



CABINET

13th NOVEMBER 2018

SECTION 151 OFFICER: IAN DUNCAN

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

Subject:	Monthly revenue monitoring report for the financial year ending 31 st March 2019, as at 30 th September 2018 (period 6).
Recommendations:	<p>Cabinet is requested to:</p> <ol style="list-style-type: none"> 1. Note the forecast outturn position for 2018-19, and associated risks. 2. Note the risk assessment of 2018-19 saving proposals in Appendix A. 3. Note the inclusion of the 2018-19 Stabilisation Plan savings proposals.

1 Purpose of Report

1.1 This report provides a summary of the forecast outturn position for the 2018-19 financial year, based on income and expenditure up to the end of September 2018. It also includes an update on the 2017-18 audit of accounts which has an impact on the Council’s outturn for 2018-19 as it includes a brought forward deficit.

2 How this Decision Contributes to the Council Plan

2.1 The Council’s vision is to make Northamptonshire a great place to grow up, live, work and grow old. This is achieved through increasing the wellbeing of our county’s communities and/or safeguarding the county’s communities.

The Council’s financial performance will affect its ability to meet all of its corporate plan objectives.

- People have the information and support they need to make healthy choices and achieve wellbeing.
- People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development.
- Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure.

3 Background

3.1 On 24th July 2018 the Council’s Director of Finance issued a section 114 notice. This estimated a forecast deficit of between £60m to £70m in 2018-19, after taking account of the brought forward deficit from 2017-18, significantly more

than previous reported forecasts. This report sets out the variances compared to budget and those since the s114 notice

- 3.2 The Council has a statutory duty to deliver a balanced budget. This is set out in both the 1988 and 1992 Local Government Finance Acts.
- 3.3 A Stabilisation Plan was approved by Cabinet on 9th October 2018, which included the development of additional savings proposals totalling £19.9m for delivery in 2018-19.
- 3.4 The outturn forecast set out within this report includes £1.3m of proposals from the Stabilisation Plan which have already been delivered, or where the saving can already be banked. These are shown as green-rated in the table on page 14. The proposals from the Stabilisation Plan which are amber rated at this stage are still to be implemented in 2018-19. These proposals are still expected to be delivered and will be included within the outturn forecast upon their completion. There are £3.7m of red rated proposals in the Stabilisation Plan. These will need to be mitigated in year.

4 2017-18 Statement of Accounts, and unfunded deficit

- 4.1 Adjustments agreed with the Auditor of £40.0m mean that after applying the remaining usable reserves, a deficit of £35.3m will be brought forward to be recovered in 2018-19. These are set out in the table below. This is £1.3m more than had been anticipated in the s114 Notice due to a higher amount of non-qualifying transformation expenditure than previously forecast and a higher level of reserves that cannot be used.

Estimated unfunded deficit brought forward from 2017-18	£000
Capitalised transformation expenditure	16,998
Use of Section 106 receipts for revenue purposes	13,500
Use of Section 38 receipts for revenue purposes	2,900
Public Health provision	8,000
Less Reduced MRP charge relating to PFI assets	(1,355)
Total Adjustments	40,043
Less Use of remaining usable reserves	(4,739)
Unfunded Deficit Carried Forward to 2018-19	35,304

- 4.2 The closing position for 2017-18 cannot be fully confirmed until the audit of the 2017-18 accounts has been concluded, which is estimated to be at the end of November, but the majority of the potential adjustments are included in the above amount.

5 Estimated Outturn

- 5.1 The Council's forecast in year outturn for 2018-19, based on spending to the end of September is an overspend of £18.1m. This is an improvement of £12.0m on the position reported in the July 2018 s114 notice and is progress towards

balancing the 2018-19 budget. As stated above, this forecast position includes £1.3m of delivered proposals from the Stabilisation Plan. The remainder of the Stabilisation Plan will be included in the position in future monitoring reports when the proposals have been implemented.

5.2 The overall deficit, including the brought forward deficit of £35.3m from 2017-18 is £53.4m, a £10.7m improvement on the July 2018 s114 notice.

