

NCC Group - Chief Executive Services

Business Plan

2017-18 to 2020-21

NCC Group & Chief Executive Services commissioning intentions

During 2017-18 as we complete the Next Generation working and structure plans, we will focus, within our financial resources, on ensuring the best possible wellbeing and safeguarding outcomes to our citizens, communities and consumers in Northamptonshire by:

- Ensuring our Next Generation model components are in place and fully functioning;
- Deliver the transformation of how the public access wellbeing goods and services through the new marketplace portal (formally referred to as breeze-e);
- Delivering a self-financing model for NCC, including fully understanding the impact of the new Government funding models of business retention and fully embedding the new federated business model for NCC;
- Delivering Digital Northamptonshire, bringing applications and modern technology into all that we do;
- Delivering greater integration with the NHS through the Sustainability and Transformation Plan (STP)

These intentions are the in conjunction with our people and place commissioning intentions.

1. Vision Statement

NCC's 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.

1.1. Our Purpose & Main Activities

NCC Group is responsible for ensuring that commissioning decisions are made based on robust intelligence and have the appropriate democratic input, in order that the most successful and best value for money interventions are commissioned for the residents and communities of Northamptonshire.

The functions and teams which form the Chief Executive's Services are:

- Customer Insight and Business Intelligence: This represents the repository of data, analysis and intelligence which will help the organisation understand demand and markets, current and future customer trends and inform effective commissioning across the Group.

- **Communication and Brand Development:** This will ensure that customers and residents have access to the information they require on access to services. It will also deliver societal-wide messaging and help demand management, while also protecting the brand and reputation of the Council.
- **Financier, Shareholder and Funder:** This function, through the Group Finance Director (Section 151 Officer), will ensure that state funding, treasury and investments are effectively managed to deliver value for money and achieve outcomes, and will also ensure that the Council delivers a balanced budget.
- **Customer Services and Web team:** Our front door to services, advice and information, and the main instrument for the delivery of our Digital Northamptonshire programme, including digital content of our customer interactions and information provision.
- **Regulatory and Policy Engagement:** Active engagement with the Government and central policy setters to influence policy development and get the best deal for the county.

1.2. Our Vision in Four Years

Our design principles, outlined below, will allow us to develop a sustainable model of local government, which is flexible and responsive to resident needs, while allowing for enhanced partnership working:

- Strategy based on democratic mandate and clear understanding of wider political and economic environment.
- Outcome focused
- Commissioning decisions based on data and intelligence
- Partnership working across the model
- Smart and responsible financing
- A culture of trust and joint responsibility
- A flexible and responsive consumer strategy

1.3 Priorities

- Ensuring the effective and financially-efficient implementation and running of the Next Generation Model, via a robust and mature strategic commissioning framework;
- Delivering our savings and a balanced budget against a challenging financial settlement;
- Establishing and delivering our Digital Northamptonshire agenda and making digital content and contacts our default setting;
- Aligning our corporate agenda to the local STP;
- Continuing to use technology of a system disruptor to drive change, including Next Generation working practices;
- Delivering a health and wellbeing e-marketplace for the county and beyond.



2. Strategic Outcomes

The Council has agreed an outcome framework at Cabinet in October 2016, which is outlined in figure 1. The framework consists of two parts, the first of which are 5 strategic objectives for the Council, and second of a series of specific outcomes to the achievement of which all of our services are contributing.

Fig 1. Strategic Outcomes for the Council

People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities	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	Resources are utilised effectively and efficiently, in coordination with partners and providers
The voluntary and community sector provides accessible universal services and targeted support where needed	Our children grow up in a county which promotes healthy lifestyles and nurtures aspirations	Our education provision equips children and young people with the skills they need to achieve their full potential and ambitions	Businesses, communities and individuals have access to 21 st century connectivity	Taxpayer money is used and managed effectively to deliver cost-effective solutions
People are safe and able to live fitter for longer in their homes and communities	People have access to timely, good quality and relevant advice to help them make informed lifestyle choices	Improved levels of qualifications, skills and pay in our county	The County's physical and natural environment is resilient and is enjoyed by residents & visitors	Robust knowledge of the county and how it will develop informs commissioning
Children live in safe and supportive family environments	People have access to high quality and accessible wellbeing services to help them stay well and enjoy good physical and mental health	Our first class, thriving and diverse economy attracts business into the county	Our planning infrastructure is fit for the future, supports economic and demographic growth and delivers resilient strategic solutions for partners and ourselves	A democratic, transparent, representative and accountable public service
Individuals and their communities are protected from harm and are supported to take responsibility for their wellbeing	Where eligible, people have access to the right services to help them achieve their health and care outcomes	People have access to good jobs and are able to work, contribute and enjoy a good standard of living	Councillors have the support needed to effectively represent and lead their communities	Getting a fair deal for Northamptonshire through engagement and representation with the Government
Children who need care and protection receive timely and proportionate help to ensure they stay safe and thrive		The County has an energy efficient, low carbon economy with reduced unnecessary waste		The reputation of the public sector is protected and enhanced
				Responsive, high quality and good value for money support services.

