proposed to be funded by Flexible use of Capital Receipts.

12.2 The Transformation Strategy includes an identification of priorities, transformational design principles and assurance through new governance arrangements, for the successful delivery of transformational projects. Within this overall direction, activity is grouped into four key programme areas – Adult Social Care, Children First Northamptonshire, Place & Commercial and Corporate Services, as outlined in the diagram below



12.3 Improvement outcomes and benefits realisation are governed by a Transformation Board, with each programme led by a named responsible officer reporting to its own governance board.

12.4 The Strategy sets out the resource requirements for the programme and the specific specialist resources required in the services to undertake the transformational activity. Engagement with front line staff and managers is critical to identifying improvements and empowering transformational practice from the ground up.

12.5 The key risks are the pace required, the volume of change required and the ability to recruit people quickly enough to get traction on in year savings and planning and implementing programmes that deliver 2019-20 savings.

12.6 **Key areas to transforming services**

12.7 Children First Northamptonshire (CFN)

- In CFN the budget reflects how the Council will approach the improvements required that were identified by Ofsted.
- Investing in our own in-house provision, including the re-development of the secure unit at Tiffield and increasing occupancy at the Council's own residential homes.
- The Council will continue the work to reduce reliance on agency staff.

12.8 Adults Services

- An accommodation strategy to better utilise our assets and work with partners to reduce costs. For example, making changes to Eleanor Lodge to support people with complex Learning Disabilities where there is a lack of suitable accommodation in the market and costs are high.
- Using new Extra Care schemes in the county and moving away from long-term residential and nursing care.
- Changes are being made to the PFI facilities. Better management of the PFI contract is improving utilisation and driving better value for money from the specialist care centres.

12.9 Place

The following measures are being taken to deliver better value for money:

- Reinstatement of the current year's reductions on road marking maintenance, traffic signal maintenance and weed-killing.
- A return to previous levels of inspection and monitoring of roads, carriageways, bridges, rights of way and verges.
- Getting a grip on the management of school transport and making sure that our policies are fit for purpose and well managed.

12.10 Public Health and Wellbeing

- The Council has developed a completely new vision for libraries which, through discussions with our district, borough and community colleagues would see a far better outcome with most libraries remaining open.

12.11 Flexible Use of Capital Receipts

12.12 The Secretary of State, through Section 15 (1) of the Local Government Act 2003, gave local authorities the power to utilise capital receipts from the disposal of property, plant and equipment assets, and to spend up to 100% of those receipts on the revenue costs of reform projects. This flexibility is limited to the application of those capital receipts received in the years to which this direction applies, and does not allow borrowing to finance the revenue costs of service reform.

12.13 Qualifying revenue expenditure is time-limited expenditure incurred by the Council on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery in order to reduce costs or demand for services in future years. The current direction covers the period from 1 April 2016 to 31 March 2022.

12.14 Although set-up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure, the ongoing revenue costs of the new processes or arrangements are excluded.

12.15 An important feature of this flexibility requires the Council to demonstrate the highest standards of accountability and transparency, and each individual project that will be funded or part-funded through capital receipts flexibility must be disclosed and approved by full Council.

12.16 The Council has developed a revised Flexible Use of Capital Receipts Strategy which along with its Transformation Strategy was approved by full Council in November 2018.

12.17 The Flexible Use of Capital Receipts strategy sets out the governance and planning process to ensure that the projects that the Council has identified to deliver its Transformation Strategy are fully compliant under the guidance.

12.18 The summary of the planned list of transformation projects approved by full Council in November 2018 are shown in the following table.

Service Area	Summary of Activity	2018-19 £000	2019-20 £000
Children First	Transforming recruitment and retention processes	830	0
Adult Social Services	Review of contracts and delivery models	455	115
Corporate	Supporting resources for transformational activity	2,395	2,623
Total		3,680	2,738

12.19 It is important to note that the transformation project costs are non-recurrent, and therefore not built into the 2019-20 base budget. For the purposes of this draft 2019-20 budget report, these costs are treated as one-off expenditure funded by one-off capital receipt funding, so the costs are not included in the base budget pressures and budget summary tables.

12.20 Additional business cases are currently under development and validation, through the Transformation Programme governance process, with the primary focus on stabilising the Council's financial position. If additional transformation projects are identified that can be funded by the Flexible Use of Capital Receipts, these will be subject to Cabinet and full Council approval in the Council's final Budget in February 2019, where a full detailed list will be reported.