5.3 The table on the following page shows:

- The net budget approved by the Council for the year.
- The forecast net spend for the year based on spend to end of September.
- The difference between the two, the forecast variance at year end.
- The forecast from the prior month's monitoring report.
- The movement in the variance between period five and six.
- The estimated variance when the s114 notice was issued on 24th July.
- The final column shows the change or movement in the forecast year-end position since the s114 notice was issued.

Forecast Outturn 2018-19 by Directorate	Net Budget £000	Forecast Net Spend at 31/03/19 £000	Forecast Variance at 31/03/19 £000	Period 5 Forecast Variance £000	Movement from prior month. (favourable) / adverse £000	Estimated variance in s114 Notice £000	Movement in variance. (favourable) / adverse £000
Chief Executive Services	4,417	4,796	379	130	249	1,445	(1,066)
Children First Northamptonshire	139,340	138,473	(867)	240	(1,107)	1,873	(2,740)
LGSS	17,297	17,837	540	336	204	514	26
Northamptonshire Adult Social Services (NASS)	182,492	182,753	261	495	(234)	5,820	(5,559)
Place Services	86,694	87,039	345	765	(420)	1,120	(775)
Wellbeing and Prevention	5,237	5,667	430	421	9	671	(897)
Schools	260	260	0	0	0	0	0
Corporate costs: Treasury, Insurance and Technical Services	5,536	(6,123)	(11,659)	(11,529)	(130)	(10,997)	(662)
Shortfall on budgeted transformational expenditure 18-19	0	29,700	29,700	29,700	0	29,700	0
Total budgeted expenditure	441,273	460,402	19,129	20,558	(1,429)	30,146	(11,017)
Less funding	(441,273)	(442,274)	(1,000)	(500)	(500)	0	(1,000)
Net Position 2018-19	0	18,129	18,129	20,058	(1,929)	30,146	(12,017)
Unfunded deficit brought forward from 17-18	0	35,304	35,304	35,304	0	34,027	1,277
Net including 17-18 deficit	0	53,433	53,433	55,362	(1,929)	64,173	(10,740)

5.4 **Chief Executive Services** are forecasting an overspend of £379k which is an adverse movement of £249k from the Period 5 forecast position mainly due to a pressure in Business Intelligence due to increased license costs and loss of income. Total pressures and mitigations are:

- | Pressures | £000 |
|--|------|
| • Under-delivery of 2018-19 savings proposals: | 495 |
| • Communications – commercialisation work | |
| • Review of commercial activity | |

• Digitalisation	
• Amber risk rated proposals	45
• Overspend in BIPM due to increase license costs and loss of income.	139
• Net overspend across Chief Executive Services due to an increase in staff costs.	<u>19</u>
	698
Mitigations	
• Underspend on elections budget as year-end balance will not be transferred to reserve	(90)
• Underspend in Customer Services due to additional income and planned vacancy management.	<u>(229)</u>
	(319)
Position before Stabilisation Plan	<u>379</u>
Stabilisation Plan proposals delivered to date	<u>(0)</u>
Net Position including Stabilisation Plan	<u>379</u>

5.5 **Children First Northamptonshire (CFN)** are reporting an underspend of £867k which is a favourable movement of £1,107k from the Period 5 forecast position. The movement is driven by further forecast underspends due to the difficulty in recruiting to and retaining permanent Qualified Social Worker posts (£756k), a reduction in the forecast Troubled Families payment by results income shortfall alongside staff savings (£225k) and other minor variances across the Directorate. Total pressures and mitigations are:

