

NCC Group Financial Position

1. Overall Summary

1.1 The table below reports the current pressures of £10m 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 Pressures

	Current Forecast Variance £m
Position Reported at previous Cabinet (+ = overspend)	12.114
Chief Executive Services	(5.465)
Place Services	(0.500)
People Services	3.805
Position Reported This Month	9.954

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	2,885	(132)	2,753	700	700	0
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	3,100	(132)	2,968	2,250	2,250	0
Corporate & Appropriations (note 1)	10,876	(14,015)	(3,139)	(22,779)	(17,329)	(5,450)
LGSS Managed	5,734	0	5,734	85	100	(15)
Overall Total NCC Group	19,710	(14,147)	5,563	(20,444)	(14,979)	(5,465)

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

2.3.1 NCC Group Services are reporting an underspend of £20.4m. This represents a further movement in underspend of £5.5m compared to prior month. This movement is driven in the main by the release of reserves to contribute towards the financial position following the continuous review of the Council's reserves and provisions. In addition there is also higher than anticipated income received in relation to the Education Services Grant.

2.4 Movement Summary

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	(14.979)
Mitigations	
• Further review of Reserves and Provisions to contribute towards the corporate position.	(5.350)
• Additional ESG Income received over the budgeted amount.	(0.100)
• Reduction in forecast pressure on the IT Managed service from £100k to £85k.	(0.015)
Reported position this month	(20.444)

2.5 Mitigating Actions

2.5.1 The continuous review of the Council's Reserves and Provisions have identified a further £5.4m to help mitigate the in year pressure and support services in the implementation of management intervention plans.

2.5.2 The corporate balance sheet accounts, reserves and provisions position will continue to be reviewed. To date a total of £4.3m has been identified and released to offset the financial position with, as detailed above, a further movement of £5.4m in this month.

2.6 Future Risk Areas

2.6.1 Not reported at this stage.



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	(1363)	(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	57,766	(10,612)	47,154	(1,000)	(1,000)	0
Assets and Capital Management	52,316	(32,913)	19,403	0	0	0
Cross-Directorate Re-profiling	0	0	0	(500)	0	(500)
Grand Total	131,005	(44,413)	86,592	(1,500)	(1,000)	(500)

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.

3.3.2 Movement Summary

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	(1.000)
<ul style="list-style-type: none"> Re-profiling of expenditure on a range of services to deliver further savings 	(0.500)
Reported position this month	(1.500)

3.4 Mitigating Actions Planned

3.4.1 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	202,696	(57,480)	145,216	16,871	15,096	1,775
Children's Services	152,492	(24,869)	127,623	18,139	16,109	2,030
Wellbeing and Prevention Services	61,393	(54,289)	7,104	(3,112)	(3,112)	0
Total People Services	416,581	(136,638)	279,943	31,898	28,093	3,805

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	39,048	(7,582)	31,466	5,780	6,780	(1,000)
Health Partnerships and Strategy	23,668	(22,736)	932	6,969	6,969	0
Adults and Transitions	139,838	(27,162)	112,676	4,173	1,398	2,775
Care and Support Bill Team	142	0	142	(51)	(51)	0
Grand Total	202,696	(57,480)	145,216	16,871	15,096	1,775

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 8 has increased from the prior report of £15.1m variance to base budget to £16.9m. 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. As resulted in spend not reducing in line with base



budget assumptions leaving a total variance to base budget of £8.7m in packages of care.

- The new brokerage service will be live from the beginning of 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 £5m of the above risk in year. To reach this, target actions are taking place to put more resources into the service. We will therefore be transferring a number of posts and staff into the team from the existing service.
- The latest forecast from Health on the NCC share of the Mental Health pool has highlighted an over spend this month, mainly driven by Supported Accommodation Packages. Care management will continue to review and track this spend in conjunction with Health colleagues.
- Staffing and structures
 - The October Cabinet report included a proposed reduction of £0.4m in the START service. The service will now be reviewed as part of a wider service restructure based on a zero based budget review of demand, volumes of cases and best practice. We will however, continue to work with our health colleagues on meeting re-ablement services.
- Financial controls, debt and income
 - The Better Care Fund (Health Partnerships and Strategies) which is managed through Commissioning assumes a £10.2m 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.