NCC Group, in the Next Generation Council structure, is ultimately responsible for the delivery of all of the Council's strategic outcomes. We will do this by commissioning the federated organisations in the Next Generation Council structure to deliver the majority of these outcomes on our behalf. There are, however, functions that remain within NCC Group, particularly within the Chief Executive Services teams, which are responsible for the delivery of a number of the Council's strategic outcomes; these are detailed below:

Tax payer money is used and managed effectively to deliver cost-effective solutions – The majority of functions and responsibilities in NCC Group support effective use of resources. Group Finance and BIPI ensure that there is high quality information to support strategic planning and also to monitor our spending and performance. Our

Customer Service and Communications functions will enable the voice of the customer to come through, highlighting areas where we are doing well as well as those where we could do better.

We want to demonstrate that we provide good value for money. We will achieve this by ensuring that we extract maximum value from the public money we receive – either as grants from government or revenue raised via local taxation such as Council Tax and Business Rates.

We will be proactive in examining all options for financing our operations. This will include exploiting economic conditions that may, for example, make it the right time to borrow to fund capital infrastructure programmes when the benefits to the county and return of investment make good business sense.

We will benchmark our financial and operation performance sector to determine how we measure up against others in and outside the sector.

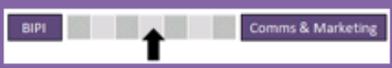
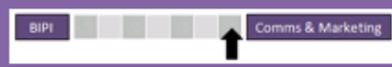
Our role in strategic business planning will be fundamental to ensuring our resources are directed in to the right priority areas. We will ensure that budget and service development proposals from delivery vehicles are rigorously tested not only for viability but that they are likely deliver the anticipated outcomes and benefits, and that potential risks and mitigating actions are considered.

Furthermore, in order to make sure we are, as public servants, maximising the use of taxpayers' money we think it is in the interest of the people of Northamptonshire and the sustainability of our local services to explore the potential that may be unlocked through the creation of a unitary authority for the county.

Robust knowledge of the county and how it will develop informs commissioning – At the heart of the new model is intelligence-led commissioning, and this can only be achieved by having robust and accurate intelligence about the county, its residents and national demographic and policy changes. The Business Intelligence and Performance Improvement unit, which is in charge of providing the wider organisation with an understanding of its own performance, external factors influencing demand, market and outcomes, and with exploring the art of the possible in terms of creative and sustainable solutions. Over the short to medium term, we will also enhance the improvement and transformation arm of the function, in order to realise real benefits to the organisation and vehicles.

The value in the strategic needs assessments we produce along with contract management data and business intelligence will be maximised to ensure resources are directed to where they are most needed.

Getting a fair deal for Northamptonshire through engagement and representation with the Government – Through the creation of the Public Affairs function, we are better equipped to influence decision making with central government, join other authorities in their work and ensure that we are recognised nationally as a key player.

Primary strands for the function		
Strand	What this covers	Alignment within Group
'Telling the story'	Developing and promoting NCC Brand. Communicating achievements and the journey ahead. Use of data and intelligence to support 'the story'. Evidence for change in legislation, responses to calls for evidence.	
'Inside the lines'	Policy and legislation horizon scanning but focused on relevance for NCC. Analysis of 'Think Tank' recommendations. Building a best practice evidence base for Group Commissioners.	
'Setting the agenda'	Evidenced based strategic planning and policy development Shaping local policy. Developing the NCC Group voice as part of NCC Plc and Northamptonshire Plc. Analysis of local partner policy and strategy. Engagement with Cabinet – local political priorities. Use of information on the public and residents to inform decision-making.	
'Engagement and Influencing'	Supporting local influencers e.g. Members and CMT so they are armed with evidence and empowered to address local issues on the national stage and/or push for policy change where appropriate.	
'Positive Partnerships'	Enhancing the strength of local and regional partnerships – e.g. Economic Heartland and relationships with delivery vehicles. Relationships with LGA and EM Councils.	