Pressures	£000
• Risk provision on amber rated savings.	1,534
• In year demand pressures on Agency Placements.	1,000
• First Point of Contact saving no longer viable given the resource required to address issues that have arisen about the effectiveness of the proposed service model and the operational, strategic and reputational risk to the organisation since the proposal was agreed.	500
• Troubled Families income shortfall.	325
• Targeted Early Help proposal partly undeliverable.	300
• Mother and Baby Assessments overspend	200
• Community Equipment Pool overspend.	<u>150</u>
	4,009
Mitigations	
• Staffing budgets underspend due to the difficulty in	

recruiting to Qualified Social Worker posts / turnover management in Early Help and LSE.	(2,778)
• Legal Costs underspend.	(600)
• International Social Worker Recruitment over-achievement.	(500)
• One off non-ring-fenced grants offered up.	(370)
• Residential short breaks income from the CCGs.	(300)
• Training deferred to next year.	(177)
• General supplies underspend.	(124)
• Other minor variances.	<u>(27)</u>
	(4,876)
Position before Stabilisation Plan	<u>(867)</u>
Stabilisation Plan proposals delivered to date	(0)
Net Position including Stabilisation Plan	<u>(867)</u>

5.6 **LGSS** is forecasting an overspend of £540k which is an adverse movement of £204k from the Period 5 forecast position. The movement is driven by the expected increase in the external audit fee due to the additional work. Total pressures and mitigations are;

Pressures	£000
• Under-delivery of 2018-19 savings proposals – reduction in internal audit days no longer taking place.	150
• Additional External Audit work due to high risk audit	300
• Direct payments income target.	45
• Other minor variance.	50
• Risk provision on amber rated savings.	64
• Pre-stabilisation plan pressures now addressed	<u>96</u>
	705
Mitigations	
• Underspend on councillor allowances and training budget.	<u>(69)</u>
	(69)
Position before Stabilisation Plan	<u>636</u>
Stabilisation Plan proposals delivered to date	(96)
Net Position including Stabilisation Plan	<u>540</u>

5.7 **Northamptonshire Adult Social Services (NASS)** is forecasting an overspend of £261k.

- 5.8 The position this month reflects an increase in the cost of care to a forecast full year pressure of £17,831k. The forecast has increased by £1,984k since period 5 and now includes a further £1.4m of additional care for older people based on the rising winter pressures from hospitals in addition to the demand included in previous forecasts. Nationally health is forecasting another very challenging winter and with high admissions continuing it is expected there will be a continued pressure on social care to support onward care packages and rehabilitation. Increasing hospital staffing support, reablement and therapy teams and bedded capacity to supplement existing provision like the Specialist Care Centres to help manage these pressures.
- 5.9 Correspondingly the additional Social Care funding of £2,717k announced by government to help address these winter pressures has been included in the forecast. This funding is subject to national conditions and agreement with health partners to ensure that the plans and expenditure has the maximum benefit in terms of reducing delayed transfers of care and stranded patients. The Council is expected to demonstrate the additionality of spend in relation to hospital facing services.
- 5.10 The remainder of the pressures relate to high cost transitions packages coming from Children Services. Care packages for this cohort can be very high although client numbers are lower. These have also increased from period 5 by a further £304k in relation to some individual cases with complex needs.
- 5.11 There is a further pressure of £221k on the Mental Health pooled budget with health. The CCG is the lead commissioner for Mental Health care and this pressure reflects a continuing issue with a lack of step down care and an over reliance on more expensive locked rehabilitation care. Urgent meetings have now been held with health on a financial and commissioning recovery plan to address this and is currently being finalised.
- 5.12 Pressures include an increase in the provision for aged debt of £151k and a reduction in non-invoiced deferred income of £246k. Deferred income is secured against client estates and has yet to be invoiced. Adjustments are required when these balances move in line with client cases with an associated movement in the provisioning of the non-invoiced deferred income. This is the forecast movement should the position as at the end of period 6 remain as at 31 March 2019.
- 5.13 Total mitigations are £16,870k. These have increased by a net £1,518k, including the additional £2,717k of government funding less a forecast net reduction in income from client contributions of £1m. Client contributions have been reviewed, in line with invoicing to date and further income in relation to the care pressures over the winter. Forecast income still remains higher than budget.

