

NCC Group Financial Position

1. Overall Summary

1.1 The table below reports the current pressures of £9.3m identified within the overall financial position forecast to 31 March 2017, which predominantly exist within People Services and are explained in later sections of this Appendix A and supported by Appendix B.

1.2 Within this month's report Directorate budgets have been restructured to reflect the Council's Next Generation structure. Within NCC Group, budgets have been realigned to the new directorates of Chief Executive Services, Place Services and People Services.

1.3 NCC Group Current Financial Position

	Current Forecast Variance £m
Position Reported at previous Cabinet (+ = overspend)	9.954
Chief Executive Services	(5.334)
Place Services	(0.800)
People Services	5.494
Position Reported This Month	9.314

Chief Executive Services

2. MTFP Budget Summary

2.1 The budget planning process for 2016-17 incorporated business plans setting out how the available resources would be used to achieve the Council's outcomes. The table below provides details of the base budget brought forward from 2015-16 and any adjustments to growth and savings to provide the allocated net budget for the Directorate for 2016-17 to 2019-20.

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Prior Yr Base Budget b/fwd	71,759	64,899	69,842	68,952	
Inflation	2,411	2,332	2,324	2,349	9,416
Service Pressure	6,203	4,048	(658)	3,000	12,593
Total	8,614	6,380	1,666	5,349	22,009
Efficiencies	(10,470)	336	(803)	(308)	(11,245)
Income Generation	(313)	(113)	(113)	(113)	(652)
Service Transformation	(4,691)	(1,650)	(1,650)	2,600	(5,391)
Total	(15,474)	(1,427)	(2,566)	2,179	(17,288)
Approved Budget	64,899	69,842	68,952	76,480	
Capitalisation Transformation Centrally Managed	(12,000)	(9,000)	(2,000)	0	
Net Budget	52,899	60,842	66,952	76,480	

Base Budget as approved by Full Council in February 2016

**LGSS Operational budgets included within Budget Figures.*

2.2 Chief Executive Services 2016-17 Budget Summary and Pressures.
2.3 Current Financial Position

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Chief Executive Services						
Business Intelligence and Performance, Customer Service and Communications	3,789	(132)	3,657	600	700	(100)
Leadership Support and Democracy	1,361	0	1,361	0	0	0
NCC Group Wide Savings	(2,050)	0	(2,050)	1,550	1,550	0
Place Commissioning	339	0	339	0	0	0
People Commissioning (Adults Strategic Commissioning)	565	0	565	0	0	0
Chief Executive Services Total	4,004	(132)	3,872	2,150	2,250	(100)
Corporate & Appropriations (note 1)	10,093	(14,015)	(3,922)	(28,013)	(22,779)	(5,234)
LGSS Managed	5,734	0	5,734	85	85	0
Overall Total NCC Group	19,831	(14,147)	5,684	(25,778)	(20,444)	(5,334)

*Note: includes appropriation to and from Reserves for Services and School balances
This table excludes LGSS Operational*

2.4 NCC Group Services are reporting an underspend of £25.8m. This represents a further movement in underspend of £5.3m compared to prior months. This movement is driven in the main by the further review of progress in relation to land and property disposals and further confidence in disposals being completed in the current financial year has been gained to allow a decrease of £4m in our forecast.

2.5 Movement Summary

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	(20.444)
Mitigations	
• Savings due to vacancy management and a reduction of costs across the BIPI service.	(0.100)
• Further review of progress in relation to land and property disposals.	(4.000)
• Further review of Reserves and Provisions to contribute towards the corporate position.	(0.947)
• Savings resulting from interest payable budget, obtained by raising short term loans at lower than budgeted rates of interest.	(0.287)
Reported position this month	(25.778)

2.6 Mitigating Actions

- 2.6.1 There has been a further review of progress in relation to land and property disposals and further confidence in disposals being completed in the current financial year has been gained to allow a decrease of £4m in our forecast. The inclusion of an additional £4m as part of the flexible use of capital receipts will be included within the Final Budget Report recommendations for approval at Full Council.
- 2.6.2 The corporate balance sheet accounts, reserves and provisions position will continue to be reviewed. To date a total of £10.6m has been identified and released to offset the financial position, which represents a favourable movement of £0.9m compared to prior month.
- 2.6.3 The continuous review of the Council's treasury and capital financing budget have identified a further £0.3m resulting from loans being raised at lower rates of interest than budgeted. There remains some upside risk in the forecast for the technical adjustment capitalised interest which can not be forecast with any great certainty until closer to year end.

2.7 Future Risk Areas

- 2.7.1 There is risk associated with the additional flexible use of capital receipts , which will continue to be monitored through the Monthly Capital Report.