13. Medium term

13.1 Local government is facing unprecedented uncertainty around the funding it will receive from 2020-21 onwards, due to three simultaneous reviews the government is undertaking. The outcome of these reviews is unlikely to be announced before December 2019.

a) Fair Funding review of relative needs and resources

13.2 The objectives of the review are to:

- set new funding baselines for local authorities in England, aiming for implementation in 2020-21.
- replace the current methodology which is considered out-of-date and complex.
- provide a more transparent approach that does not undermine growth incentives.
- update key cost drivers.
- reflect 'future need' as far as possible, and
- consider how to make a fair adjustment for 'relative resources' (e.g. council tax), and how to transition to new allocations quickly.

13.3 The outcome of this reassessment is unknown. We do know that there will be some transitional arrangements in place to avoid any major shifts in funding for any individual authority. Government has stated it will be looking to achieve a balance between stability, minimising an authority's change in funding and moving a local authority to its funding target on day one.

13.4 Whilst the Fair Funding Review is welcomed by many councils, it will focus on how resources are distributed between authorities rather than whether there are enough resources available in total.

b) Business Rates Retention

13.5 Alongside the Fair Funding review there will be a reset of the business rates retention scheme.

13.6 Local authorities in England currently collectively keep 50% of business rates collected by local government. From 2020-21 that share will be raised to 75% and the main Government grants will be phased out, including Revenue Support Grant and the Public Health Grant. This will significantly change the

make-up of council funding, increasing potential rewards but also risks, such as losses in income due to business rates appeals.

- 13.7 The key challenge for government will be to balance meeting local authority funding need with providing an incentive to grow local economies. A newly designed system will need to find the balance between providing sufficient funding for individual authorities and rewarding those who grow their business rates by allowing them to retain all or a proportion of that growth.

c) Comprehensive Spending Review – Autumn 2019

- 13.8 The last year of the current multi-year settlement offer is 2019-20. The Spending Review 2019 will set the overall funding envelope for the public sector for a four year period from 2020-21 onwards. There may be additional funding but this cannot be built into plans.
- 13.9 Due to the tight timescales these reforms contribute to a state of uncertainty which has resulted in councils making cautious assumptions about their budgets.
- 13.10 The impact of these reviews will not be known until very late in the budget-setting process for 2020-21. It is unlikely that there will be any meaningful data on which to base funding assumptions until the Provisional Settlement is announced in December 2019. This creates significant uncertainty in setting the 2020-21 Budget.
- 13.11 Northamptonshire, along with other local authorities, will continue to engage with central government to better understand the potential impact of these changes and will feed any further data into the budget setting process as and when information is known.
- 13.12 The outcome of the Fair Funding review, Business Rates Retention, and the Comprehensive Spending Review, are not yet known. This brings significant uncertainty to local government. In the absence of announcements on funding after 2019-20 the MTP has made the assumption of a standstill in government funding over the medium term.
- 13.13 Council Tax precept assumptions for future years include a 2.99% increase in Band D rates in line with the current referendum threshold. The Council has applied taxbase growth assumptions of 2.25% per annum over the medium term, based upon analysis of historic taxbase trends.

13.14 Appendix A sets out the four year expenditure and funding forecasts to 2022-23, and the medium term outlook is summarised in the following table. The 2018-19 budget is shown for comparison.

	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m
Opening Base Budget	1,177.2	1,233.7	1,195.8	1,211.9	1,226.5
Technical Adjustments (Note 1)	10.8	(38.5)	(1.1)	(1.3)	(1.0)
Inflation	10.4	6.7	11.6	12.2	12.4
Budget Pressures	61.7	36.8	13.1	11.3	12.6
Savings	(35.4)	(42.9)	(4.1)	(0.0)	(0.3)
Base Budget Requirement	1,224.8	1,195.8	1,215.2	1,234.1	1,250.2
Less					
Direct Grants	(114.3)	(121.7)	(120.8)	(119.9)	(119.0)
Dedicated Schools Grant	(585.0)	(589.0)	(589.0)	(589.0)	(589.0)
Income (Note 2)	(68.8)	(74.1)	(74.7)	(75.3)	(75.3)
Budgeted flexible use of Capital Receipts / use of reserves	(31.7)	0.0	0.0	0.0	0.0
Net Budget	424.9	411.1	430.8	449.9	467.0
Funded by					
Business Rates	(29.3)	(28.4)	(28.5)	(28.6)	(28.7)
Business Rates top-up	(63.4)	(62.3)	(62.3)	(62.3)	(62.3)
Section 31 grant	(3.6)	(4.1)	(4.1)	(4.1)	(4.1)
New Homes Bonus	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)
Revenue Support Grant	(22.5)	(7.8)	(7.8)	(7.8)	(7.8)
Collection Fund deficit/(surplus)	(6.1)	(4.6)	(5.0)	(3.0)	(3.0)
Council Tax to be collected	(296.2)	(300.0)	(316.0)	(332.7)	(350.4)
Total Funding	(424.9)	(411.1)	(427.5)	(442.4)	(460.2)
Remaining Savings Requirement	0.0	0.0	3.3	7.5	6.8