Pressures	£000
• Older People Independent Care – increased pressure compared to previous months reporting due to an increased forecast for additional clients over the winter period	5,480
• Learning Disability Independent Care – a small increase of £73k compared to last months reporting due to extra clients	2,873
• Transitions Independent Care – the forecast pressure on transitions has increased this month by £304k due to the cost of high packages of care coming from Children Services and the challenges around stepping down care packages once established	2,036
• Physical Disability Independent Care – reduced pressure of £166k compared to previous reported month due to a reduction in clients supported	783
• Independent care budgets – Slippage of Brokerage saving	3,450
• Independent care budgets – Slippage of Shaw utilisation saving	1,500
• Mental Health pool pressure on Adult Social care element	1,312
• Forecast impact of Aged Debt at 31 st March 2019	151
• Forecast reduction in non-invoiced deferred income	<u>246</u>
	17,831
 Mitigations	
• Staff vacancies/Turnover management	(1,387)
• Residential care block contract related to the over provision Of inflationary elements built into the budget of block contracts	(1,157)
• Service contingency released	(4,419)
• Over performance of Income	(2,000)
• Release of contract inflation	(2,885)
• Release of provision for 17-18 sleep in costs	(2,015)
• Additional Adult Social Care grant funding	(2,717)
• Mental Health Independent Care underspend	(169)
• Minor variances across the service	<u>(121)</u>
	(16,870)
 Position before Stabilisation Plan	 <u>961</u>
Stabilisation Plan proposals assessed as deliverable	(700)
Net position including Stabilisation Plan	<u>261</u>

5.14 **Place** is reporting a forecast overspend of £345k, an improvement of £420k from the Period 5 forecast position. The key movement is a further underspend of £438k in Waste.

Pressures	£000
• Under-delivery of 2018-19 savings proposals	1,293
- Reduction in forecast receipt of rental income (Angel)	
- Property rationalisation programme	
- Reduction in the Trading Standards service	
- Delay in implementing additional on-street parking scheme.	
• Managing Agent delivery model (engagement of a private sector partner to participate in joint venture to provide up front funding for infrastructure for a long-term return on investment along with ongoing revenue efficiencies and income generation opportunities). Procurement paused pending review of future operating models	1,000
• Schools PFI scheme savings approved in previous years that will not be delivered	1,100
• Property Services – unavoidable delays in exiting buildings, offset by savings on stationery and income from car parking, and reduction in spending	97
• Commercial income pressure	500
• Risk provision on amber rated savings	<u>79</u>
	4,069
 Mitigations	
• Additional penalty charge income and vacancies in Parking	(361)
• Waste Management underspend based upon activity to date in 2018-19, withdrawal of premium paid on recycling credits for kitchen food waste, reduction in cost of green waste due to dry summer and decrease in disposal costs of paint through a revised approach.	(1,842)
• Environment, Planning and Transport – capitalisation of consultancy costs and turnover management.	(317)
• Archives and Heritage underspend due to salary capitalisation and turnover management.	(306)
• Forecast reduction in Home to School Transport costs	(400)
• Other in-year underspends	(190)
• Transformation Fund	(203)
• Drawdown of provision	<u>(105)</u>
	(3,724)
 Position before Stabilisation Plan	 <u>345</u>
Stabilisation Plan proposals delivered to date	(0)
Net position including Stabilisation Plan	<u>345</u>

5.15 **Corporate costs - Treasury, Insurance and Technical Services** are reporting a £11,659k underspend for 2018-19, an improvement of £130k from the Period 5 forecast position.

Pressures	£000
• Under-delivery of car mileage proposal	500
• Apprentice Levy efficiency proposal with no agreed plan for delivery in 2018-19	666
• Shortfall on Insurance budget compared to forecast activity	893
• Social Impact Bonds – income proposal from 2017-18 which is unlikely to be realised in 2018-19	1,250
• Risk provision on amber rated savings	550
• Risk provision on Aged Debt Savings Proposal	350
• Cost of commissioners	457
• Cost of external reviews	163
• Additional Corporate staffing	<u>182</u>
	5,011
Mitigations	
• Benefit of change to Minimum Revenue Provision policy	(10,501)
• Release of Sleep-In contingency	(3,787)
• Additional forecast of interest receivable due to increased cash position following OAS sale	(300)
• Release of corporately held growth proposals to support transformation costs and performance management growth requirements	<u>(1,582)</u>
	(16,170)
Position before Stabilisation Plan	<u>(11,159)</u>
Stabilisation Plan proposals delivered to date	(500)
Net position including Stabilisation Plan	<u>(11,659)</u>