Place Services

3. MTFP Budget Summary

- 3.1 The budget planning process for 2016-17 incorporated business plans setting out how the available resources would be used to achieve the Council's outcomes. The table below provides details of the base budget brought forward from 2015-16 and any adjustments to growth and savings to provide the allocated net budget for the Directorate for 2016-17 to 2019-20.

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Prior Yr Base Budget b/fwd	77,772	88,311	84,485	83,076	
Inflation	2,115	1,689	1,740	1,917	7,461
Service Pressure	12,604	(422)	794	806	13,782
Total	14,719	1,267	2,534	2,723	21,243
Efficiencies	(1,363)	(1,500)	0	0	(2,863)
Income Generation	(173)	(143)	(143)	(143)	(602)
Service Transformation	(1,315)	(2,450)	(3,800)	(11,800)	(19,365)
Service Cuts	(1,329)	(1,000)	0	0	(2,329)
Total	(4,180)	(5,093)	(3,943)	(11,943)	(25,159)
Approved Budget	88,311	84,485	83,076	73,856	

Base Budget as approved by Full Council in February 2016



3.2 **Place Services 2016-17 Budget Summary and Pressures.**

3.3 **Current Financial Position**

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Community Safety and Prevention	20,923	(888)	20,035	0	0	0
Environment, Planning and Transport	57,603	(10,566)	47,037	(1,800)	(1,000)	(800)
Assets and Capital Management	52,316	(32,913)	19,403	0	0	0
Cross-Directorate Re-profiling	0	0	0	(500)	(500)	0
Grand Total	130,842	(44,367)	86,475	(2,300)	(1,500)	(800)

3.3.1 The implementation of the new Place Directorate is still underway and progress remains steady. Budgets have been aligned to the new functions and the newly inherited resources are now being monitored with a view to ensure the targeted efficiency savings in year are achieved. There is confidence that the inherited budget pressures from Property Asset Management will be fully mitigated. All aspects of the new services will be reviewed and improvements made as appropriate. This has included a review of asbestos in local authority schools which has given rise to survey and remedial financial pressures which are planned to be recovered from the schools in question.

3.4 **Movement Summary**

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	(1.500)
<ul style="list-style-type: none"> Additional savings in Waste Management through rigorous service management and reprioritising of activities. 	(0.600)
<ul style="list-style-type: none"> Rigorous management of S106 funding and charging of fees. 	(0.200)
Reported position this month	(2.300)

3.5 **Mitigating Actions Planned**

3.5.1 While the £0.5m Waste saving is being met by one-off income in 2016-17, the full base budget saving will be achieved in 2017-18 through the implementation of the new proposed green waste contract.



People Services

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Adults Services	203,447	(57,479)	145,968	22,365	16,871	5,494
Children's Services	152,541	(24,870)	127,671	18,139	18,139	0
Wellbeing and Prevention Services	61,393	(54,289)	7,104	(3,112)	(3,112)	0
Total People Services	417,381	(136,638)	280,743	37,392	31,898	5,494

Adults Services

4. MTFP Budget Summary

4.1 The budget planning process for 2016-17 incorporated business plans setting out how the available resources would be used to achieve the Council's outcomes. The table below provides details of the base budget brought forward from 2015-16 and any adjustments to growth and savings to provide the allocated net budget for the Directorate for 2016-17 to 2019-20.

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Prior Yr Base Budget b/fwd	136,000	144,599	139,233	141,935	
Inflation	4,645	4,409	4,844	4,819	18,717
Service Pressure	27,837	3,825	4,723	4,360	40,744
Total	32,482	8,234	9,567	9,179	59,461
Efficiencies	(12,277)	(3,698)	(2,245)	(2,187)	(20,407)
Income Generation	(2,366)	(2,776)	(1,688)	(1,503)	(8,333)
Service Transformation	(8,340)	(7,126)	(2,932)	(1,201)	(19,599)
Service Cuts	(900)	0	0	0	(900)
Total	(23,883)	(13,600)	(6,865)	(4,891)	(49,239)
Approved Base Budget	144,599	139,233	141,935	146,223	

Base Budget as approved by Full Council in February 2016



4.2 **Adults Services 2016-17 Budget Summary and Pressures.**

4.3 **Current Financial Position**

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Quality and Contracts	39,488	(7,581)	31,907	6,014	5,780	234
Health Partnerships and Strategy	23,668	(22,736)	932	6,902	6,969	(67)
Adults and Transitions	140,149	(27,162)	112,987	9,524	4,173	5,351
Care and Support Bill Team	142	0	142	(75)	(51)	(24)
Grand Total	203,447	(57,479)	145,968	22,365	16,871	5,494

4.3.1 In order to create consistency between the Service improvement initiatives and savings plans the service will continue track all plans under four key themes in the current year (which will continue into 2017-18) as follows:

- Eligibility & prevention – covering demand reduction and care package and eligibility reviews.
- Purchasing and placements – work on reducing provider’s costs and renegotiating contracts.
- Staffing and structures – reviews of staffing levels through a zero based budgeting exercise in preparation for the Next Generation Model.
- Financial controls, debt and income – including health income and wider management and control of expenditure.