The reputation of the public sector is protected and enhanced – We have several actions in place in order to achieve this outcome. Implementing the NCC Communications and Marketing Strategy will ensure fair and accurate representation of decisions and service outcomes across news media, social media and digital channels. Deploying the Council's branding strategy will ensure a clear and consistent approach to branding services and enterprises delivering council outcomes to engender public accountability and awareness.

By communicating with staff, partners and wider stakeholders we want to engender engagement and support for the Council's direction of travel and approach.

Responsive, high quality and good value for money support services – The success of the NCC Group and the Next Generation Council model will be judged by its ability to ensure the best services are in place to deliver – this applies to customer facing services as well as back-office functions. NCC is already benefitting from one of the best value for money arrangements for the delivery of support functions. The expansion of LGSS, including Milton Keynes Council, as a new shareholder and the addition of new stakeholders and customers will benefit NCC in the long-run and reduce even further the delivery costs to NCC.

3. Context and key data

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 we have faced in decades, means nothing but radical transformation of public service provision will meet the increasing needs of the people of our great county. Historically, the majority of the Council's funding has been received via the Revenue Support Grant (RSG) with the final decision being made upon the settlement a matter of months before the start of a

financial year. It was announced in February 2016 that the way councils receive their funding settlements is changing this year and that we would be able to access a 4 year settlement. NCC took advantage of this which has enabled us to plan more effectively our services and budget expenditure proposals in the medium term. In the longer term, the RSG is being phased out and replaced with councils receiving the majority of their non-council tax funding from 100% business rates retention. This will pose significant risks to our sustainability, and we need to be prepared to manage extensive and profound change.

4. Risk Factors

Risk	Mitigations
<ul style="list-style-type: none"> Failure to set balanced budget 	Close monitoring of delivery plans and mitigations and regular updates to Cabinet
<ul style="list-style-type: none"> Inability to fund Delivery Vehicles to agreed budget levels due to cost over-runs in current financial year 	Close monitoring of delivery plans and mitigations and regular updates to Cabinet
<ul style="list-style-type: none"> Delivery Vehicle - Contractual dispute – failure to meet performance targets 	Collaborative approach to budget and outcomes setting, and central intelligence support to vehicles and commissioners
<ul style="list-style-type: none"> Service failure in Delivery Vehicle 	Robust safeguarding and quality assurance mechanisms within NCC Group
<ul style="list-style-type: none"> ICO/ LGO fines 	Centralised Complaints and Compliments, IM and FOI/ DP functions; governance arrangements in place via NCC Group and vehicles Caldicott Guardians; central intelligence support to vehicles and commissioners
<ul style="list-style-type: none"> Devolution proposals by District and Borough Councils approved by DCLG 	Close working with Government, LGA and other authorities to ensure we get the best deal for Northamptonshire
<ul style="list-style-type: none"> Police and Crime Commissioner – Police and Fire merger and compulsory transfer of assets to combined Police and Fire Authority 	Ongoing communication and collaboration with partners
<ul style="list-style-type: none"> Challenge to budget proposals 	Central consultation function supporting the budget setting process and ensuring timely management of proposals
<ul style="list-style-type: none"> Insufficiently developed and inflexible provider markets 	Increased focus on managing and influencing the market through commissioning intentions and our own delivery vehicles
<ul style="list-style-type: none"> Market - provider failure 	Developing targeted provision for complex and hard to meet needs via our delivery vehicles
<ul style="list-style-type: none"> NNDR reduction (D&B) 	Business case to be developed for the move to a unitary authority as the best way to leverage income

5. Net Revenue Budget Requirement – 2017-18 to 2020-21

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Prior Yr Base Budget b/fwd	59,827	43,757	43,073	51,159
Inflation	597	1,373	1,420	1,458
Service Pressure	(209)	1,353	3,000	0
Total (note 1)	388	2,726	4,420	1,458
Efficiencies	(2,300)	(803)	(708)	(351)
Income Generation	0	0	0	0
Service Transformation	(1,660)	(1,250)	(7,000)	(10,000)
Service Cuts	0	0	0	0
Total	(3,960)	(2,053)	(7,708)	(10,351)
Net Budget Requirement	56,255	44,430	39,785	42,266
Capital Flexibilities (note 2)	(17,200)	2,700	14,500	0
Reserves (note 2)	4,702	(4,057)	(3,126)	2,481
Technical Movements (note 2)	0	1,000	1,513	0
	43,757	43,073	51,159	44,747

Note 1 – Service pressures include an adjustment for structural budget deficit.

