

Appendix A



Northamptonshire County Council

Efficiency Plan

2016-17 to 2019-20



Northamptonshire
County Council

Efficiency Plan – 2016-17 to 2019-20

1. Introduction

As part of the Provisional Settlement, councils were offered the opportunity to achieve greater certainty and confidence from a four year budget which can be accepted through the submission of an efficiency plan. The plans need to cover the four year period through to 2019-20, be open and transparent about the benefits they will bring to the Council and community. They are required to be locally owned and locally driven to include local neighbours and public sector partners where necessary.

Full Council in February 2016 approved a budget for Northamptonshire County Council (NCC) which highlighted the financial challenges over the medium term and indicated the benefits that the offer would provide in the reassurance of future funding and opportunities given through the flexible use of capital receipts. Alongside this plan there are a range of other supporting strategies and plans detailing our approach over the next four years, in particular the Council Plan.

The Government's commitment to a four year funding envelope enables the Council to plan its services effectively and with greater certainty than previously. This also enables longer term transformation projects to be planned in order to achieve savings with the least impact on service provision.

2. Northamptonshire Introduction/Vision

Northamptonshire County Council's (NCC) vision is to "Make Northamptonshire a great place to live and work" thus ensuring the wellbeing and safeguarding of the residents and visitors to our wonderful county.

Critical to continuing to make the vision a reality is the delivery of the NCC Outcomes, as outlined in the Council Plan 2016-17 to 2019-20 as published on the Council's Website.

<http://www.northamptonshire.gov.uk/en/councilservices/Council/performance/Pages/plans.aspx>.

Furthermore this will be delivered this vision through very effective strategic development and commissioning of the provider market, including the development of wholly or partly owned group companies; providing regulatory safeguarding and assurance; managing effective communication, consumer interfaces and business intelligence; ensuring democratic accountability and delivering modern, innovative and digital first solutions.

3. Next Generation Council

As outlined in the Council Plan, the traditional method of paying for local services through local taxation and Government funding no longer works. As a result, the Council is under way to delivering the biggest transformation to the Council in its 125 year history.

The changing demographics of Northamptonshire, coupled with a change in the way people now expect to receive services and the most challenging financial climate for the public sector there has been for decades, means nothing but radical transformation of public service provision will meet the increasing needs of the people of the county. It is not possible for the County to 'cut' its way to a sustainable future. Consequently, the move to a Next Generation Council model which was outlined in the Council Plan in 2015-16 is more critical than ever.

The crucial element in the Next Generation Council (NGC) is the future development of all other Council services as separate accountable organisations – varying in structure and governance – which will be commissioned to deliver the outcomes demanded and required by citizens as taxpayers and consumers. In essence, NCC will see a small retained organisation called ‘NCC Group’ which will right-source Safeguarding and Wellbeing outcomes through ‘federated organisations’ which will have spawned from direct Council control.

In the new model, the Council is commissioning outcomes against people and place:

- Place – Environment, Planning & Transport (EPT), Assets and Capital Programme
- People – Children’s Services, Adult Social Care, Public Health and Wellbeing

This approach to strategic commissioning will be intelligence-led, focused on achieving long-term improvements and on putting in place a performance measurement framework to allow us to measure the impact of our activities. It is important that the budget envelope for each of the entities allows that outcomes are met, as commissioned by NCC Group, but that innovation and income generation are encouraged where appropriate to supplement budget envelopes that are affordable.

4. Financial Context

The Council’s net budget available for the delivery of services in 2016-17 is £416.47m, with 61% of this being raised locally through Council Tax. The Council has saved £202m since 2010-11, with an additional £65.15m required to be saved in the current year.

In February 2016, the Council ratified a budget outline for the medium term, covering 2016-17 to 2019-20 which included a savings package of £130.68m, putting further pressure on Council services. These pressures have meant tough decisions have had to be made, whilst we continue to focus on our statutory responsibilities, providing targeted services to those most vulnerable in society as our ability to provide wider, universal services will continue to be severely diminished. Full details of the proposals are included within Appendix A1-A5 and will be subject to annual review as part of the Budget Planning process.

The Medium Term Financial Plan(MTFP) outlines how we the Council is meeting the financial challenges faced over the next four years , and in order to ensure it is able to deliver the Plan, clear and specific commissioning intentions which shape the expectations that NCC Group will place on federated organisations have been developed. These intentions are shaped by central and local policy, demography pressures and consumer expectations, informed by intelligence on the County and constrained by the financial envelope. These intentions will inform the delivery plans each federated organisation will be expected to produce and consult on. This will ensure there is a clear continuum between the strategic vision, set out in the Council Plan, the commissioning plans and the delivery plans, as well as visible democratic accountability. The table below summarises the financial plan with a full report and appendices found at:

<http://cmis.northamptonshire.gov.uk/cmis5live/MeetingsCalendar/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/2470/Committee/398/SelectedTab/Documents/Default.aspx>

Table 1: Medium Term Plan - Financial Summary 2016-17 to 2019-20

	2016-17	2017-18	2018-19	2019-20
	£m	£m	£m	£m
Net Expenditure MTFP base budget	413.63	429.33	416.99	418.03
Service Pressures and Investments <i>Note 1</i>	80.84	18.22	18.02	21.71
Savings Proposals <i>Note 1</i>	(65.14)	(30.56)	(16.98)	(18.00)
Total Service Net Budget	429.33	416.99	418.03	421.74
Capitalisation Flexibilities	(12.00)	(9.00)	(2.00)	0.00
Grant – Independant Living Fund	(0.86)	(0.83)	(0.80)	(0.78)
Contribution to and from Reserves	0.00	0.00	0.00	4.24
Revised Net Service Expenditure	416.47	407.16	415.23	425.20
To Be Met By				
Other Central Grants and Contributions	(13.59)	(10.63)	(13.63)	(19.62)
Government Base Funding (SFA)	(142.74)	(123.97)	(113.48)	(103.80)
Council Tax and Collection Fund	(260.14)	(272.56)	(288.12)	(301.78)
<i>Council Tax and Collection Fund</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Note 1: Savings and Growth proposals are subject to annual review as part of MTFP process

5. Funding

The Medium Term Plan does assume there will be growth in both the council tax and business rates, the Adults precept will continue to be in place and accounts for the Government’s early indications on the Better Care Fund in the later years. The table below summarises the Council Tax Rate and Tax Base increases.