4.3.2 The overall position for period 9 has increased from the prior report of £16.9m variance to base budget to £22.4m. The pressures included in the position against the above themes are as follows:

- Purchasing and placements
 - The Independent Sector Care spend - the base budget assumed that ASCS would reduce the cost of care packages from £138m last year to £130m in 2016-17. The service has continued to review care packages against eligibility and good progress has been made but this has only served to partly mitigate the additional 2016-17 rise in demand, continuing care packages and provider costs, in particular we have continued to face pressure from hospital discharges, with increased attendances at A & E resulting in admissions from frail older people, this coupled with the rise of younger people with complex needs. This resulted in spend not reducing in line with base



budget assumptions leaving a total variance to base budget of £9.8m in packages of care.

- The new brokerage service is now live (Commenced on the 3rd January) with all new cases going through, this includes cases from hospital discharge teams. This team will be tasked to negotiate packages of care, provider costs to mitigate £2m of the above risk in year. This has been reduced downwards following review of what could be achieved in year.
- The latest forecast from Health on the NCC share of the Mental Health pool has highlighted a reduced over spend this month compared to the previous report. Care management will continue to review and track this spend in conjunction with Health colleagues.
- Staffing and structures
 - Interim revisions to staffing have already taken place within care management to ensure levels of staffing are appropriate for the levels of caseloads and risk and to ensure savings targets are met.
- Financial controls, debt and income
 - The Better Care Fund (Health Partnerships and Strategies) which is managed through Commissioning assumes a £9m in year pressure resulting from liabilities not assumed in the base budget or income assumed but later disputed by Health.
 - BCF Debt – it should be noted that the above is in addition to the previously reported bad debt provision of [£3m] associated with previous years disputed payments and included in the overall position.



4.4 **Movement Summary**

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	16.871
<ul style="list-style-type: none"> • An increase in the pressure on the Residential and Nursing block contract budget due to a review of in year mitigations • OCS Contract budget pressure reduces following a scheduled contract review. • A reduction in the underspend against Prevention contracts due to a delay in the re tendering exercise until October 2017 • An underspend has been identified against Health Partnerships and Strategy budget mainly due to staff vacancies within the management team budgets • A further forecast increase in the pressure on Independent Care budgets due to slippage of recovery proposals. These recovery proposals have been built into the 2017-18 Budget and actions have already taken place to ensure future deliverability. • Additional forecast expenditure on Mental Health staffing to manage with DOLS assessments (The Deprivation of Liberty Safeguards) • An underspend has been identified across the Adults and Transitions Management budget on both staffing and non staffing costs • Minor variances across the Directorate 	<p>0.425</p> <p>(0.115)</p> <p>0.138</p> <p>(0.181)</p> <p>5.423</p> <p>0.242</p> <p>(0.179)</p> <p>(0.259)</p>
Reported position this month	22.365

