

# NCC Group Financial Position

## 1. Overall Summary

1.1 The table below reports the current pressures of £12m 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

	<b>Current Forecast Variance £m</b>
<b>Position Reported at previous Cabinet (+ = overspend)</b>	<b>12.010</b>
Chief Executive Services	(0.120)
Place Services	0.000
People Services	0.224
<b>Position Reported This Month</b>	<b>12.114</b>

# 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
<b>Prior Yr Base Budget b/fwd</b>	<b>71,759</b>	<b>64,899</b>	<b>69,842</b>	<b>68,952</b>	
Inflation	2,411	2,332	2,324	2,349	9,416
Service Pressure	6,203	4,048	(658)	3,000	12,593
<b>Total</b>	<b>8,614</b>	<b>6,380</b>	<b>1,666</b>	<b>5,349</b>	<b>22,009</b>
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)
<b>Total</b>	<b>(15,474)</b>	<b>(1,427)</b>	<b>(2,566)</b>	<b>2,179</b>	<b>(17,288)</b>
<b>Approved Budget</b>	<b>64,899</b>	<b>69,842</b>	<b>68,952</b>	<b>76,480</b>	
Capitalisation Transformation Centrally Managed	<b>(12,000)</b>	<b>(9,000)</b>	<b>(2,000)</b>	<b>0</b>	
<b>Net Budget</b>	<b>52,899</b>	<b>60,842</b>	<b>66,952</b>	<b>76,480</b>	

*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
<b>Chief Executive Services</b>						
Business Intelligence and Performance, Customer Service and Communications	2,885	(132)	2,753	700	0	700
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
<b>Chief Executive Services Total</b>	<b>3,101</b>	<b>(132)</b>	<b>2,969</b>	<b>2,250</b>	<b>1,550</b>	<b>700</b>
Corporate & Appropriations ( <b>note 1</b> )	11,933	(14,015)	(2,082)	(17,329)	(16,509)	(820)
LGSS Managed	5,764	0	5,764	100	100	0
<b>Overall Total NCC Group</b>	<b>20,798</b>	<b>(14,147)</b>	<b>6,651</b>	<b>(14,979)</b>	<b>(14,859)</b>	<b>(120)</b>

*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 £15m. This includes an increase in pressure within Chief Executive Services relating to the partial in year delivery of the Customer Services Centralisation proposals, with the balance being realised in 2017-18. This pressure is offset by savings identified within the Treasury interest payable budget of £0.4m, driven by short term loans obtained at lower than budgeted rates of interest. Additionally following the continuous review balance sheet accounts a further £0.42m has been identified to mitigate the position.

## 2.4 Movement Summary

	<b>Outturn Variance £m</b>
<b>Position Reported at last Cabinet (+ = overspend)</b>	<b>(14,859)</b>
<b>Pressures</b>	
<ul style="list-style-type: none"> <li>Pressure relating to the full-year effect of the Customer Services centralisation not being realised until 2017-18.</li> </ul>	0.700
<b>Mitigations</b>	
<ul style="list-style-type: none"> <li>Savings resulting from interest payable budget, obtained by raising short term loans at lower than budgeted rates of interest.</li> </ul>	(0.400)
<ul style="list-style-type: none"> <li>Release of provision following the continuous review of existing reserves and provisions.</li> </ul>	(0.420)
<b>Reported position this month</b>	<b>(14.979)</b>

## 2.5 Mitigating Actions

2.5.1 As described in section 2.4 mitigating actions of £0.8m has been found to help offset the position.

2.5.2 The corporate balance sheet accounts, reserves and provisions position will continue to be reviewed. To date a total of £3.9m has been identified and released to offset pressure elsewhere, and an additional provision of £0.42m has been identified 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
<b>Prior Yr Base Budget b/fwd</b>	<b>77,772</b>	<b>88,311</b>	<b>84,485</b>	<b>83,076</b>	
Inflation	2,115	1,689	1,740	1,917	7,461
Service Pressure	12,604	(422)	794	806	13,782
<b>Total</b>	<b>14,719</b>	<b>1,267</b>	<b>2,534</b>	<b>2,723</b>	<b>21,243</b>
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)
<b>Total</b>	<b>(4,180)</b>	<b>(5,093)</b>	<b>(3,943)</b>	<b>(11,943)</b>	<b>(25,159)</b>
<b>Approved Budget</b>	<b>88,311</b>	<b>84,485</b>	<b>83,076</b>	<b>73,856</b>	

*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	22,567	(888)	21,679	0	0	0
Environment, Planning and Transport	57,830	(10,612)	47,218	(1,000)	(1,000)	0
Assets and Capital Management	52,683	(32,265)	20,418	0	0	0
<b>Grand Total</b>	<b>133,080</b>	<b>(43,765)</b>	<b>89,315</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>0</b>

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.