Table 2: Council Tax Rate and Tax base increases 2016-17 to 2019-20

	2016-17	2017-18	2018-19	2019-20
Council Tax Base	228,952	233,531	237,618	241,776
Tax Base Increase	2.74%	2.00%	1.75%	1.75%
Council Tax Rate <i>(Including Adults Precept)</i>	£1,111.25	£1,155.14	£1,200.77	£1,248.20
Council Tax increase	1.95%	1.95%	1.95%	1.95%
Adults Precept	2.00%	2.00%	2.00%	2.00%
Council Tax Income £'000	254,423	269,761	285,325	301,785
Collection Fund	5716	2800	2800	0
Total Council Tax and Collection Fund	260,138	272,561	288,125	301,785

6. Flexible use of Capital Receipts

As part of the Local Government Spending Review on 17th December 2015, the Government provided councils with the flexibility of utilising Capital Receipts for qualifying expenditure. This is to enable authorities to fund transformation and cost reduction programmes of reform from capital receipts in the years the flexibility is offered.

The capitalisation flexibilities have been explored in the context of the move to a Next Generation Council, set alongside the significant financial pressures that exist for 2016-17. As a result, the MTP includes the use of capital receipts to fund the Council's NGC transformation totalling £25.5m over the period with a suggested profile of £14.5m required for 2016-17, £9m for 2017-18 and £2m in 2018-19. This profile will be reviewed in line with receipts available and the progress made in delivering the county wide transformation programme.

There is a cost in using this flexibility since the capital receipts will no longer be available for use to fund the capital programme and repay borrowing as initially planned. As a result, in order to fund the capital programme commitments additional borrowing is required and therefore the capital financing costs have been included in the MTFP that was agreed at Cabinet in February 2016.

Further details of the assumed costs being funded against each area or project within the MTFP plans are still to be finalised, however the proposals listed within Appendix A1-A5 to provide information on the transformation taking place and efficiencies expected to be released within the Medium Term Plan.

7. Key Partnerships and Collaboration

There are many examples of partnership and collaborations already in place with NCC involved as either a key partner or a stakeholder. Some of these partnerships have been in existence since before austerity measures began, for example the partnership with KeirWSP to deliver the Northamptonshire Highways programme or the LGSS shared services partnership with Cambridgeshire County Council and Milton Keynes Council to deliver all support services including financial, HR, Legal and IT services.

The Next Generation Model will include partnerships with other public sector bodies, but also partnerships with the private, and voluntary and community sector (VCS). All of these partnerships support the council in delivering against the outcomes outlined in the Council Plan.

8. Risks and Uncertainties

Whilst, the Council has a good track record of successfully delivering savings, the impact of austerity, continued reduced funding and increasing demand for services has required the Council to provide savings to manage the shortfall in an environment of change and where transformation forms a significant part of the Strategic Council Plan.

Consequently, this has presented significant risks in delivering the agreed programme in recent years which continues over the medium term with £130.68m of savings still to be achieved.

It also needs to be acknowledged that the benefits of the four year offer does provide some reassurance for funding available to the Council from Revenue Support Grant, Transitional Grant and Business Rate top up.

However, within the funding settlement there is a change in the balance of funding with the level of Revenue Support Grant allocated reducing over the four year period.

In addition, all funding streams available to the Council are subject to risks faced by external factors which include;

- Any down turn in the economy and fiscal policy.
- Any new burdens that may transfer following the proposed changes to 100% Business Rates Retention
- Any changes to policy or legislation e.g. Better Care Funding and Introduction of Care Act

9. Reserves & Contingencies

The Council's Reserves Policy states that the level of reserves should be determined by taking account of the strategic, operational and financial risks facing the authority. Specifically, the Council is required to maintain General Reserves sufficient to cover the key financial risks that it faces, as expressed in its financial risk register. In determining a prudent level of reserves to maintain, the Chief Financial Officer will take into account a number of factors. These could include:

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

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

The current forecast reserve levels indicate that there will be a total balance carried forward into next year in the region of £50m which includes Specific Schools Reserves. The estimated end of year forecast balance of General Reserve continues to remain at £12m which is in line with the agreed level laid down within the Reserves Policy of 2-5% of the Net Budget Requirement.

APPENDIX A1 - Adults Social Care Services

Proposal Number	Title - Growth Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Inflation							
10-033-01a	Forecast pay inflation	Budget growth in respect of locally negotiated pay inflation.	376	380	383	388	1,527
13-009-01a	Pension NI Increase	The Government's proposed introduction of the single-tier state pension from April 2016 will no longer give the ability to 'contract-out' and therefore the lower contracted-out rates of national insurance will cease. The implications are that the Council will be required to increase national insurance contributions by 3.4% and the estimated financial impact of this change has been built in from 2016-17.	476	0	0	0	476
10-035-01b & 15-001-13	Contractual Inflation Adult Social Care	Contractual Inflation relating to Adult Social Care Services including block contracts.	1,209	1,218	1,229	1,239	4,895
15-009-03g - 15-001-04	National Living Wage Increase	From April 2016, the government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above, initially set at £7.20 - a rise of 50p relative to the current National Minimum Wage (NMW) rate.	2,584	2,811	3,232	3,192	11,819
Total Inflation			4,645	4,409	4,844	4,819	18,717
Other Service Pressures							
10-024-01 & 15-001-11	Demographic and prevalence pressures including Transitions impact	Demographic and prevalence pressures in older people and younger adult services. Estimated increase in numbers of children transitioning into Adults Social Care also included.	2,176	1,597	2,568	2,617	8,958