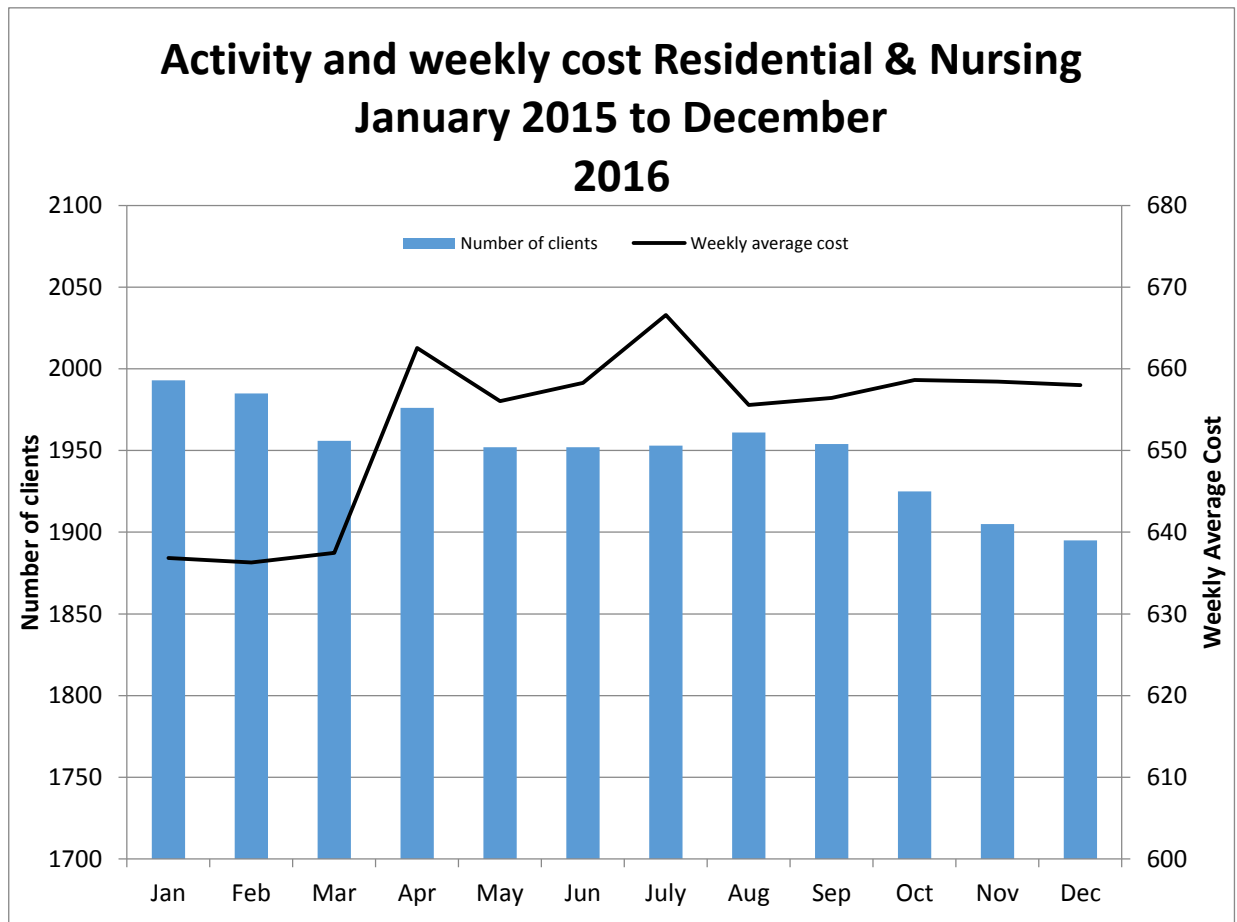
4.5 **Key Activity Data – Independent Sector Care Provision**

4.5.1 The charts below show the activity and average weekly costs relating to Independent Sector placements in Adult Social Care for the last 12 months.

4.5.2 The notable price increase from March to April reflects the budgeted increases in the expected to pay rates across Residential and Nursing for 2016-17. The service continue to see a reduction in the numbers of clients placed in



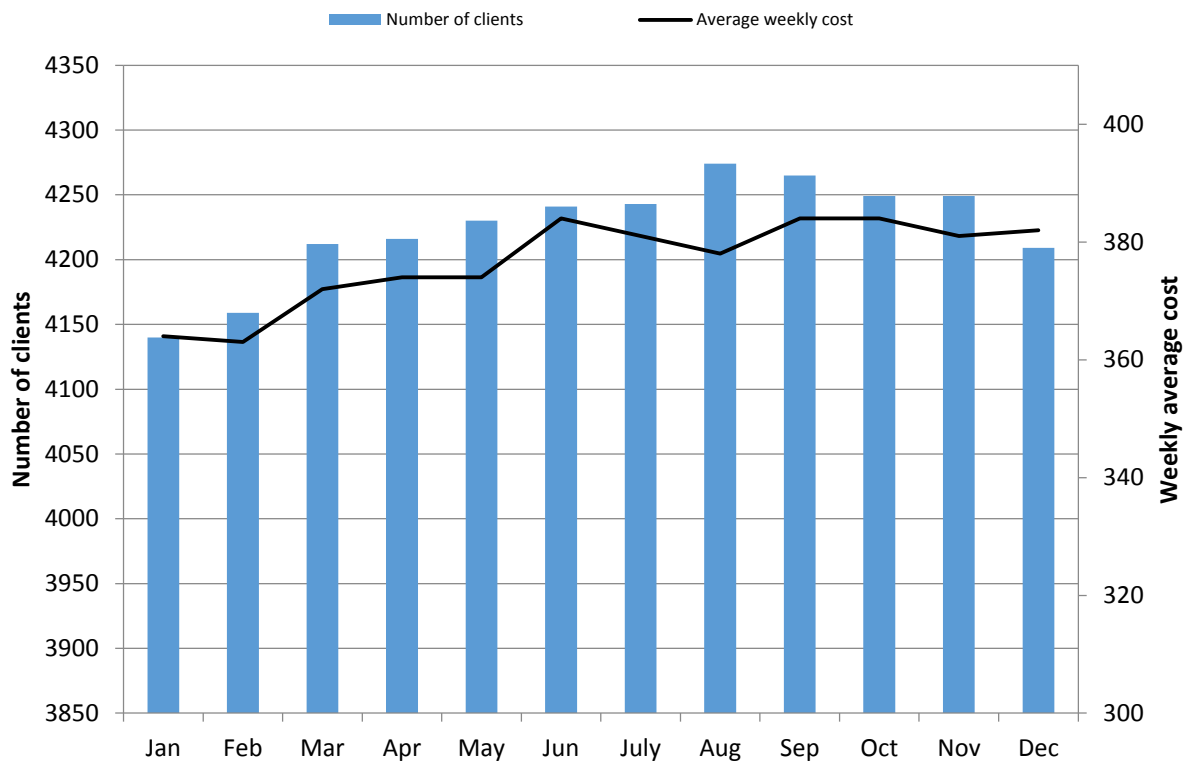
residential and nursing homes, whilst at the same time an increase in those clients receiving care services in their own homes. This is shown by the increased activity on the Community Care packages chart.