Note 2 – figures reflect the cumulative movement year on year.

Breakdown of 2017-18 Budget by Service

Directorate	Base Gross Expenditure Budget £m	Unavoidable Service Pressures £m	Savings £m	Gross Budget £m	Income £m	Net Expenditure Budget £m
Chief Executive Services	3.6	1.0	(2.6)	2.0	(0.1)	1.9
Corporate Functions	42.1	(1.3)	(0.7)	40.1	(15.3)	24.8
LGSS Managed	5.7	0.0	(0.1)	5.6	0.0	5.6
LGSS Operational	15.9	0.7	(0.6)	16.0	(4.5)	11.5
Total NCC Group	67.3	0.4	(4.0)	63.7	(19.9)	43.8

6. Summary of Medium Term Strategy to 2020-21

The budget against the Chief Executive's Services will be delivered through a mix of efficiencies, transformation and income generation. In line with the Next Generation Council model, we will be working towards reducing duplication and centralising resources to generate cost and service efficiencies (for example, by centralising the customer services function into our corporate Customer Service Centre), identifying new funding sources to increase income (Social Impact Bonds, philanthropic investments, foundations grants and donations).

Through a finance zero-based budget review, we have been able to identify where investment needs to be built into the budget to address budget deficit from previous years.

In regards to efficiencies, we will continue our work on Digital Northamptonshire, a programme designed to reduce the reliance on customer face-to-face or telephone contact, where this provides people with more options and meets their needs, as well as to improve process efficiency by reducing double-keying, superfluous processing steps and hand-over points. We will also continue to build on work to date to identify duplication of functions across the organisation and reduce this by centralising budgets and rationalising access to resources (customer service roles, performance analysis and intelligence, project management etc.)

Work with partners will continue at pace, in the form of closer working with NHS colleagues and the development of a joint commissioning function across Health and Social Care, and in line with the STP.

Our ambition is to move towards a unitary authority for Northamptonshire, in order to ensure the financial future sustainability of the public services in the county, a structure which delivers the best return for the people of Northamptonshire and an efficient and effective way of running public services, which reduces waste and duplication.

Coupled with this the development of more community based services through community hubs, which mean reviewing how our services are delivered most effectively in the community regardless of which public body or otherwise owns the community hub, such as our LibraryPlus services, delivered by First for Wellbeing CIC. For example in the STP it is envisaged that primary and community care services such as same day access to an appropriate health or social care professional, via a GP led multi-disciplinary service model, which includes therapists, pharmacists, community physical and mental health nurses and social workers, will be through a network of practices and/or hubs within each Federation, with services available from early morning into the evening, 7 days a week. This type of model could include the wellbeing services provided by NCC.



In our Council Plan, we have articulated the need for varied and innovative funding sources to ensure the Council continues to be financially resilient and future-proof. This work will be coordinated centrally through the creation of an Investment Board led by the Group Finance Director to ensure consistency of approach, coherent plans and deliverability. The options considered will be Social Impact Bonds, grants from philanthropic foundations and ethical investments. Work on scoping out suitable avenues is already underway in Public Health and Children's Social Care. The aim for the coming year is to expand these initiatives and increase the impact of investments for the whole organisation and over the medium term.



7. Medium Term Plan Proposals

Proposal Number	Growth Proposals	Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000	
Inflation								
Various	Forecast Pay Inflation	Budget growth in respect of locally negotiated pay inflation.	283	286	289	292	1,150	
10-034-01	Pensions increases	This represents the estimated additional investment required to meet the pensions pressures during the next four year period following initial discussions with the Actuary.	250	1,033	1,053	1,053	3,389	
10-035-01d	Environment Levy Inflation	Inflation on Environment Levy	30	30	30	30	120	
15-009-01	Insurance Premium Tax Increase	This is an unrecoverable tax burden with effect from the 2016-17 financial year with a part year effect in that year and the full effect in 2017-18.	22	0	0	0	22	
Various	National Living Wage Increase	Budgeted inflation in National Living Wage incorporating changes announced in the Autumn Statement.	12	24	48	83	167	
Total Inflation			597	1,373	1,420	1,458	4,848	