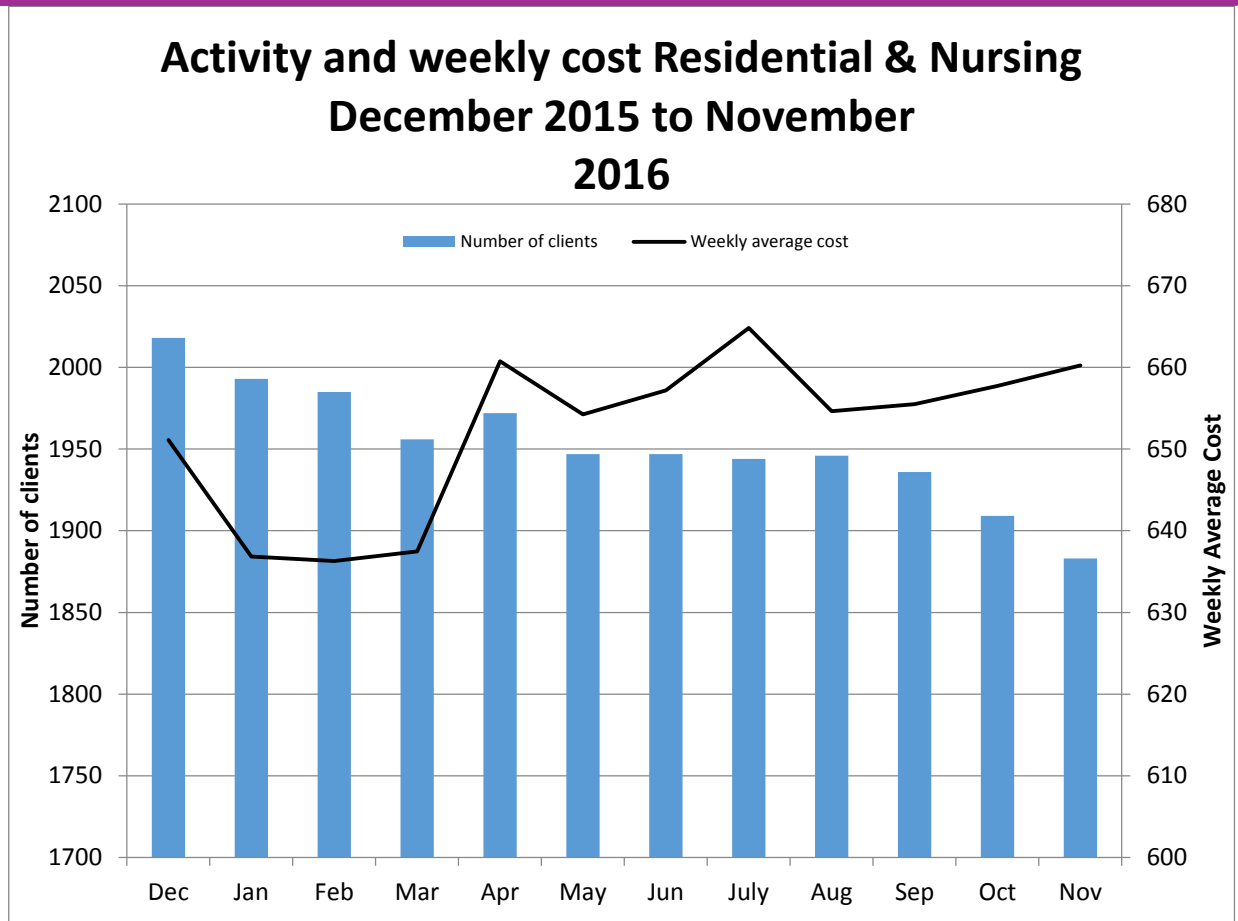
4.4 **Movement Summary**

	Outturn Variance £m
Position Reported at last Cabinet (+ = overspend)	15.096
<ul style="list-style-type: none"> • Consolidate forecast reserve position from Olympus Care with Adult Services 	(1.000)
<ul style="list-style-type: none"> • A reduction in forecast mitigations within the Independent Residential and Nursing Care budget. This has been driven by the cost of packages in the current market and the increase in the complexity of individuals requiring services, particularly with the frail elderly and discharges from hospital. 	1.453
<ul style="list-style-type: none"> • A reduction in forecast mitigations within the Independent Community Care budget. This has been driven by the cost of packages in the current market and the increase in the complexity of individuals requiring services. 	1.322
Reported position this month	16.871

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.