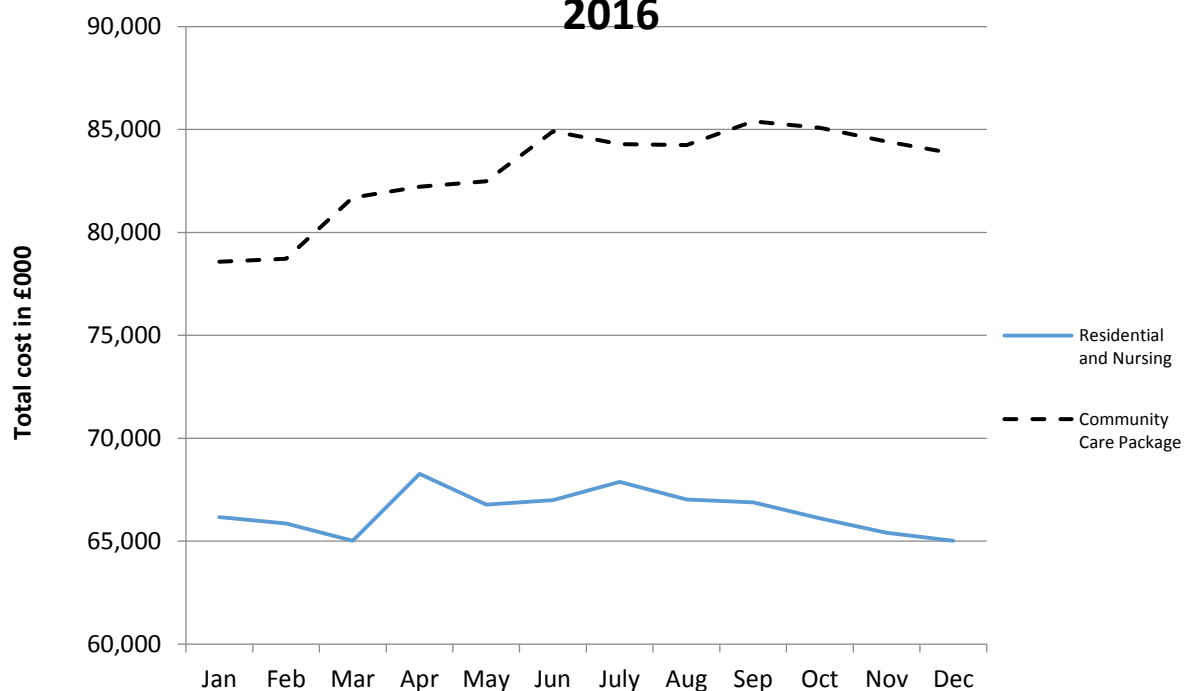
4.5.3 The chart below shows the total annual cost of Community Care packages increasing at the same time as residential packages decreasing over the last 12 months. This is a result of customers remaining in their own home for longer before entering into residential or nursing homes. This is where the cost pressure is coming from, where clients are often those with the most complex needs hence the reflection in price.