13-001-01	Ongoing Care Act transformation activity	Additional base funding for 2016/17. The effect of the implementation of the Care & Support Bill from April 2015.	405	0	0	0	405
13-001-09b, 14-001-03,12, 16, 15-001-08, 09, 10 & 12.	Inescapable Service Pressure	Recognition of base budget to be reinstated in order for service to target the transformation savings and efficiencies from 2016-17 based on latest business intelligence. This includes previous Independent Living Clients budget requirements.	19,199	1,739	1,741	1,743	24,421
15-001-03 & 15-001-04	Full year effect of care and support pressure arising from 2015-16	Estimated full year effect of care and support pressure arising from 2015-16 including client contribution.	5,554	0	0	0	5,554
15-001-05 & 15-001-07	Operational Staff Requirement	Additional base budget for operational staff.	503	489	414	0	1,406
Total Other Service Pressures			27,837	3,825	4,723	4,360	40,744
Total Growth Proposals			32,482	8,234	9,567	9,179	59,461

Note: Subject to review as part of the Annual MTFP process

Proposal Number	Title - Savings Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Efficiency							
13-001-09c	Contract Renegotiation	Alignment of current Olympus Care Services with Adult Social Care Assessment and Care Management Functions.	(3,039)	(760)	(794)	(796)	(5,389)
15-001-16	Falls Ambulance Service	Proposal to decommission the Falls Ambulance Service, as it does not provide a better outcome than the regular ambulance service and does not represent value for money. This proposal will need to be agreed with our Health Partners.	(186)	0	0	0	(186)
15-001-19	Enablement for Younger Adults	Proposal for new Younger Adults to be offered a 12 week enablement programme to maximise their skills which supports independent living.	(145)	(331)	(291)	(291)	(1,058)
15-001-22	Decommissioning Stepping Stones	Proposal to decommission the stepping stones contract, which provides temporary short term solutions for service users. Alternative arrangements for service users will be found prior to decommissioning the contract and therefore no service users will be affected.	(150)	0	0	0	(150)
15-001-24	Continuing Health Care application of legislation	Proposal to improve the application of Continuing Health Care legislation, whereby relevant care packages are funded by Health and service users receive their eligible entitlement to NHS Continuing Care.	(1,607)	(1,607)	(600)	(600)	(4,414)
15-001-28	Younger Adults - High Needs Review	Continuation of the High Needs Review project started in 2015/16. Reviewing Younger Adult Service Users with complex needs and seeking to promote independent living through ensuring appropriate packages of care are in place that 'step down' their needs over time.	(1,000)	(1,000)	(500)	(500)	(3,000)

15-001-31	Carers	Saving resulting from a review of the current carers contract.	(50)	0	0	0	(50)
15-001-32	Correction of NCC base to reflect NCC Pooled Contribution	Alignment of Council contribution to pooled equipment fund resulted from the renegotiation with NHS Northamptonshire in 2015-16.	(1,000)	0	0	0	(1,000)
15-001-33	External Reviews	Proposal to externalise a number of care package reviews to an external specialist provider. They are aiming to maximise service user opportunities for independent living and reduce resultant packages of care.	(2,200)	0	0	0	(2,200)
15-001-34	Contractual Savings	A number of contracts are being reviewed for value for money, prior to their renewal.	(500)	0	0	0	(500)
15-001-35	Reduced Training	The service is looking to improve the effectiveness of staff training delivery.	(350)	0	0	0	(350)
15-001-41	Efficiencies through assessed needs for new clients.	The service will take additional measures to ensure service users' needs are more precisely targeted but that acceptable levels of risk are maintained and people still have their eligible needs met as required by the Care Act 2014.	(1,800)	0	0	0	(1,800)
15-001-39	Integration of Service Delivery	Integration of health and social care out of hospital services	(250)	0	(60)	0	(310)
Total Efficiency			(12,277)	(3,698)	(2,245)	(2,187)	(20,407)
Income Generation							
10-006-01	Benefit inflation increase reflected in Adult Social Care client contribution income.	Additional income resulting from benefit inflation increase, which is accrued through assessed client contribution.	(535)	(471)	(480)	(489)	(1,975)

13-001-04	Fairer Contribution Strategy	Estimated savings to be realised during 2016/17 arising from the remaining removal of banded charges and move to fair assessment charges. The new policy was agreed at Cabinet in February 2014. Further savings to be achieved in 2017-18 through income maximisation project.	(300)	(400)	0	0	(700)
15-001-02	Community Interest Company Return	The service is investing into the Wellbeing Community Interest Company, First for Well-being and is anticipating a return on its investment in the form of reduced demand for Adult Social Care services.	(500)	(500)	(250)	(250)	(1,500)
15-001-29	Better Care Fund	Additional social care protection funding, subject to negotiation with our health partners, as part of the Better Care Fund agreement for 2016-17.	(1,031)	(1,405)	(958)	(764)	(4,158)
Total Income Generation			(2,366)	(2,776)	(1,688)	(1,503)	(8,333)
Service Transformation							
14-001-05	Shared Lives (Adult Fostering)	This proposal will consider increasing the number and range of Shared Lives (Adult Fostering) arrangements.	(109)	(109)	(109)	(109)	(436)
15-001-15	Discharge to assess	In line with legislation, NCC to ensure tighter application of Continuing Health Care (CHC) eligibility for people being discharged from hospital.	(484)	0	0	0	(484)
15-001-18	Reablement - Effectiveness of Short Term Service	Reablement is a service to help people recover skills and confidence to live at home and maximise their independence. This proposal reflects our current forecast of reablement savings following the switch of reablement capacity in May 2015, to allow for community referrals.	(1,115)	(1,115)	(1,115)	0	(3,345)