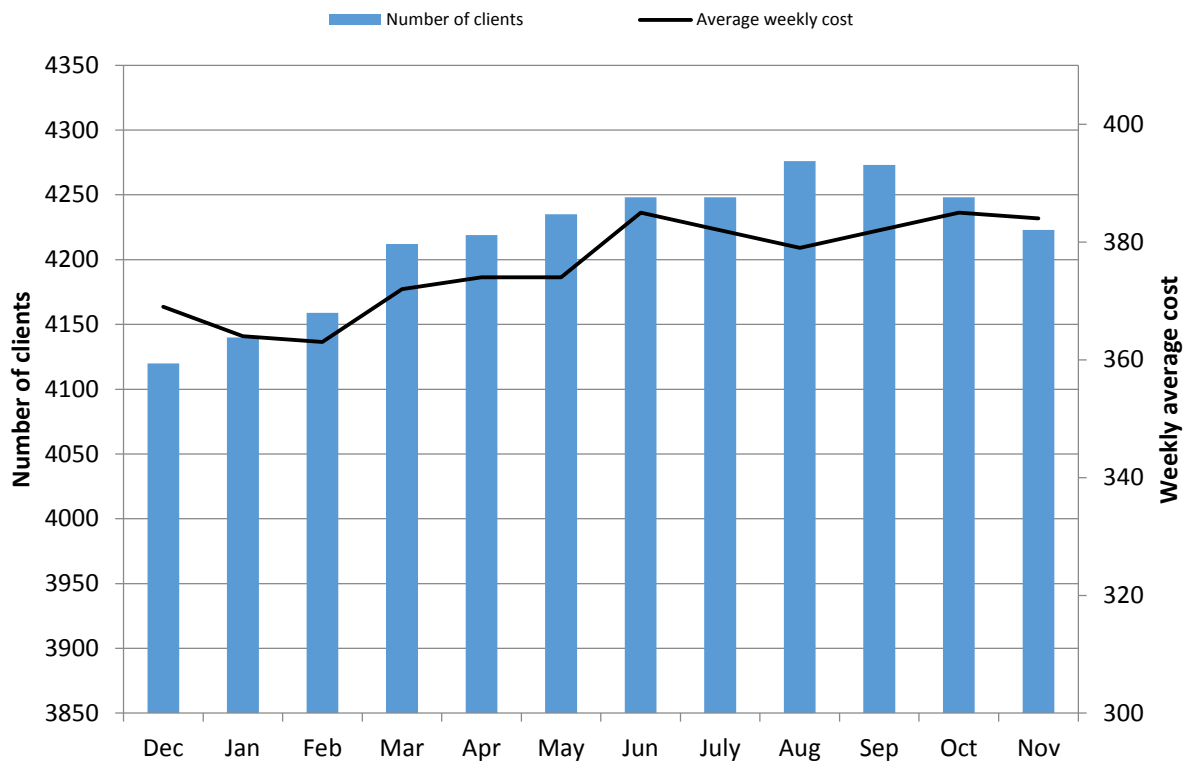
4.5.2 The notable price increase from March to April reflects the budgeted increases in the expected to pay rates across Residential and Nursing for 2016-17. The service continue to see a reduction in the numbers of clients placed in residential and nursing homes, whilst at the same time an increase in those clients receiving care services in their own homes. This is shown by the increased activity on the Community Care packages chart.



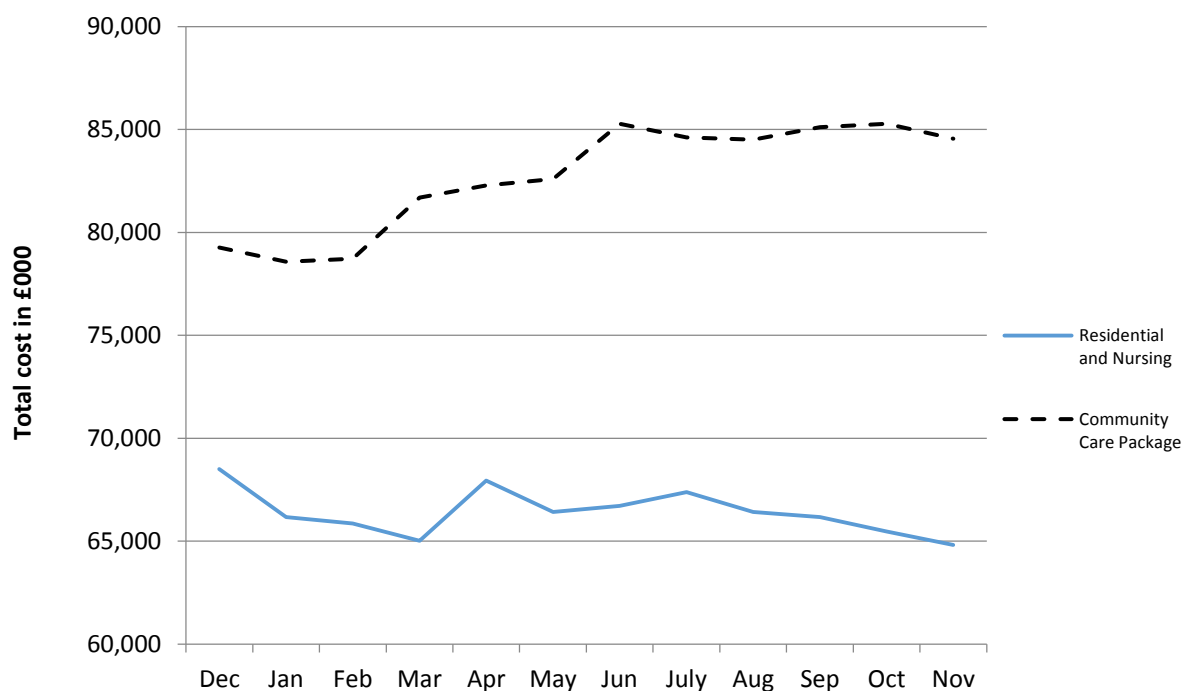
4.5.3 The chart below shows the total annual cost of Community Care packages increasing at the same time as residential packages decreasing over the last 12 months. This is a result of customers remaining in their own home for longer before entering into residential or nursing homes. This is where the 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 December 2015 to November 2016