Activity and weekly cost Community Care Packages January 2015 to December 2016



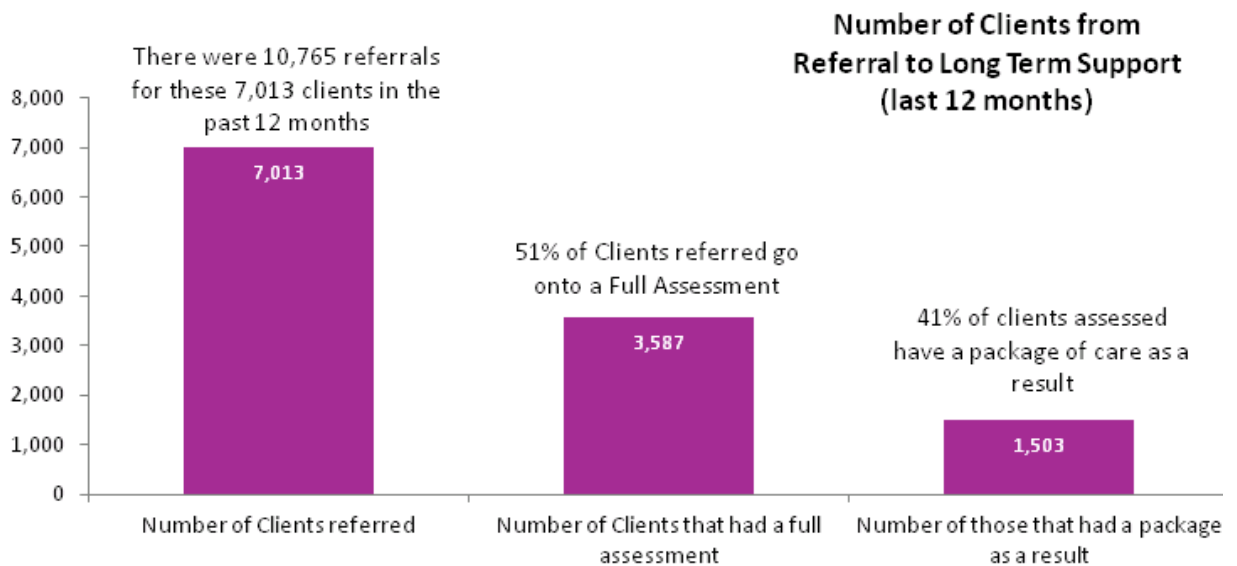
Total Cost for Independent Sector Care January 2016 to December 2016





4.5.4 The number of referrals received into Adult Social Care through the Customer Service Centre, Locality and Hospital teams over the past 12 months is showing an increasing trend. However, the impact on the budget position comes from the number of clients who go onto receive a package of care from the Council. Recent trends suggest this is resulting in more complex packages of care, often requiring more than one carer and several daily visits.

4.5.5 The chart below shows the conversion rate of those referrals received, how many of those referrals go onto have a full assessment undertaken and also how many of those go onto receive some form of care from the Council. This shows the success of maintaining a focus on the front door of our services.



4.6 Mitigating Actions Planned

4.6.1 The weekly tracking of the financial benefits is part of the Service’s robust controls. The weekly delivery board meetings include the Adult Social Care portfolio holder, as well as the Director of Finance who are involved in the challenge process. The impact of this group has seen to date £16m savings already achieved and validated, and a further £6m of costs avoided.

4.6.2 The following summarises the initiatives now being progressed under each theme as part of mitigating actions:

Eligibility & prevention

- A targeted intervention by a group of dedicated Care Management staff to ensure that all complex Care Packages not reviewed under existing initiatives and all due to be reviewed as part of the annual reviews programme are reviewed using a simple assessment over November and December.
- An increase in the number of completed complex or high need reviews by the external expert advisors currently deployed in the service.



- The service is regularly reviewing all cases on the pending list to ensure needs identified during the assessment are still relevant.
- The service is reviewing packages to ensure that they are still relevant and care needs are being met in the most effective way.
- The service is reviewing community packages where the level of need has risen to a level where the service user's eligibility may now be better met through residential care provision. This may also reduce hospital admissions.

Purchasing and placements

- The new brokerage team is now in place with combined MAP, ASC, external and Health skills. Its work will start with the negotiation of all placements for adult packages of care and complex cases that have undergone review. Their caseload will steadily increase and further staff will be added until all negotiations, placements and sourcing for existing and new cases is handled by the team leaving care management to focus on assessments and review.
- The brokerage analysis has identified a number of opportunities to make savings which are being qualified for in year benefits and ongoing savings. Estimates of the full year effect pending qualification range from £4m to £13m. We have included £2.5m of savings in the MFR in this financial year as part year effect, now that the Brokerage team is in place. We will also look at a greater use of First for Wellbeing community provision as an alternative to independent sector review.
- The commissioning team is continuing to review how better value and utilisation can be driven out of the Shaw PFI contract and reduce spend in alternative provision. A variation to the contract will also be put in place in 2017-18.
- The Commissioning team is reviewing a number of contracts that may no longer be adding value in terms of outcomes and value for money which may result in variations or terminations.

Staffing and structures

- A bottom up review of all ASC staffing and structures is being undertaken as part of the zero based budgeting approach to shape the new Adults entity in the Next Generation Model. This will look at reducing spans of control, reorganising staff around the new operating model and preparing for the implementation of the Sustainable Transformation Plan with health.