15-001-20	Contract Re-design	The Shaw Specialist Care Centres (SCCs) currently provide short term services. We are proposing ceasing NCC funding for people needing NHS support. The NHS is responsible for Intermediate Care and has access to health funded facilities. Options are being considered to transfer/ promote use of the centres by Adult Social Care funded long-term services, thereby reducing the overall cost for NCC.	(2,173)	(2,173)	0	0	(4,346)
15-001-21	Reduction in Mental Health Pool Contribution	Current year saving from progression of Mental Health Short Term services users, is assumed to be sustainable on an on-going basis.	(350)	0	0	0	(350)
15-001-23	Progression - Care Management and Social Work	Progression is a different model of care management and social work. A key aspect of "Progression" focussed social work is the emphasis on longer term planning for individuals where particular focus is given to the support required to help people acquire the confidence and skills to live more independently. Adoption of the approach will lead to care and support plans that result in reductions in support over time, with quality of life improvement for the person and consequent cost savings.	(1,700)	(1,000)	(300)	(150)	(3,150)
15-001-26	Day Care Service Redesign	A review of the provision of Day Care for all clients across both the independent care sector and the Council's block contracts is to be undertaken in order to optimise both client outcomes and value for money.	(467)	(467)	(466)	0	(1,400)
15-001-27	Domiciliary Care	Delivery of new model of domiciliary care provision, building on the outcome based domiciliary care pilot currently underway.	(442)	(442)	(442)	(442)	(1,768)

15-001-30	Savings released from Adults Social Care Contracts relates to prevention	Savings released from the existing prevention contracts before prevention contract budgets are transferred to the Community Interest Company, 'First for Well-being'.	(450)	(400)	0	0	(850)
15-001-37	Decommissioning of Olympus Care Home	Proposal to decommission Olympus Care Services (OCS) residential care home, through re-provision of alternative care. This is to make the best use of contracted resources and to ensure the provision of suitable bed based social care provision for older people is available.	(150)	(420)	0	0	(570)
15-001-40	OCS Reablement	Reablement is a service to help people recover skills and confidence to live at home and maximise their independence. A review is to be undertaken in order to optimise both client outcomes and value or money.	(900)	0	0		(900)
15-001-38	Benefits from the Older Person Accommodation Strategy	Older Peoples 5 year Accommodation Strategy	0	(1,000)	(500)	(500)	(2,000)
Total Service Transformation			(8,340)	(7,126)	(2,932)	(1,201)	(19,599)
Service Cuts							
15-001-36	Staff reduction	The service is looking to improve the efficiency of service delivery, in selective areas	(900)	0	0	0	(900)
Total Service Cuts			(900)	0	0	0	(900)
Total Savings Proposals			(23,883)	(13,600)	(6,865)	(4,891)	(49,239)

Note: Subject to review as part of the Annual MTFP process

Appendix A2 - Childrens Services

Proposal Number	Title - Growth Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Inflation							
10-035-01a	Contractual Inflation Children, Families and Education	This increase reflects the contractual inflationary pressures in existing contracts	686	691	695	698	2,770
10-037-01a	PFI Increases NTLP	Contractual inflation for the grouped schools Private Finance Initiative scheme	233	233	239	245	950
10-033-01b	Forecast Pay Inflation	Budget growth in respect of locally negotiated pay inflation	373	376	380	384	1,513
13-009-01b	Pension NI Increase	The Government's proposed introduction of the single-tier state pension from April 2016 will no longer give the ability to 'contract-out' and therefore the lower contracted-out rates of national insurance will cease. The implications are that the Council will be required to increase national insurance contributions by 3.4% and the estimated financial impact of this change has been built in from 2016-17.	624	0	0	0	624
15-009-03c	National Living Wage Increase	From April 2016, the government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above, initially set at £7.20 – a rise of 50p relative to the current National Minimum Wage (NMW) rate.	257	302	357	431	1,347
Total Inflation			2,173	1,602	1,671	1,758	7,204
Other Service Pressures							
14-002-01	SEN Grant Cash flow	Further reinstatement of SEN Grant funding to deliver the implementation of Education, Health and Care Plans. This funding is then	24	(254)	0	0	(230)

		removed in later years from the NCC base budget as the implementation is completed.						
14-002-19	East Northants Temporary Accommodation	One off growth requirement to fund the temporary accommodation as part of the East Northants reorganisation, which is a revenue cost. This budget growth will be removed in 2017-18.	350	(350)	0	0	0	0
15-002-15	Children's services Demographic Growth	Budget growth required as the result of an increasing child population and estimated children needing care.	1,500	2,000	2,500	2,500	8,500	
15-002-17	Looked After Children Placements Pressure	Recognition in budget terms on the current reliance on the use of Agency staff and placement costs to safeguard children.	20,300	0	0	0	20,300	
15-002-31	Early Help Families	Reinstatement of Early Help Families funding to continue the successful delivery of the Early Help Families Programme. This funding is then removed in 2017-18 from the NCC base budget as the Early Help Families reserve draw down will have been fully replaced.	1,000	(1,000)	0	0	0	0
Total Other Service Pressures			23,174	396	2,500	2,500	28,570	
Total Growth Proposals			25,347	1,998	4,171	4,258	35,774	

Note: Subject to review as part of the Annual MTFP process

Proposal Number	Title - Savings Proposals	Public Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Efficiency							
15-002-29	Making Early Help Work -Proposal 1	Decommissioning the existing support services contract and re-commissioning interventions with a far stronger evidence base (e.g. Multi Systemic Therapy).	(2,000)	0	0	0	(2,000)
15-002-28	Making Early Help Work -Proposal 2	A reduction in Children's Centre Services in areas of lesser need. Remaining provision would be targeted in areas of greatest need.	(3,000)	0	0	0	(3,000)
Various	Making Early Help Work - Proposal 3	Integrating commissioning across the Directorate.	(770)	0	0	0	(770)
15-002-26	Managing the Market	Through stronger and more strategic market management and extending our in house provision of placements (such as residential, Independent Supported Accommodation).	(4,000)	(4,000)	0	0	(8,000)
15-002-24	Smarter Commissioning	Through smarter commissioning we are able to reduce the Children with Disabilities budget with no impact on service delivery.	(400)	0	0	0	(400)
Total Efficiency			(10,170)	(4,000)	0	0	(14,170)
Service Transformation							
15-002-27	Education Reconfiguration and Traded services Delivery	Reconfiguration and targeting of Learning, Skills and Education services including consideration of trading and income generation.	(250)	0	0	0	(250)
Various	Northamptonshire Children's Trust	As part of the next stage of improvement in Children's Services, we have begun work with the Department for Education to look at setting up a Northamptonshire Children's Trust. In line with the Next Generation Council, the Trust will enable services for children to be improved and	(9,000)	(2,000)	0	0	(11,000)