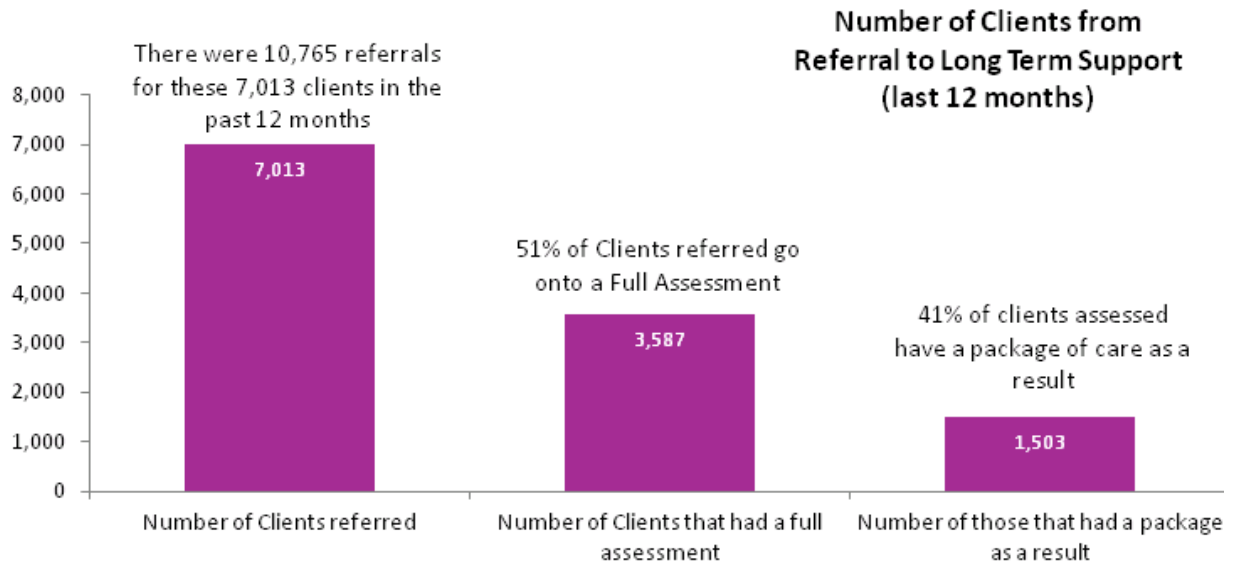
Total Cost for Independent Sector Care December 2015 to November 2016





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 £15m 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. It is intended to have full cohort of staff by first week in January 2017 this will enable more rapid process.
- 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 in the MFR a potential ½ year effect but there is a risk to this as we continue to validate. 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 will add 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 and direct payment is high risk as the team has only just been formed. Plans are underway to deliver as much as possible, we will review this on a weekly basis but we may need to alter the assumed savings in the coming MFR reports, which could impact on the overall Adults Social Care forecast pressure.

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.