Table: Total Revenue Expenditure and Funding to 2022-23

Note 1 – Technical adjustments in 19-20 include the removal of the Fire Service from the base budget (£22.6m) following the transfer of the service to the OPCC, and the effect of the change to the Council's Minimum Revenue Provision (MRP) policy (£10.7m).

Note 2 - Income includes Fees & Charges, Client Contributions and other contributions.

Note 3 – Assumes pay inflation of 0% in 2019-20 and 2% in subsequent years.

13.15 Based on latest forecasts the Council has a budget gap of £3.3m in 2020-21, £7.5m in 2021-22 and £6.8m in 2022-23, meaning that additional initiatives to these values will be required in those financial years.

13.16 The future year's financial outlook and forecast will be updated for the Council meeting in February 2019 based upon the provisional Local Government finance settlement.

14. Capital programme

14.1 The Cabinet receives monthly monitoring updates on its capital programme which includes the Council's latest forecast capital expenditure and funding assumptions, as well as reporting on the inclusion of new capital schemes recommended to Cabinet, or the removal of previously approved schemes which are now not required.

14.2 The most recent capital report, as at 31 October 2018 (Period 7), provides a forecast expenditure outturn for 2018-19 of £104m, with an additional £58m of expenditure planned over the medium term outlook.

14.3 The Chancellor's Autumn Budget 2018 included the following announcements in respect of capital funding:

- There will be £475m in-year increase in capital funding for schools, averaging £100,000 and £50,000 for primary and secondary schools respectively. NCC's allocation is to be confirmed.
- There has been an increased investment in the National Productivity Investment Fund (NPIF), from £23bn to £37bn, providing additional capital investment in areas critical to productivity – housing, transport, digital infrastructure, and research and development. NPIF initiative was initially scheduled to end in 2021-22, however, it has now been extended to 2023-24.
- Local authorities will be provided with £420m and £450m to tackle potholes, repair damaged roads and invest in keeping bridges open and safe in 2018-19 and 2019-20 respectively. NCC has been allocated £6.8m for potholes in 2018-19.

14.4 The schemes currently within the Capital Programme will be reviewed in line with the Council's refreshed Capital Strategy as part of the final 2019-20 Budget papers in February 2019.

14.5 Capital Strategy

14.6 The Council is currently refreshing its Capital Strategy to update its key objectives and prioritisation framework. The strategy underpinned by a revised Capital Programme will present a high-level overview of how the Council's capital expenditure contributes to the provision of local public services within the resources available, reducing the reliance on external borrowing where possible, along with an overview of how associated risk is managed and future sustainability is assured.

14.7 The key principles of the strategy will ensure:

- all capital expenditure contributes to the achievement of the Council's strategic aims and objectives.

- new capital expenditure will seek to maximise the efficiency of assets across the public sector and Northamptonshire to deliver value for money and generate ongoing revenue efficiencies.
- the overall capital programme is affordable and sustainable. The Council will be seeking to minimise its short term and long term borrowing where possible.

14.8 The Council is working to the new CIPFA Prudential code which requires every local authority to have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. This will demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

14.9 The Capital Strategy along with the Medium Term Capital Programme will be published as part of the February Council report.

15. Consultation and Scrutiny

15.1 In order to fulfil the requirements of Part 4 (C) Budget and Policy Framework Procedure Rules, a six week period of consultation on the proposals contained within the Draft Budget 2019-20 will begin on 12th December 2018 and conclude on 23rd January 2019.

15.2 If there are any changes made to any of these proposals following the consultation process, then the effect of this upon the overall MTP position will be considered for the final budget paper in February 2019. This does not predetermine any decision that the Council may make in February 2019.

15.3 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.

15.4 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 (with hard copies and copies in other formats available on request)
- A bespoke email address
- Social media - including Facebook, Twitter and LinkedIn
- Postal address
- 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, 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 to hold their own discussions. This will allow debates to be tailored to individual group needs.