		sustained over the medium to long term. Within a Trust model we will be able to significantly improve the terms and conditions of employment in order to reduce our dependence on agency workers. As a result the Trust model will be more affordable and deliver a more stable workforce. The initial savings are associate with restructuring prior to but in preparation for the 'Trust' model.						
Total Service Transformation			(9,250)	(2,000)	0	0	(11,250)	
Service Cuts								
15-002-32	Reduction in funding for demographic growth	Reducing funding available to meet demographic growth within the county	0	(500)	(750)	(1,000)	(2,250)	
15-002-33	Reductions in funding for Early Help	No overall reduction substituted by Payment by Results from Early Help Families Stage 2	0	(2,000)	(1,500)	(1,000)	(4,500)	
15-002-30	Commissioning -Targeted NEET provision	Re-commissioning the contract for support to vulnerable learners, at a lower value.	(800)	0	0	0	(800)	
Total Service Cuts			(800)	(2,500)	(2,250)	(2,000)	(7,550)	
Income Generation								
15-004-19c	Fairer Charging Policy	NCC charges the lowest council tax of any council in England and believes that where customers have a choice of whether to pay for something, including enhanced services then they should have that option. Similarly if the 'state' already provides funding for individuals that includes a provision to pay for services, then NCC should not further subsidise or duplicate that funding. These we believe are at the heart of our 'fairer charging' policy. Where appropriate we will also avoid the build up of debt, and potential bad debt provision' through charging appropriate payments in advance. Examples of this will include,	(24)	(24)	(24)	(24)	(96)	

	changing the charging policies to ensure all our charging is in line with other councils and reflects our lowest taxation position.					
Total Income Generation		(24)	(24)	(24)	(24)	(96)
Total Savings Proposals		(20,244)	(8,524)	(2,274)	(2,024)	(33,066)

Note: Subject to review as part of the Annual MTFP process

Appendix A3 – Place Services

Proposal Number	Title - Growth Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Inflation							
10-035-01c	EDT Contract Inflation	Contract Inflation in relation to Environment Development and Transport.	1,002	1,185	1,234	1,409	4,830
15-009-03a	National Living Wage Impact	From April 2016, the Government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 years and above, initially set at £7.20 - a rise of 50p relative to the current National Minimum Wage (NMW) rate.	240	0	0	0	240
10-033-01c	Forecast Pay inflation	Budget growth in respect of locally negotiated pay inflation.	219	215	217	219	870
13-009-01c	Pension NI Increase	The Government's proposed introduction of the single-tier state pension from April 2016 will no longer give the ability to 'contract-out' and therefore the lower contracted-out rates of national insurance will cease. The implications are that the Council will be required to increase national insurance contributions by 3.4% and the estimated financial impact of this change has been built in from 2016-17.	365	0	0	0	365
Total Inflation			1,826	1,400	1,451	1,628	6,305
Other Service Pressures							

10-015-01	Volume changes on Waste budgets	Using data, forecasts are made as to how much waste will be produced in the county. Both quantity and price are forecast to increase, however two types of waste that was previously sent to landfill will now be treated resulting in reduced costs. In addition, recycling may increase. These changes are reflected in the yearly budget figures.	(346)	378	444	456	932
11-006-19	Street lighting PFI	The cost to the county council of the street lighting PFI is £90 million payable over 25 years. This equates to an average of £3.6 million per year over the duration of the contract. This additional investment is part of the phasing of the annual increment in repayments, which increase steadily over the first few years of the contract. The PFI not only provides modern controllable lighting in many areas, but also represents value for money as it is less than the previous lighting and maintenance costs.	150	0	0	0	150
13-006-08	Collaboration on collection and disposal of waste and recycling	Budget growth in respect of the 2015-16 proposal for closer collaboration with District and Borough Councils on waste collection, recycling and disposal. Work continues and a revised savings proposal across all Directorate services is included in the 2016-17 budget.	7,000	0	0	0	7,000
13-006-13	Highways structural maintenance	Return to revenue funding of a proportion of the £5m structural maintenance budget to be funded from capital from 2014-15 onwards.	350	350	350	350	1,400
15-006-41	Winter Maintenance	Realignment of base budget.	1,500	0	0	0	1,500

14-006-20	Highway Capitalisation Investment	Formerly the council invested £5m of capital in Highways Maintenance and £3m of this is being put back into the revenue budget for road maintenance. Of this amount £1.2m is being cut, hence the total reinstatement to revenue of £1.8m. However, of the £1.2m saving £200k is being used to fund a new £2m capital investment in highways maintenance.	1,800	0	0	0	1,800
Total Other Service Pressures			10,454	728	794	806	12,782
Total Growth Proposals			12,280	2,128	2,245	2,434	19,087

Note: Subject to review as part of the Annual MTFP process

Proposal Number	Title - Savings Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Income Generation							
15-006-39	Utilities Permit Scheme	Additional income resulting from the further roll out of the Utilities Permit Scheme.	(30)	0	0	0	(30)
15-004-19d	Fairer Charging Policy	NCC charges the lowest council tax of any council in England and believes that where customers have a choice of whether to pay for something, including enhanced services then they should have that option. Similarly if the 'state' already provides funding for individuals that includes a provision to pay for services, then NCC should not further subsidise or duplicate that funding. These we believe are at the heart of our 'fairer charging' policy. Where appropriate we will also avoid the build up of debt, and potential bad debt provision' through charging appropriate payments in advance. Examples of this will include, changing the charging policies to ensure all our charging is in line with other councils and reflects our lowest taxation position.	(143)	(143)	(143)	(143)	(572)
Total Income Generation			(173)	(143)	(143)	(143)	(602)
Service Transformation							