5.16 **Wellbeing and Prevention** is reporting a forecast overspend of £430k. This is an adverse movement of £9k from last month due the inclusion of a forecast for filling a staff vacancy in Community Safety. £200k of the forecast overspend relates to the estimated costs of the libraries service judicial review for which a transformation fund bid will be submitted. Elements of the Social Wellbeing contract expenditure totalling £241k have been deemed as non-compliant with Public Health Grant conditions and have therefore resulted in an unexpected cost to NCC. These amounts are identified in the Stabilisation Plan and are currently being reviewed – they will be removed from the forecast once there is certainty of delivery / mitigation.

Pressures	£000
• Libraries Savings Proposal (Red Rated)	542
• Libraries – Judicial Review Costs	200
• Public Health Grant assurance review (Social Wellbeing contract)	241
• Coroner’s service – forecast based upon activity levels	<u>114</u>
	1,097

Mitigations

- Libraries Mitigations (542)
- Other underspends in Public Health and Wellbeing staffing (125)
(667)

Position before Stabilisation Plan	<u>430</u>
Stabilisation Plan proposals delivered to date	(0)
Net position including Stabilisation Plan	<u>430</u>

5.17 Funding

5.18 The net cost of council services are funded from three areas: council tax, business rates, and government grants, as set out in the table below.

Funding	Net Budget	Forecast Income at 31/03/19	Forecast Variance at 31/03/19	Estimated variance in s114 Notice	Movement since s114 notice was issued
	£000	£000	£000	£000	£000
Council Tax income	(302,336)	(302,336)	0	0	0
Business Rates income	(92,680)	(93,680)	(1,000)	0	(1,000)
Revenue Support Grant and other Central Government Grants	(46,257)	(46,257)	0	0	0
Total NCC Funding	(441,273)	(442,273)	(1,000)	0	(1,000)

5.19 Forecast council tax income is based upon the budgeted council tax precept amount, and tax base and collection rate information provided by district and borough councils who collect council tax.

5.20 As part of the Stabilisation Plan the Council is working with Districts and Borough's to review the timing of Collection fund surplus payments and required levels of provisions such as bad debt provision to release further resources to the Council. This proposal includes the payment to the Council of the current balance on the Council Tax collection fund in 18-19 totalling £1.8m. Additionally an initial headline analysis has identified a potential improvement on the collection fund of up to £6m as a result of a review of bad debt provision and creditors. There is a significant level of risk associated with the full delivery of this proposal, and final delivery is subject to agreement across the District and Borough Councils. This will be included within the reported forecast upon delivery of the proposal in the Stabilisation Plan.

5.21 The Council is a member of Northamptonshire's business rates pool. Based upon the first quarter's pool returns, there is an anticipated increase in business rates income above the budgeted amount in 2018-19 of £1.0m. This includes the £500k of additional business rates income shown within the Stabilisation Plan.

5.22 Central Government Grants includes the Revenue Support Grant (£22.5m) and Better Care Fund (£15.3m). All central grant income is regularly monitored and is currently forecast to be in line with the budget.

5.23 Reserves

5.24 As set out in the Period 5 report, the Council has a brought forward deficit of £35.3m after using all of its usable reserves.

5.25 The table below sets out:

- The forecast year end position when the 2017-18 budget was approved on 28th February 2018 which was incorrect.
- The draft Statement of Accounts that were reported to Audit Committee in June 2018.
- The forecast position in the Statement of Accounts subject to the conclusion of the audit, likely to be reported at the end of November 2018.
- Note: Table only shows reserves that can be utilised for general revenue purposes. Excludes schools reserves, capital receipts reserve and capital grants unapplied reserve.