3.4 **Movement Summary**

	<b>Outturn Variance £m</b>
<b>Position Reported at last Cabinet (+ = overspend)</b>	<b>(1.000)</b>
<ul style="list-style-type: none"> <li>No movement from previous month</li> </ul>	
<b>Reported position this month</b>	<b>(1.000)</b>

3.5 **Mitigating Actions Planned**

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



# People Services

Services	Gross Annual Budget £k	Income Annual Budget £k	Net Budget £k	Current Forecast Variance £k	Previously Reported £k	Movement £k
Adults Services	201,072	(56,123)	144,949	15,096	14,872	224
Children's Services	148,083	(24,689)	123,394	16,109	14,509	1,600
Wellbeing and Prevention Services	61,212	(53,392)	7,820	(3,112)	(1,512)	(1,600)
<b>Total People Services</b>	<b>410,367</b>	<b>(134,204)</b>	<b>276,163</b>	<b>28,093</b>	<b>27,869</b>	<b>224</b>

## 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
<b>Prior Yr Base Budget b/fwd</b>	<b>136,000</b>	<b>144,599</b>	<b>139,233</b>	<b>141,935</b>	
Inflation	4,645	4,409	4,844	4,819	18,717
Service Pressure	27,837	3,825	4,723	4,360	40,744
<b>Total</b>	<b>32,482</b>	<b>8,234</b>	<b>9,567</b>	<b>9,179</b>	<b>59,461</b>
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)
<b>Total</b>	<b>(23,883)</b>	<b>(13,600)</b>	<b>(6,865)</b>	<b>(4,891)</b>	<b>(49,239)</b>
<b>Approved Base Budget</b>	<b>144,599</b>	<b>139,233</b>	<b>141,935</b>	<b>146,223</b>	

*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	38,780	(7,581)	31,199	6,780	6,867	(87)
Health Partnerships and Strategy	22,312	(21,380)	932	6,969	6,662	307
Adults and Transitions	139,858	(27,162)	112,696	1,398	1,343	55
Care and Support Bill Team	122	0	122	(51)	0	(51)
<b>Grand Total</b>	<b>201,072</b>	<b>(56,123)</b>	<b>144,949</b>	<b>15,096</b>	<b>14,872</b>	<b>224</b>

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 7 is a reported £0.2m worsening of the reported outturn to £15.1m variance to base budget. It is important that the source of this pressure and the total variance is understood as a baseline for tracking of the final months of 2016-17. The detail of the budget movement in net budget pressures is summarised in Appendix B but pressures included against the above theme include the following:

- 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. As a result spend has not been reduced in line with base budget assumptions leaving a total variance to base budget of £9.4m in packages of care.

- The October report assumed that the new Brokerage service being established to negotiate packages of care, provider costs and direct payment provider costs would mitigate £5m of the above risk in year. To reach this stretch target actions have taken place to put more resources into the service. We will therefore be transferring a number of posts and staff into the team, they will then be tasked to take on larger case load across all adults, and we will receive weekly reports at the budget delivery board (Adults and transitions in Appendix B).
- 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 £9m in year pressure resulting from liabilities not assumed in the base budget or income assumed but later disputed by Health. An additional £1.2m pressure has been added as a result of the full 2015-16 £3m risk share being payable in addition to the provision made.
  - 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