15.5 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.

15.6 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 Overview and Scrutiny Committee taking place at One Angel Square, at the following times:

- 19th December 2018 at 2pm.
- 30th January 2019 at 2pm.

15.7 The purpose of the consultation is to ensure that, when the Final Budget is considered at Full Council on 21st February 2019, Members are fully aware of the consultation feedback and are in a position to conscientiously take it into account when making final decisions. This includes full consideration of any viable alternatives for ways to save money/generate income, if provided.

15.8 **Equality Screening**

15.9 Before taking decisions on the budget overall, and on savings proposals in particular, it is important that there is awareness of the potential implications of the proposals on people with protected characteristics, in order to comply with the Equality Duty.

15.10 Equality Impact Assessments (EqIAs) have been prepared for all savings proposals that directorates have determined 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 and Officers 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.

- 15.11 Further work undertaken during the consultation period (including findings from the consultation) will be used to inform the final EqIAs which will need to be conscientiously considered as part of the final decision-making process on the budget in February, including the cumulative impact of more than one savings proposal on the same group of people, if applicable. This will be an essential step in ensuring that the consultation findings are used to demonstrate the impact of proposals when the final decisions on the budget are being taken.

16. Next steps

- 16.1 Consultation on the draft 2019-20 budget, and the proposals contained within the appendices to this report, will begin on 12th December 2018 and conclude on 23rd January 2019.
- 16.2 The Council's Overview and Scrutiny Committee will meet to review the budget, as set out earlier in this report.
- 16.3 The provisional local government finance settlement is expected to be published by Government on 6th December 2018. The figures from the settlement will be incorporated into the final budget report.
- 16.4 After considering the outcomes of both the Overview and Scrutiny review and the feedback received from local partners and the general public, Cabinet will recommend the final budget and Council Tax precepts for 2019-20, together with the other budget framework documents included within the appendices of this report, to the Full Council meeting on 21st February 2019.

17. Alternative options considered

- 17.1 The acceptance of this report by Cabinet for submission to Full Council is a required step in the final approval of the 2019-20 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.

18. Financial Implications

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

19. Risk and Business Continuity Management

- 19.1 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 2019 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 2019-20 budget.
- 19.2 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
Funding in the Local Government Finance Settlement is less than expected.	Additional savings proposals will need to be identified.	Amber
Unforeseen demand/volatility in social care.	Robust financial management and monitoring of demand via the Budget Tracker	Amber
The Council is unable to deliver a balanced outturn position for 2018-19.	The proposals set out within the Stabilisation Plan for 2018-19.	Amber
The Council is unable to deliver a balanced Budget for 2019-20 Proposals identified for 2019-20 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
The Council is unable to deliver a balanced Budget for each subsequent year of the Medium Term Plan from 2020-21 onwards. Proposals identified for these years 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.	Red

20 List of Appendices

- Appendix A* – *Budget Summary*
- Appendix B* – *Fees and Charges Policy*
- Appendix C* – *Fees and Charges Summary*
- Appendix D* – *Fees and Charges schedule*
- Appendix E* – *List of Proposals*
- Appendix F* – *Capitalisation direction*

Author:	Name: Iain Jenkins Team: Finance
Contact details:	Tel: 01604 364664 Email: ijenkins@northamptonshire.gov.uk
Background Papers:	
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 papers in February 2019.
Does the report include delegated decisions? If so, please outline the timetable here	NO
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: Ian Duncan
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Longley
Has the relevant scrutiny committee been consulted?	Scheduled Scrutiny Committee: Overview & Scrutiny Committee
Has the report been cleared by Legal Services?	YES Name of solicitor: Shahin Ismail
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
Procurement/Contractual Implications: <ul style="list-style-type: none"> • Have you evidenced compliance with the Council's Contract Procedures Rules? • Have you identified where you are seeking Cabinet to approve an exemption from the Contract Procedure Rules and detailed the risks and mitigations? • Have you identified any EU or UK legislative risks associated 	N/A

<p>with the exemption process such as non-compliance with the Public Contract Regulations Act 2015, transparency and open competition?</p> <ul style="list-style-type: none"> • Have you identified the procurement or contractual risks associated with a contract? • Has the contract/procurement been subjected to the Council's Commercial Board? 	
Are there any community safety implications?	NO
<i>Are there any environmental implications:</i>	NO
Are there any Health and Safety Implications:	NO
Are there any Human Resources Implications:	YES
Are there any human rights implications:	NO
Constituency Interest:	All