	Reserve balances forecast as per Budget Report (MTFP) 31/03/18 Positive/(negative) £000	Draft Accounts 31/03/18 Positive/(negative) £000	Forecast Re-Styled Accounts 31/03/18 Positive/(negative) £000
General Fund Balance / (Deficit)	12,021	0	(35,304)
General Fund Earmarked Reserves	26,943	7,982	3,243
Total	38,964	7,982	(32,061)

6 2018-19 Savings Delivery Performance

6.1 The Council has a savings requirement of £35.4m within its 2018-19 budget. The deliverability of these proposals is being monitored by each accountable service lead, budget manager and senior officers. Corporate oversight is through monthly review by NCC Management Team as part of the sign-off process of the financial monitoring position, quarterly performance boards and the Cabinet.

6.2 The latest assessment on the deliverability of these proposals is set out in the table below by Directorate. Further detail on non-deliverable or part-deliverable proposals and corresponding mitigating actions is set out in Appendix A.

6.3 The Stabilisation Plan as approved by Council on the 9th October is now included within Appendix A, and will be monitored as part of the existing process.

6.4 Savings rated as red, non-deliverable and a risk adjusted proportion of amber rated savings have been reflected in directorate forecasts.

Table: 2018-19 savings proposals

RAG analysis by directorate	Saving Target	Green	Amber	Red	Forecast to be deliverable	Forecast of Amber to be non-deliverable	Non-deliverable. Included in Directorate outturn position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive Services	1,569	1,024	50	495	1,029	45	495
Children First Northamptonshire	6,732	*4,479	1,953	800	4,898	1,534	800
Treasury insurance & Technical Services	4,800	3,200	1,100	500	3,750	550	500
Wellbeing and Prevention	792	250	0	542	250	0	542
LGSS	2,207	1,778	211	218	1,855	134	218
Northamptonshire Adult Social Services (NASS)	12,798	6,998	850	4,950	7,593	255	4,950
Place	6,462	4,904	265	1,293	5,091	79	1,293
Total	35,360	22,633	4,429	8,798	24,465	2,597	8,798

*Note: Includes forecast over-delivery of £500k on proposal 17-002-10.

Key: Green = Deliverable.
Amber = Deliverable, with risks.
Red = Unlikely to be delivered

6.5 Amber Rated Proposals

6.6 The table above sets out the Director's latest assessment of the deliverability of the saving proposals within the 2018-19 budget. A full breakdown is given in Appendix A.

6.7 Out of the £35.4m proposals, £4.4m are assessed as being amber rated. This means that they are deemed to be deliverable in 2018-19, but there are risks associated with them. Directors have assessed a confidence level against the deliverability of these proposals. The confidence levels prescribe a percentage against each proposal, assessing its forecast level of deliverability. Applying these percentages against the total value of the £4.4m of amber rated proposals gives a risk-weighted pressure of £2.6m that are included in Directorate forecasts.

6.8 Stabilisation Plan proposals

6.9 The table below sets out the additional saving proposals that form part of the Stabilisation Plan as approved by Cabinet on 9th October, these proposals provide a further £19.9m of savings in addition to the 2018-19 Budget.

Table: 2018-19 Stabilisation plan proposals

RAG analysis by directorate	Saving Target	Green	Amber	Red
	£'000	£'000	£'000	£'000
Chief Executive Services	0	0	0	0
Children First Northamptonshire	1,424	0	208	1,216
Treasury insurance & Technical Services	11,402	500	10,902	0
Wellbeing and Prevention	589	0	20	569
LGSS	336	96	240	0
Northamptonshire Adult Social Services (NASS)	2,141	700	1,441	0
Place	350	0	350	0
Cross Service	3,693	0	1,774	1,919
Total	19,935	1,296	14,935	3,704

6.10 Out of the £19.9m proposals, £14.9m are assessed as being amber rated. These proposals are still expected to be deliverable in 2018-19, but will only be included in the reported outturn forecast upon their completion. The £1.3m of proposals which are green rated have been completed and are therefore included in the forecast outturn position. The remaining £3.7m of proposals are red rated and will need to be mitigated.