Financial controls, debt and income

- A review of all budget holders has been taken to reduce the number of approvers and ensure greater oversight by ADs of all spend.
- Further controls have been put in place on GPC cards and ability to raise invoices outside the CareFirst system to reduce off contract spend and ensure senior approvals are only given for emergency cases.
- A detailed review of all health Debt is being undertaken and the two Finance Directors for the CCG and NCC will then meet to agree positions on all debt and finalise the financial impacts and associated bad debt provision.
- The service has added an additional resource into the LGSS Finance team that manage client contribution debt to challenge which debts can be safely and reasonably pursued following recent success.

4.6.3 Emergency measures regarding levels of staffing has been put into place. However, to ensure we are meeting our legal and statutory duties and minimising risk, an escalation process is operational.

4.6.4 The service is also undertaking an audit of all suppliers payments and contracted spend to ensure that only those suppliers with valid contracts are being paid following the introduction of automated payments at the start of 2016-17.

4.7 Future Risk Areas

4.7.1 The area of savings targeted around the Brokerage is high risk as the team has only just been formed. We have already refined the assumed savings in the MFR over the last few months to minimise any risk remaining. Plans are underway to deliver as much as possible and we will review this on a weekly basis

4.7.2 Agreement has been reached to keep Health colleagues fully informed as proposals begin to be implemented.

4.7.3 There is a concern that the Sustainable Transformation Plan will not be deliverable and could lead to reputational risk for all partners and a funding shortfall if sustainability funding is not released due to the system performance.

4.7.4 The service has experienced provider/market failure, this is contributing to the care cost increase.

4.7.5 Merging of two organisations, OCS and Adults Social Care, which will impact on resources and the delivery of service.

4.7.6 There is a risk the forecasted pressure from continuing care packages results in short term decisions to make cuts when the final outturn is not as adverse.

4.7.7 Introduction of DTOC (Delayed Transfer of Care) charges create a further pressure on the service due to inability to match demand and supply.



- 4.7.8 Outstanding Health debt negotiations result in further write-offs leading to further in year pressure.
- 4.7.9 CCG's Commissioners proposals to seek to change the current CHC process to reduce funding days during the discharge to assess process, talks are continuing with health colleagues and work undertaken to quantify impact.

Children's Services

5. MTFP Budget Summary

- 5.1 The budget planning process for 2016-17 incorporated business plans setting out how the available resources would be used to achieve the Council's outcomes. The table below provides details of the base budget brought forward from 2015-16 and any adjustments to growth and savings to provide the allocated net budget for the Directorate for 2016-17 to 2019-20.

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Prior Yr Base Budget b/fwd	118,414	122,925	116,507	118,162	
Inflation	1,931	1,360	1,429	1,516	6,236
Service Pressure	22,824	746	2,500	2,500	28,570
Total	24,755	2,106	3,929	4,016	34,806
Efficiencies	(10,170)	(4,000)	0	0	(14,170)
Income Generation Service	(24)	(24)	(24)	(24)	(96)
Transformation	(9,250)	(2,000)	0	0	(11,250)
Service Cuts	(800)	(2,500)	(2,250)	(2,000)	(7,550)
Total	(20,244)	(8,524)	(2,274)	(2,024)	(33,066)
Approved Base Budget	122,925	116,507	118,162	120,154	

Base Budget as approved by Full Council in February 2016



5.2 Children's Services 2016-17 Budget Summary and Pressures.

5.3 Current Financial Position

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Children, Families and Education	40	0	40	(2)	(2)	0
Quality & Performance	50,093	(1,895)	48,198	6,748	6,668	80
Early Help & Prevention	9,425	(3,777)	5,648	(2,110)	(1,925)	(185)
Learning, Skills & Education	40,470	(13,393)	27,077	(4,448)	(4,305)	(143)
Safeguarding & Children's Services	52,513	(5,805)	46,708	17,951	17,703	248
Grand Total	152,541	(24,870)	127,671	18,139	18,139	0

5.3.1 Children's Services are reporting an overspend of £18.1m, which is in line with what was reported to Cabinet in January.

5.3.2 In summary, management mitigations that have been implemented now totalling £10.5m reduce the anticipated pressure for undeliverable 2016-17 Budget Proposals and in year demand led pressures totalling £28.6m this month, bringing the overall Children's Service anticipated overspend to £18.1m.