4.4.1 A number of mitigations have been put in place to offset the above pressures which are set out below;

	<b>Outturn Variance £m</b>
<b>Position Reported at last Cabinet (+ = overspend)</b>	<b>14.872</b>
<b>Purchasing and Placements</b>	
<ul style="list-style-type: none"> <li>Following additional information from Health, a reduction in the underspend on NCC share of the mental Health pool due to pressures within Supported Accommodation.</li> </ul>	0.307
<b>Staffing and Structures</b>	
<ul style="list-style-type: none"> <li>Further favourable variance from Mental Health Care Management due to the decision to freeze a number of vacancies.</li> </ul>	(0.130)
<ul style="list-style-type: none"> <li>A reduction in pressure across Care Management budgets following the decision to not pay increments to staff. This commitment had previously been built into forecasts.</li> </ul>	(0.200)
<ul style="list-style-type: none"> <li>Minor variances across the Directorate</li> </ul>	(0.066)
<b>Financial Controls, Income and Debt</b>	
<ul style="list-style-type: none"> <li>A further forecast pressure on income budgets due to an increase in client contribution debt over 360 days old</li> </ul>	0.313
<b>Reported position this month</b>	<b>15.096</b>

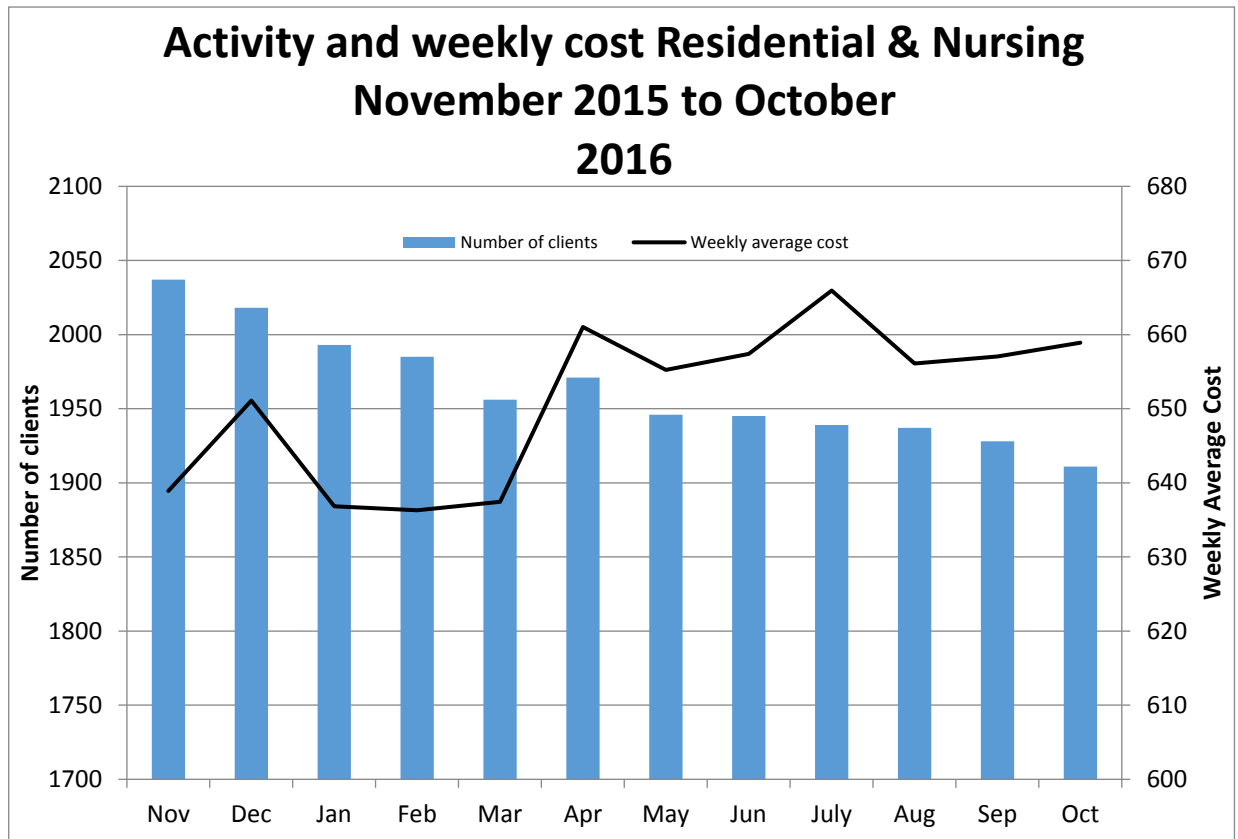
#### 4.5 Key Activity Data – Independent Sector Care Provision