6 Risks

6.1 Delayed Transfer of Care (DTC) – The recorded DTCs have reduced from 102 in August 2017 to 44 in August 2018, however admissions in the over 65s are high and the average number of people staying over 21 days is twice the national average at 12%. There is national pressure to reduce this and Department of Health sponsored reviews have led to further actions to reduce long stays and has conversely increased DTCs. This creates continued risk of the service being charged “disbursement fees” or fines by the Acute Hospital at £155 a day for every day that a person is prevented from leaving hospital.

6.2 Hospital Demand - Continued demand for Adult Social Care to reduce delays in the transfer of care from hospitals and move people on to the next step on their care pathway. 95% of those admitted are over 65 years old and the majority of complex discharge cases are over 75 years old. Long stays and delays in discharge led to an increase in admissions to care home and particularly nursing homes where a shortage of spaces is driving up costs. The number of over 65s care home admissions per 100,000 population rose in 2017-18 from 470 to 550

as a direct result. A reflection of the anticipated increase in demand relating to winter pressures has been incorporated into the financial position based on prior year's trends. However, risk remains for any demand up and above this.

- 6.3 Adults services aged debt remains high, where £6.9m of debt is aged over 12 months. The impact to revenue for this level of debt is captured in the reported financial position, but there is significant risk of further pressure for debt currently aged between 7 and 12 months. If this debt is not collected by the end of the year, additional provision will need to be made up to £1.5m.
- 6.4 The Library Service savings approved in the budget will not be achieved as intended following the decision to pause the proposed decommissioning of 21 libraries and the outcome of the Judicial Review. The Library service is implementing alternative savings to mitigate this impact by pausing spending on new book purchases and daily newspapers.
- 6.5 ERP Gold – post implementation review has highlighted a level of risk around supplier payment processes which are currently under review.
- 6.6 The Winter Maintenance budget is subject to potential pressure every year on account of the unpredictable nature of the weather conditions. However, in order to better forecast and manage this pressure, Place will be focusing on a tighter monitoring regime, including trend analysis and weekly reporting on the cost of the winter service based on factors such as salt usage and the number of events.

7 Consultation and Scrutiny

- 7.1 All 2018-19 Budget proposals were consulted on prior to the budget being approved by Full Council in February 2018.
- 7.2 Any management interventions required to ensure the Council does not overspend its Budget that require a policy change, will be subject to a consultation before any decision is taken.
- 7.3 Where full consultation is necessary, full details will be presented to Cabinet separately. Cabinet can only make a decision after taking careful account of the results of such consultation in order to reach an informed decision.

8 Equality Screening

- 8.1 Where material mitigating actions may have an impact upon customers with regard to their protected characteristics, they will have an equality impact assessment carried out prior to being implemented to ensure that the implications are fully understood.

Appendices

Appendix A – 2018-19 Savings Proposals tracker

Author:	Name: Iain Jenkins Team: Finance
Contact details:	Tel: 01604 364664 Email: IJenkins@northamptonshire.gov.uk
Background Papers:	Stabilisation Plan presented to 9 th October Cabinet.
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	N/A
Will further decisions be required? If so please outline the timetable here	Yes, future Cabinet Meetings.
Does the report include delegated decisions? If so, please outline the timetable here	N/A
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: All N/A
Has the report been cleared by the relevant Director?	YES Name of Director: All
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Longley
Has the relevant scrutiny committee been consulted?	Finance and Resources Scrutiny Committee can review if required in their work programme
Has the report been cleared by Legal Services?	YES Name of solicitor: Shahin Ishmail
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property Issues been cleared by Property and Asset Management?	NO
Procurement/ Contractual Implications: <ul style="list-style-type: none"> • Have you evidenced compliance with the Council's Contract Procedures Rules? • Have you identified where you are seeking Cabinet to approve an exemption from the Contract Procedure Rules and detailed the risks and mitigations? • Have you identified any EU or UK legislative risks associated 	NO

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