5.4 Movement Summary

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	18.139
Changes to previously reported mitigations	
<ul style="list-style-type: none"> Revision to the anticipated savings following provider responses to a review of commissioned contracts to enable cost reductions through ceasing a range of less effective contractual arrangements. The revised deliverable forecast now stands at £0.3m this financial year with further savings expected next financial year. 	0.110
Changes to in year pressures / underspends	
<ul style="list-style-type: none"> Home to School transport for children with Special Educational Needs overspend relating to an increase in the cost of providing transport for this cohort. Budget mitigation options for future years are currently being developed which will include a review of journeys against policy, and the identification of new contracting efficiencies are being sought to ensure value for money is achieved on all journeys. 	0.256



- The UASC placement forecast has been revised following a review of age cohorts. 0.194
- Further overspend in respect of court ordered Mother and Baby assessments. Work is ongoing to reduce this spend going forwards through improved processes and working more closely with the courts. 0.059
- Further underspend identified in relation to the SEND grant following a detailed review of expenditure plans and commitments against the program roll out. (0.329)
- Revision to Early Help and Prevention forecasts reflecting higher vacancy savings. (0.185)
- Minor movements across the Directorate. (0.105)

Reported position this month

18.139

5.5 Future Risk Areas & Budget Mitigations

- 5.5.1 The number of Looked After Children continues to grow putting further strain on the legal and placements budgets.
- 5.5.2 A panel process is in place to provide additional assurance that new placements will be commissioned in the most cost effective way.
- 5.5.3 The high cost agency placement review work is also on-going which will ensure our current high cost care packages offer value for money whilst achieving placement outcomes for children.
- 5.5.4 There is a significant risk of additional Home to School Transport overspends against budget as in the main, there is a statutory duty to provide these demand led functions. Further analysis is being carried out to understand the key drivers of the potential increase in forecast spend.
- 5.5.5 The budget mitigations identified in previous months, in addition to the items identified this month, will continue to be tracked to ensure the timely reporting of delivery.



Wellbeing and Prevention Services

6. MTFP Budget Summary

- 6.1 The budget planning process for 2016-17 incorporated business plans setting out how the available resources would be used to achieve the Council's outcomes. The table below provides details of the base budget brought forward from 2015-16 and any adjustments to growth and savings to provide the allocated net budget for the Directorate for 2016-17 to 2019-20.

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Prior Yr Base Budget b/fwd	8,826	7,734	6,050	5,043	
Inflation	272	232	323	445	1,272
Service Pressure	0	0	0	0	0
Total	272	232	323	445	1,272
Efficiencies	(971)	(1,086)	0	0	(2,057)
Income Generation	(393)	(330)	(330)	(320)	(1,373)
Service Transformation	0	(500)	(1,000)	(1,000)	(2,500)
Service Cuts	0	0	0	0	0
Total	(1,364)	(1,916)	(1,330)	(1,320)	(5,930)
Approved Base Budget	7,734	6,050	5,043	4,168	

Base Budget as approved by Full Council in February 2016



6.2 **Wellbeing and Prevention Services 2016-17 Budget Summary and Pressure.**

6.3 **Current Financial Position**

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Public Health and Wellbeing	23,539	(36,804)	(13,265)	0	0	0
Customers, Culture & Place	9,744	(17,455)	(7,711)	488	488	0
First for Wellbeing	27,533	0	27,533	(3,600)	(3,600)	0
Integrated Wellbeing Commissioning	577	(30)	547	0	0	0
Grand Total	61,393	(54,289)	7,104	(3,112)	(3,112)	0

6.3.1 A favourable forecast variance of £3.1m is reported within Wellbeing and Prevention with a saving identified against the contract with First for Wellbeing. This mainly relates to lower than anticipated operating costs, including staff vacancies, during the first seven months of the operation and projections to the financial year end totalling £3.6m. Therefore it is a one off benefit in the current year. Any variations to the forecast will be reported in future months. This is offset by an overspend of £0.5m due to closure of Nourish service in July 2016.

6.3.2 The decision to close the Nourish service at the end of the current academic year was taken after the budget was set. This together with schools leaving the service before the summer term has led to a shortfall in the anticipated income of £0.5m. The closure project is closely monitoring the financial implications to minimise the risk.

6.4 **Movement Summary**

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	(3.112)
<ul style="list-style-type: none"> No movement from previous month 	0.000
Reported position this month	(3.112)

6.5 **Mitigating Actions Planned**

6.5.1 Nothing to report at this stage.



6.6 Future Risk Areas

- 6.6.1 NCC has a 'Fairer Charging Savings Proposal', and the Wellbeing and Prevention Directorate has a target of £0.32m year on year (2016-17 to 2019-20 MTFP). There is a potential risk that this target may not be fully achieved based on the income levels to date. However due to seasonal variations it is advised that the income levels should be observed, before a final position can be estimated.
- 6.6.2 The service is continuing to track the income closely and the anticipation is that the shortfall in income will be rectified in future months. This is to be delivered through increased income, across the following services: Library Services, Northamptonshire Sport, Countryside Services, Knuston Hall and Adult Learning Services.