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



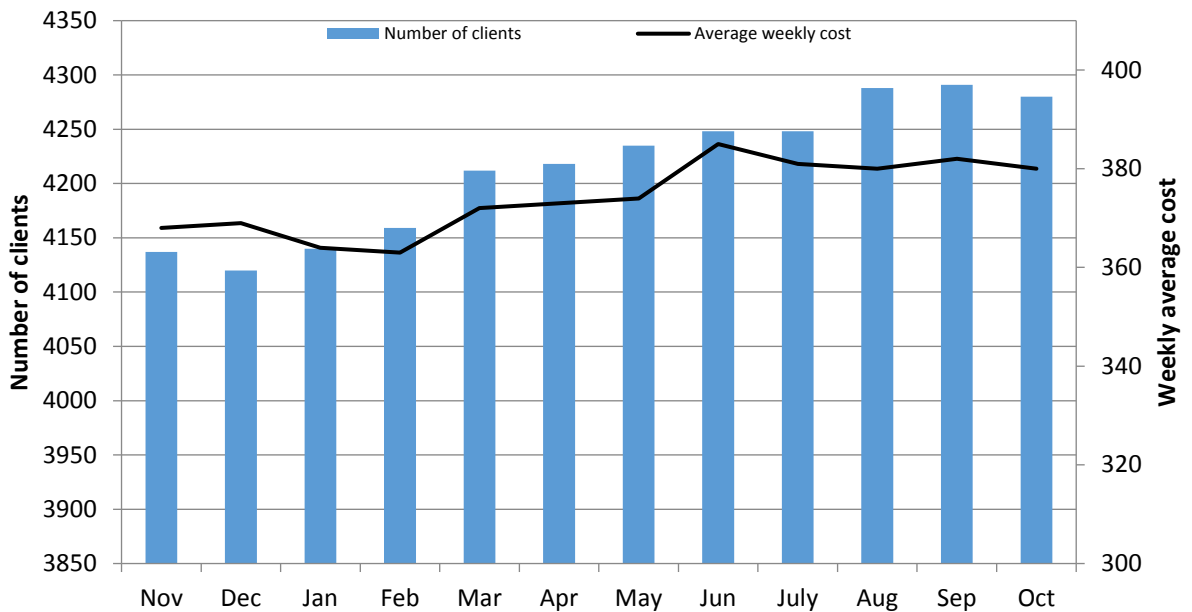
clients receiving care services in their own homes. This is shown by the increased activity on the Community Care packages chart.



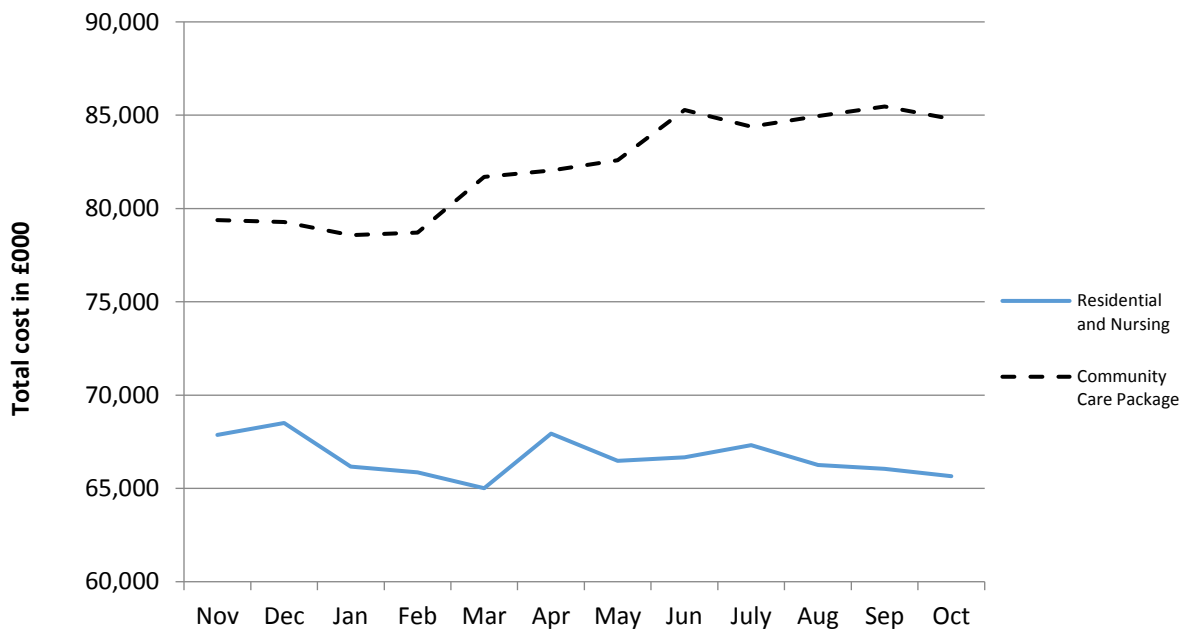
4.5.3 The chart below shows the total annual cost of Community Care packages increasing at the same time as residential packages decreasing over the last 12 months. This is a result of customers remaining in their own home for longer before entering into residential or nursing homes. This is where the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