13-006-01	Total Transport - Social Enterprise Model	Create an integrated transport service to meet the transport needs of all the community, possibly involving strategic alliances or social enterprises with profits channelled back into the local community.	0	(500)	(1,000)	(1,000)	(2,500)
13-006-04	Renewable Energy Facility	Development of a renewable energy facility based on new technologies in conjunction with private sector to generate revenue.	0	0	0	(10,000)	(10,000)
14-006-23	Review of Fire Service	Savings arising from a fundamental review of the entire Fire and Rescue Service and subject to consultation on the Integrated Risk Management Plan. This will include the exploration of closer collaboration with Police and other blue-light services.	(815)	(700)	(500)	(300)	(2,315)
15-006-40	Waste Disposal	Closer collaboration with District and Borough Councils on waste collection, recycling and disposal.	(500)	0	0	0	(500)
15-006-42	England's Economic Heartland	Creation of a Strategic Transport Forum of County and Unitary Council's and LEPs to drive savings from collaborative procurements and other efficiencies derived from increased economies of scale.	0	(400)	(400)	0	(800)
15-006-44	PLACE Joint Venture	Engage Private Sector to participate in new joint venture partnership for the PLACE Directorate which will provide up front funding for infrastructure for a long-term return on investment.	0	(500)	(500)	(500)	(1,500)
15-006-45	Partnership with Neighbouring Authorities	Efficiency savings through closer collaboration with adjacent authorities	0	(100)	(400)	0	(500)



15-006-46	Exploitation of Superfast Broadband	Increase the optimisation of Superfast Broadband to over 50% to trigger further sharing of benefits.	0	0	(1,000)	0	(1,000)
15-006-47	Place Commissioning Efficiencies	Deliver financial savings through more joined-up services and improved processes.	0	(250)	0	0	(250)
Total Service Transformation			(1,315)	(2,450)	(3,800)	(11,800)	(19,365)
Service Cuts							
15-006-11	Waste Management Establishment & Waste Education Review	Rationalisation of senior management and a review of the Waste Education Service.	(170)	0	0	0	(170)
15-006-29	Bus Subsidies	Removal of bus routes and subsidies	(200)	(1,000)	0	0	(1,200)
11-002-07-a	Archives and Heritage	Service cut that will be achieved through a rationalisation of activities/ income opportunities.	(25)	0	0	0	(25)
15-006-14	Emergency Planning	Reduction in emergency planning activities.	(200)	0	0	0	(200)
15-006-19	Strategic, Partnership Delivery & Economic Development	Removal of funding earmarked for the technical development of projects, preparation of funding bids, EU matching funding, and the development of sustainable transport initiatives in support of the economic development agenda.	(734)	0	0	0	(734)
Total Service Cuts			(1,329)	(1,000)	0	0	(2,329)
Total Savings Proposals			(2,817)	(3,593)	(3,943)	(11,943)	(22,296)

Note: Subject to review as part of the Annual MTFP process

Appendix A4 – Public Health and Wellbeing

Proposal Number	Title - Growth Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Inflation							
10-033-01d	Forecast Pay Inflation	Budget growth in respect of locally negotiated pay inflation.	75	83	83	84	325
13-009-01d	Pension NI Increase	The Government's proposed introduction of the single-tier state pension from April 2016 will no longer give the ability to 'contract-out' and therefore the lower contracted-out rates of national insurance will cease. The implications are that the Council will be required to increase national insurance contributions by 3.4% and the estimated financial impact of this change has been built in from 2016-17.	133	0	0	0	133
15-009-03b	National Living Wage Increase	From April 2016, the government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above, initially set at £7.20 – a rise of 50p relative to the current National Minimum Wage (NMW) rate.	64	149	240	361	814
Total Inflation			272	232	323	445	1,272
Total Growth Proposals			272	232	323	445	1,272

Note: Subject to review as part of the Annual MTFP process

Proposal Number	Title - Savings Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Efficiency							
13-002-06	Cessation of direct delivery of the school meals service and the meals at home service to older people	The Council will cease to deliver school meals directly at the end of the Summer term in 2016. The Council will cease to deliver directly Meals at home to vulnerable people. In both cases the Council will work with alternative providers to put in place provision for both schools and vulnerable people	(662)	(886)	0	0	(1,548)
13-008-05	Newton Field Centre	Removal of support to Newton Fields Centre as they become financially sustainable	(40)	0	0	0	(40)
14-008-11	Reduction in funding for Healthwatch	A reduction in the current level of funding for the Healthwatch service as our social enterprise model gains more income.	(60)	0	0	0	(60)
15-008-08	Health and Wellbeing Board	Reduction of funding available to support the running of the Health and Wellbeing Board	(40)	0	0	0	(40)
15-008-09	User Engagement and Learning Disability Partnership Board	Reduction of funding available to support user engagement and the Learning Disability Partnership Board	(75)	0	0	0	(75)
15-008-10	Pocket Park Resource	Reduction in demand for the establishment of new pocket parks, means that the Council no longer needs a post.	(29)	0	0	0	(29)
15-008-12	Shared Community Safety Service	Development of collaborative community safety arrangements with Northamptonshire Police and other partners	(65)	0	0	0	(65)
15-008-14	First For Wellbeing to provide Carer Services	First for Wellbeing to provide Carer services. This enables Adults Social Services to release base budget savings.	0	(200)	0	0	(200)
Total Efficiency			(971)	(1,086)	0	0	(2,057)
Service Transformation							