Proposal Number	Growth Proposals	Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
Other Service Pressures							
10-020-01	Treasury Net Growth	The current financial requirement of financing the county's debt portfolio, reflecting any changes in internal balances, investment rates and including the MRP and borrowing costs with regard to the proposed Capital Programme.	(2,251)	1,800	0	0	(451)
13-009-11	New Homes Support	This is the amount set aside to support schemes in place for New Homes Development.	79	0	0	0	79
14-009-01	Investment in Improved Council Tax Collection	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 and not required and released in 2017-18	(150)	0	0	0	(150)
15-009-12	Repayment of Debt	Planned additional revenue costs (MRP and Interest) linked to the planned utilisation of capital receipts.	0	0	3,000	0	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 and financed through efficiencies made within existing training budgets.	666	0	0	0	666
Various	Structural Budget Deficit	Investment is required to address the structural budget deficit identified within Chief Executive Services following a review of the pressures experienced within the current financial year.	1,000	0	0	0	1,000



16-007-01	LGSS - smoothing reserve re-allocated between years.	This represents a temporary movement in the reserves between years and is not a permanent change in the MTFP. The movement is subject to approval by a joint committee members.	447	-447	0	0	0
Total Other Service Pressures			(209)	1,353	3,000	0	4,144
Total Growth Proposals			388	2,726	4,420	1,458	8,992

Proposal Number	Savings Proposals	Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
Efficiency							
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 and Milton Keynes Council.	(564)	(803)	(708)	(351)	(2,426)
16-004-01	Next Generation Working	Evidence from our visits to other organisations that have moved into single buildings and consequently centralising functions across one building, (such as No.1 Angel Square), has clearly demonstrated we can deliver additional savings through economies of scale in terms of duplication of administrative functions or analysis posts, reception and facilities running resources, etc.	(500)	0	0	0	(500)
16-004-06	Community Hub Review	Through the STP development of community service hubs, the One Public Estate initiative to drive co-location of services and a review of how we deliver	(450)	0	0	0	(450)



		community based services as part of our Place commissioning work, we will reduce our community service operational running costs.						
16-004-08	Occupational Health	Budget realignment to reflect a re-procured contract that will reduce costs.	(40)	0	0	0	(40)	
16-006-09	IT	Budget realignment to reflect the cessation of several support contracts with the work being brought back in house at a lower cost.	(80)	0	0	0	(80)	
16-009-01	Efficiencies generated through the introduction of the Apprenticeship Levy	Reallocation of savings budgets through the Apprenticeship Levy digital account means an associated reduction in departmental training budgets.	(666)	0	0	0	(666)	
Total Efficiency			(2,300)	(803)	(708)	(351)	(4,162)	
Service Transformation								
15-004-25	Increased Use of Social Impact Bonds and new financing streams	By investing in ethical sources of funding and developing a social impact work stream (led by a Social Impact board), we will be able to reduce our costs in the medium term. Options appraised are philanthropic donations, ethical investment schemes and foundation grants. This is based on the successful development in 2016-17.	(1,250)	(1,250)	3,000	0	500	
16-004-10	Next Generation Council	Review of Directorate and Management Team structure.	(195)	0	0	0	(195)	
16-004-11	Chief Executive Services	Review and redesign of group functions.	(215)	0	0	0	(215)	
16-004-07	Unitary Local Government reorganisation	Work will be carried out throughout 2017-18 to produce a full appraisal of the options available to the local authorities in the county following the new guidelines being issued in early 2017 by central	0	0	(10,000)	(10,000)	(20,000)	



		Government. Significant savings to be made over the last two years of this plan. We believe it is essential that under the current budgetary pressures local public services are under, we do all we can to future-proof the sustainability of local services and deliver value for money to our residents. Based on examples from other areas of the country, and recent work by EY entitled "Independent Analysis of governance Scenarios and Public Service reform in County Areas" we believe the move to a single Unitary Authority provides the most financial benefits to the tax payers of Northamptonshire.					
Total Service Transformation			(1,660)	(1,250)	(7,000)	(10,000)	19,910
Total Savings Proposals			(3,960)	(2,053)	(7,708)	(10,351)	(24,072)