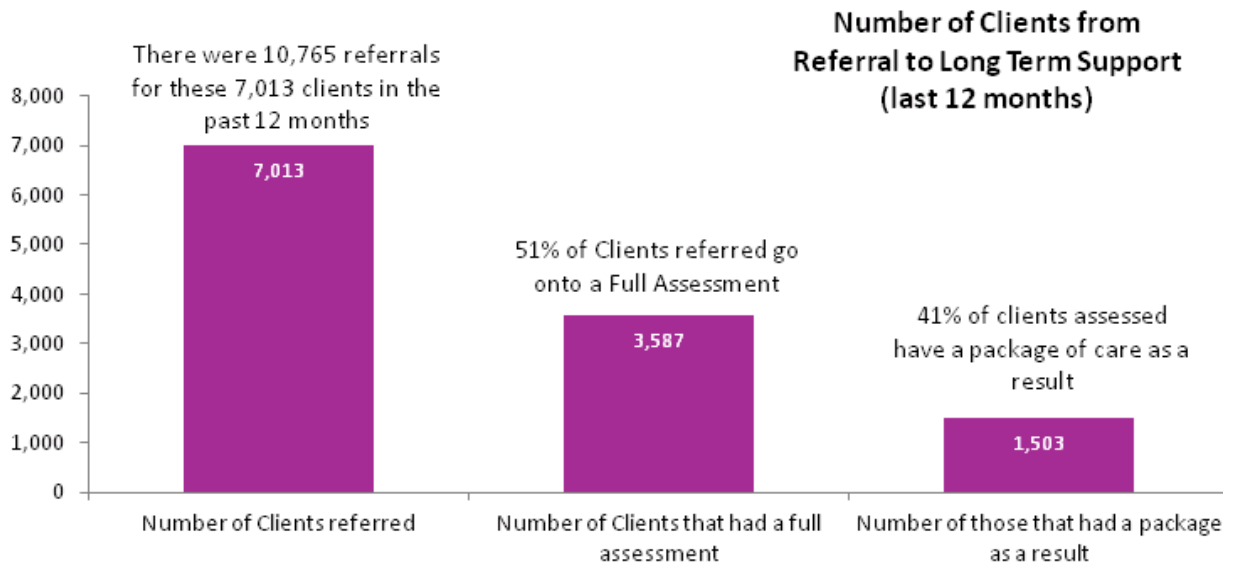
### Total Cost for Independent Sector Care November 2015 to October 2016





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.



#### 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 £15 savings already achieved and validated, and a further £6.7m of costs avoided.

4.6.2 The October reviews focused on all savings initiatives on a “stop, start and continue” basis so that the service can concentrate on larger initiatives that will deliver greater value (while ensuring the right outcomes) and move away from high volume lower value initiatives that are not progressing. This way capacity can be better used for greater effect. As a result the following mitigation activities are planned. The following summarises the initiatives now being progressed under each theme:

##### 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 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.



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

*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)	135	(137)
Quality & Performance	50,093	(1,896)	48,197	6,310	4,990	1,320
Early Help & Prevention	9,243	(3,596)	5,647	(1,616)	(1,466)	(150)
Learning, Skills & Education	36,293	(13,392)	22,901	(3,576)	(2,905)	(671)
Safeguarding & Children's Services	52,414	(5,805)	46,609	14,993	13,755	1,238
<b>Grand Total</b>	<b>148,083</b>	<b>(24,689)</b>	<b>123,394</b>	<b>16,109</b>	<b>14,509</b>	<b>1,600</b>

5.3.1 Children's Services are reporting an overspend of £16.1m, which is an increase of £1.6m from what was reported to Cabinet in November.