15-008-13	First for Wellbeing Business Case Savings	Delivery of integration efficiencies and economic benefits through the First For Wellbeing CIC business model	0	(500)	(1,000)	(1,000)	(2,500)
Total Service Transformation			0	(500)	(1,000)	(1,000)	(2,500)
Income Generation							
13-008-03	Country Park development	Further development of the council's Country Parks to generate more income. This will ensure that the service can continue to cover all its costs thereby securing the sustainability of the parks.	(13)	(10)	(10)	0	(33)
15-008-11	Increased income generation through fees and charges.	Additional income target in line with long term development plan	(60)	0	0	0	(60)
15-004-19a	Fairer Charging Policy	NCC charges the lowest council tax of any council in England and believes that where customers have a choice of whether to pay for something, including enhanced services then they should have that option. Similarly if the 'state' already provides funding for individuals that includes a provision to pay for services, then NCC should not further subsidise or duplicate that funding. These we believe are at the heart of our 'fairer charging' policy. Where appropriate we will also avoid the build up of debt, and potential bad debt provision' through charging appropriate payments in advance. Examples of this will include changing the charging policies to ensure all our charging is in line with other councils and reflects our lowest taxation position.	(320)	(320)	(320)	(320)	(1,280)
Total Income Generation			(393)	(330)	(330)	(320)	(1,373)
Total Savings Proposals			(1,364)	(1,916)	(1,330)	(1,320)	(5,930)

Note: Subject to review as part of the Annual MTFP process

Appendix A5 – NCC Group CE Services

Proposal Number	Title - Growth Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Inflation							
10-033-01e /f/g	Forecast Pay Inflation	Budget growth in respect of locally negotiated pay inflation.	313	315	319	321	1,268
13-009-01e/f	Pension NI Increase	The Government's proposed introduction of the single-tier state pension from April 2016 will no longer give the ability to 'contract-out' and therefore the lower contracted-out rates of national insurance will cease. The implications are that the Council will be required to increase national insurance contributions by 3.4% and the estimated financial impact of this change has been built in from 2016-17.	607	0	0	0	607
10-036-01	Utilities Inflation	Inflationary pressure on the utilities contracts.	0	600	600	600	1,800
10-035-01d	Environment Levy Inflation	Inflation on Environment Levy	0	30	30	30	90
15-009-03e/d/f.	National Living Wage Increase	From April 2016, the government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above, initially set at £7.20 – a rise of 50p relative to the current National Minimum Wage (NMW) rate.	3	11	21	44	79
10-034-01	Pensions increases	This represents the additional investment required to meet the pensions pressures in line with 2014 valuation and Actuary Certificate for the three year period 2014-15 through to 2016-17. This will be revisited in March 2017 when an indication will be given on commitments in future years.	1,512	1,400	1,400	1,400	5,712
15-009-01	Insurance Premium Tax Increase	With effect from November 2015 the rate of insurance premium tax will increase to 9.5% for general insurance products from its current level of 6%. This will add an unrecoverable tax burden with effect from the 2016/17 financial year with a	22	22	0	0	44

		part year effect in that year and the full effect in 2017/18.						
Total Inflation			2,457	2,378	2,370	2,395	9,600	
Other Service Pressures								
14-008-10	Royal & Derngate	This replaces the contribution from the Second Homes Fund which is no longer available. Contribution to R & D approved by Cabinet in 2011.	100	0	0	0	100	
13-009-11	New Homes Support	This is the extra set aside to Support Schemes in place for New Homes Development.	0	1,379	0	0	1,379	
14-009-01	Investment in Improved Council Tax	Development of a scheme to improve performance in the collection of Council Tax which will be completed by the end of 2016-17, therefore the budget is released as a saving in 2017-18.	0	(150)	0	0	(150)	
11-009-02	Reducing Redundancy Budget	A £3m base budget was set up in 2011-12 to support the redundancy provision for redundancy payments and pension strain. Based on the current forecasts for staff reductions over the next four years, this budget can be reduced in year 1 and reinstated in year 3.	1,000	0	0	0	1,000	
13-009-07	Project Angel Transition Pressure	The one off costs of double running costs and dilapidations of leased buildings to facilitate the delivery of Project Angel.	800	(800)	0	0	0	
15-009-04	Northampton Schools PFI Increase to Base	Funding increase required to bring the ongoing projected costs and funding of the Northampton schools PFI project into balance.	1,000	0	0	0	1,000	
15-009-07	Service Transformation Requirement	The creation of a Transformation Fund to drive forward the Next Generation Council model, the deeper integration of public services and service transformation proposals	2,500	0	0	0	2,500	

15-009-06/5	Capital Financing and Interest	Capital Financing and Interest – review of capital financing and interest cost requirement as part of the Treasury Management activities of NCC	1,203	1,262	(858)	0	1,309
15-009-11	Additional Borrowing Costs	Financing costs resulting from additional external borrowing due to the use of capital receipts in the funding of transformation activity.	1,200	900	200	0	2,598
15-009-12	Repayment of Debt	A planned additional repayment of debt	0	0	0	3,000	3,000
15-009-13	Apprenticeship Levy	Government directive to apply an Apprenticeship Levy from April 2017 onwards, based on 0.5% of total salary.	0	657	0	0	657
15-004-26	Review of Democratic Core Services	Realignment of Budget	200	0	0	0	200
Total Other Service Pressures			8,003	3,248	-658	3,000	13,593
Total Growth Proposals			10,460	5,626	1,712	5,395	23,193

Note: Subject to review as part of the Annual MTFP process

Proposal Number	Title - Savings Proposals	Description	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total
Efficiency							
15-004-03	Business Intelligence and Performance Improvement - Reducing the cost of investigating statutory complaints in Children's Services	Efficiencies delivered through better management of complaints statutory process by working in partnership with Children's Services to improve early resolution of complaints and reduce the need for escalation and investigations.	(90)	0	0	0	(90)
15-004-14	Removal of residents tracker	Cessation of the council's regular residents' survey.	(25)	0	0	0	(25)
15-004-16	Removal of Licensing costs	This would remove licencing required for the photocopying and reproduction of newspaper, magazine, book and periodical articles. This would involve the introduction of new rules across the council to stop such activity.	(25)	0	0	0	(25)
15-004-17	Reduction of Empowering Councillors Allowance	Savings for a review and re-design of political support services including Empowering Councillors Scheme.	(114)	0	0	0	(114)
15-004-18	Business Intelligence and Performance Improvement- Savings from the removal of vacancies	BIPI Savings from the removal of existing vacancies and also any occurring vacancies over the coming financial year.	(200)	0	0	0	(200)
14-005-01	LGSS Operational Savings	The continued delivery of savings associated with the growth and improved efficiency of LGSS, the shared service vehicle for business support services, owned by Northamptonshire and Cambridgeshire County Councils.	(1,361)	(564)	(803)	(708)	(3,436)
13-005-07	Leverage on Assets Phase 2	Continued efficiencies from rationalising the property estate achieving reduced property costs such as maintenance and rents.	(500)	(500)	0	0	(1,000)
13-009-08	Project Angel - Property operational saving	Reduced running costs from operating one new building and exiting 12 old buildings.	(500)	(1,000)	0	0	(1,500)