4.8 Aged Debt Non-Collection – Write Off

- 4.8.1 As per covering report, Cabinet is asked to approve write off of the following Adult Social debt as per NCC Collection Strategy;

Customer 1 Total Debt £35,999.11 Date of death 27/6/2016

This customer was a nursing Home resident from 2014 following hospital episode. This client had no recourse to public funds and no evidence of property or other assets. Recommend write off under NCC collection strategy:

- Appendix 2 Section 4.8 Legal action impossible as we have no proof of debt or enforceable documentation
- Section 10.8 All efforts to collect the debt have been exhausted and failed

Customer 2 Total Debt £27,488.93 Date of death 21/10/2014

This customer was looked after in a Residential home and accrued debt from 2009 despite many attempts to recover debt over a number of years. In this case there was no record of probate or evidence of property or assets. Recommend write off under NCC collection strategy:

- Appendix 2 Section 4.8 Legal action impossible as we have no proof of debt or enforceable documentation
- Section 10.1 Debt is over 24 months old with no likely resolution
- Section 10.8 All efforts to collect the debt have been exhausted and failed
- Section 10.9 Debt has been passed to an external collections agency and they have failed to recover any monies

Customer 3 Total Debt £37,136.20 Date of death 02/12/2015

This customer was looked after in a Residential home and accrued debt from 2009 despite many attempts by NCC to recover debts. £6,000 was recovered from the deceased estate although no record of probate granted, No evidence of property or further assets and not able to prove liability and take legal action.

Recommend write off under NCC collection strategy;

- Appendix 2 Section 4.8 Legal action impossible as we have no proof of debt or enforceable documentation
- Section 10.1 Debt is over 24 months old with no likely resolution
- Section 10.8 All efforts to collect the debt have been exhausted and failed.



Customer 4 Total Debt £29,549.31 Date of death 23/9/2015

This customer was looked after in a Residential home and accrued debt from Oct 2014. This customer was a full cost customer as no financial information was disclosed. Information received following their death indicated that prior to being looked after in a residential home this customer had no financial means, and subsequently had no funds following their Public Health funeral.

Recommend write off under NCC collection strategy:

- Appendix 2 Section 4.8 Legal action impossible as we have no proof of debt or enforceable documentation
- Section 10.1 Debt is over 24 months old with no likely resolution
- Section 10.8 All efforts to collect the debt have been exhausted and failed

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	(24)	(24)	(24)	(24)	(96)
Service 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	6,668	6,310	358
Early Help & Prevention	9,425	(3,777)	5,648	(1,925)	(1,616)	(309)
Learning, Skills & Education	40,421	(13,392)	27,029	(4,305)	(3,576)	(729)
Safeguarding & Children's Services	52,513	(5,805)	46,708	17,703	14,993	2,710
Grand Total	152,492	(24,869)	127,623	18,139	16,109	2,030

5.3.1 Children's Services are reporting an overspend of £18.1m, which is an increase of £2.0m from what was reported to Cabinet in December.

5.3.2 In summary, management mitigations that have been implemented totalling £10.6m reduce the anticipated pressure for undeliverable 2016-17 Budget Proposals and in year demand led pressures totalling £28.7m 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)	16.109
Changes to previously reported mitigations	
<ul style="list-style-type: none"> Social care staffing establishment pressures identified as a result of recruitment and retention issues of permanent social workers, alongside increases in demand for Looked After Children. Senior Managers are continuing to review establishments and the use of agency workers to mitigate this pressure in year, against any risk this would pose against service delivery. Any impact of this refocused review may not take effect until late quarter 4. 	1.061
Changes to in year pressures / underspends	
<ul style="list-style-type: none"> High cost joint packages of care costs recharged from Health in respect of disabled children with highly complex needs. Focussed reviews of individual package costs for the agreed social care elements are being carried out by Social Care Professionals following changes to Health Continuing Care criteria where there is now a higher threshold. Alongside this a review is being 	1.515



conducted of income due from Health for Local Authority paid packages previously included in forecasts.

- The number of Looked After Children remained above 1,000 throughout November with a recent surge in sibling groups coming into care, putting further strain on the agency placements budget. 0.358
- The Home to School transport overspend which relates to an increase in the cost of providing transport for children with special education needs, has been reduced this month as a result of contract re-profiling within the Council's Transport provider. 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. (0.400)
- Further underspend identified in relation to the SEND grant following a detailed review of expenditure plans and commitments against the program roll out. (0.300)
- Revision to the Fostering allowances forecast based on current trends including planned anticipated increases in In House Foster Carers. (0.180)
- Minor movements across the Directorate. (0.024)

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	(3,600)	3,600
Customers, Culture & Place	9,744	(17,455)	(7,711)	488	488	0
First for Wellbeing	27,533	0	27,533	(3,600)	0	(3,600)
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.
- 6.6.3 Detailed monthly analysis continues to take place over the outturn position of the contract with First for Wellbeing CIC. As a new business start-up there are risks associated with the assumptions and projections applied and therefore risks remain on the delivery of savings of £1.8m. Significant risks exist for £0.4m of this with further detailed work required over the coming month and this will be subject to further review with any changes to be confirmed in future months.