5.3.2 In summary, the total anticipated pressure for undeliverable 2016-17 Budget Proposals and in year demand led pressures is £27.0m this month, which will be reduced by £10.9m as a result of management mitigations that have been delivered, bringing the overall Children's Service forecast overspend to £16.1m.

5.4 Movement Summary

	Outturn Variance £m
<b>Position Reported at last Cabinet (+ = overspend)</b>	<b>14.509</b>
<b>Changes to previously reported mitigations</b>	
<ul style="list-style-type: none"> <li>The targeted review work to achieve reductions in high cost placements for 18+ year olds, which was reported as a budget mitigation to Cabinet in September is currently anticipated to not be fully realised this financial year. However, this review work will be still on-going, so there is the potential for additional opportunities to be identified to reduce costs over the coming months.</li> </ul>	1.100
<b>Changes to in year pressures / underspends</b>	0.930
<ul style="list-style-type: none"> <li>Throughout the year, there has been a significant increase in the volume of care and adoption proceedings, special guardianship and child arrangement orders under the Children Act 1989, wardship and inherent jurisdiction proceedings which is putting additional pressure on the Legal Budget. A management review is under way</li> </ul>	



to develop options to reduce the Council's exposure to this expenditure.

- Further costs expected to due court ordered Mother and Baby assessments and support for children and families with No Recourse to Public Funds. 0.252
- Additional vacancy savings and general cost reductions have been identified within Schools Improvement. (0.660)
- Minor underspends across the Directorate. (0.022)

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**Reported position this month**

**16.109**

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## 5.5 Future Risk Areas & Budget Mitigations

- 5.5.1 There is a significant risk of additional Home to School and Social Care Transport overspends against budget as in the main, there is a statutory duty to provide these demand led functions.
- 5.5.2 Further analysis is being carried out to understand the key drivers of the potential increase in forecast spend. Budget mitigation options 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.
- 5.5.3 Social care staffing establishment pressures have been identified, as a result of recruitment and retention issues of permanent social workers. 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.
- 5.5.4 The number of Looked After Children exceeded 1,000 for the first time in October, putting further strain on the agency placements budget. A panel process is in place to provide additional assurance that new placements will be commissioned in the most cost effective way.
- 5.5.5 The high cost agency placement review work is also on-going which will ensure our current high cost care packages offer value for money.
- 5.5.6 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
<b>Prior Yr Base Budget b/fwd</b>	<b>8,826</b>	<b>7,734</b>	<b>6,050</b>	<b>5,043</b>	
Inflation	272	232	323	445	1,272
Service Pressure	0	0	0	0	0
<b>Total</b>	<b>272</b>	<b>232</b>	<b>323</b>	<b>445</b>	<b>1,272</b>
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
<b>Total</b>	<b>(1,364)</b>	<b>(1,916)</b>	<b>(1,330)</b>	<b>(1,320)</b>	<b>(5,930)</b>
<b>Approved Base Budget</b>	<b>7,734</b>	<b>6,050</b>	<b>5,043</b>	<b>4,168</b>	

*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	24,163	(36,804)	(12,641)	(3,600)	(2,000)	(1,600)
Customers, Culture & Place	9,704	(16,558)	(6,854)	488	488	0
First for Wellbeing	26,768	0	26,768	0	0	0
Integrated Wellbeing Commissioning	577	(30)	547	0	0	0
<b>Grand Total</b>	<b>61,212</b>	<b>(53,392)</b>	<b>7,820</b>	<b>(3,112)</b>	<b>(1,512)</b>	<b>(1,600)</b>

6.3.1 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.

6.3.2 A favourable forecast variance of £1.6m has been 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. Therefore it is a one off benefit in the current year. Any variations to the forecast will be reported in future months.

6.4 **Movement Summary**

	<b>Outturn Variance £m</b>
<b>Position Reported at last Cabinet (+ = overspend)</b>	<b>(1.512)</b>
<b>Mitigations</b>	
• Provisional saving on First for Wellbeing Contract	(1.600)
<b>Reported position this month</b>	<b>(3.112)</b>

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 risk associated with the assumptions and projections applied and therefore risks remain on the delivery 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.