15-005-03	Energy Awareness Programme	A reduction in utility costs associated with enhanced energy awareness across NCC to ensure no wasted energy through ensuring equipment is fully turned off when not in use and not heating and lighting buildings or parts of buildings unnecessarily.	(100)	0	0	0	(100)
10-020-01	Capital financing and interest	The current costs of financing the county's debt portfolio, reflecting the reductions in internal balances, lower investment rates and including the MRP and borrowing costs with regard to the proposed Capital Programme.	(1,000)	1,000	0	0	0
15-004-13	Cancel NLGN Innovation Network subscription	Cancel NLGN Innovation Network subscription.	(12)	0	0	0	(12)
15-004-23	Removal of Political Assistant Posts	Savings from a review and re-design of political support services including Empowering Councillors Scheme.	(96)	0	0	0	(96)
15-004-24	Disband Personnel Committee	Disband Personnel Committee and replace with an ad-hoc committee for Senior Management appointments.	(10)	0	0	0	(10)
15-009-09	PFI Schemes - Review of contract costs	A review of the NCC contract management arrangements across all of its PFI schemes as part of NCC's Next Generation Council model.	0	(200)	0	0	(200)
15-009-10	PFI Scheme - Debt Assignment	Continued working with NSL (the Schools PFI Contractor) to seek to achieve savings in respect of the grouped schools PFI contract.	0	(300)	0	0	(300)
15-009-02	Review of MRP Policy	Alteration to Minimum Revenue Provision profile to maintain a prudent annual revenue charge.	(7,800)	400	0	400	(7,000)
Total Efficiency			(11,833)	(1,164)	(803)	(308)	(14,108)
Income Generation							

15-004-19	Fairer Charging Policy	NCC charges the lowest council tax of any council in England and believes that where customers have a choice of whether to pay for something, including enhanced services then they should have that option. Similarly if the 'state' already provides funding for individuals that includes a provision to pay for services, then NCC should not further subsidise or duplicate that funding. These we believe are at the heart of our 'fairer charging' policy. Where appropriate we will also avoid the build up of debt, and potential bad debt provision' through charging appropriate payments in advance. Examples of this will include changing the charging policies to ensure all our charging is in line with other councils and reflects our lowest taxation position.	(113)	(113)	(113)	(113)	(452)
15-005-04	Guidant Contract Rebate	Due to the level of agency social workers supporting the NCC Improvement journey in our Children's Services, NCC has been able to negotiate a rebate with Guidant (our agency framework provider), which has not been budgeted for in previous years. This proposal builds this rebate into the budget given the ongoing demand for agency social workers.	(200)	0	0	0	(200)
Total Income Generation			(313)	(113)	(113)	(113)	(652)
Service Transformation							
15-004-11	NCC Group Management and Support Staff Restructure	NCC Group Business Management and Support Staff Restructure	(76)	0	0	0	(76)

15-004-05	Centralisation of front line Customer Services	Centralisation of all initial customer contact to the Customer Service Centre and Web Site across all directorates / federated organisations. Removes duplication and double handling of issues and simplifies processes that customers follow. Allows more in depth service at the first point of contact and allows for more queries to be resolved the first time customers ask us to do so. Allows increased prevention and wellbeing services to be promoted at the first point of contact.	(1,000)	0	0	0	(1,000)
15-004-09	Centralisation of comms and marketing spend and posts	Further centralisation of communications and marketing spend, posts and activity across the organisation, and where relevant associated council-owned enterprises, into NCC group.	(165)	0	0	0	(165)
15-004-20	NCC Transformation - NGC Structures	NCC Transformation - Next Generation Council Structures: As part of the overall direction of public service review and in particular the creation of the Next Generation Council, we will be enhancing our commissioning function within NCC group and with NHS commissioners. This will result in the creation of people and place commissioners and commissioning teams working jointly to the two commissioners as well as the potential to combine health and social care commissioning, which is in line with the Government's Better Care fund and Health and social care integration agenda.	(750)	0	0	0	(750)
15-004-22	Public service integration	There is huge potential if the local authorities in Northamptonshire work together in an integrated manner to deliver services without any loss of democratic input or sovereignty. Districts and Boroughs have agreed to work with NCC in recognition of the overall austerity and growth	(200)	(400)	(400)	(400)	(1,400)



		impacts on the county. Examples include where we have agreed in the immediate future to look at how we can benefit more as councils from working together to generate income from the fast growth in the county, such as potential self build initiatives, and also the use of housing and land assets to reduce the costs of social care by aiding NCC bring our customers into more local or county based facilities.						
15-004-25	Increased Use of Social Impact Bonds	The use of Social Impact Bonds to improve outcomes and cost of delivery (e.g. Multisystemic Therapy in Children's Services, reducing isolation in communities and improving the wellbeing of older people etc.); plan to set up schemes during 2016/17, with returns on investment materialising during 2018-19. We have been successful in developing two SIBs, so this is evidence based.	0	(1,250)	(1,250)	3,000	500	
15-009-08	Capital Receipts - Transformation Capitalisation	The creation of a Transformation Fund to drive forward the Next Generation Council model, the deeper integration of public services and service transformation proposals.	(2,500)	0	0	0	(2,500)	
Total Service Transformation			(4,691)	(1,650)	(1,650)	2,600	(5,391)	
Total Savings Proposals			(16,837)	(2,927)	(2,566)	2,179	(20,151)	

Note: Subject to review as part of the Annual MTFP process