

NORTH NORTHAMPTONSHIRE

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Report Originator	Audra Statham Programme Team Finance Enabler Chief Finance Officer Daventry District Council	<i>Fwd Plan Ref No:</i> N/A	
Wards Affected	All	10 th February 2020	
Title	Future Northants Finance Monitoring Report		

1. PURPOSE OF REPORT

To provide a summary of the forecast outturn position for the Future Northants Programme.

2. BACKGROUND

- 2.1 At the meeting of the 16th January 2020, this committee were presented with a report that set out the Future Northants Programme baseline financial position, as summarised below.

Estimated Total Investment	Forecast Annual Budget Savings
£43.5m	£85.9m

- 2.2 The investment would be funded from Business Rates Retention Pilot monies, contributions from each of the eight councils in Northamptonshire and Northamptonshire County Council transformation budgets.
- 2.3 The investment is anticipated to realise significant benefits for the residents of the North Northamptonshire. The benefits expected to arise will be financial through being more efficient and non-financial through better management of service demand and improvements to service levels.
- 2.4 This report provides an update on the outturn position, compared to the baseline, for the Future Northants Programme.
- 2.5 It should be noted that the investment of £43.5m does not include any update on budget proposals for transformation during 2020/21 from any of the eight authorities. Once the 2020/21 budgets have been finalised the position will be updated and reported back to this committee.

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3. REPORT

3.1 The investment and benefits by workstream are set out in Appendix 2.

3.2 The summary outturn position is shown below:

	Total Budget £'000	Forecast £'000	Variance £'000
Investment Costs			
Programme Team	8,183	6,958	-1,189
Business Rates Retention Pilot	15,050	15,050	0
NCC Transformation	2,952	2,273	-679
Other Programme Costs	17,265	17,265	0
Total Investment	43,450	41,566	-1,868

Benefits			
Business Rates Retention Pilots	36,619	36,619	0
NCC Transformation	41,415	33,898	7,517
LGR	7,900	7,900	0
Total Benefits	85,934	78,417	7,517

3.3 Explanations for variances:

Programme Team (£1,189k favourable variance)

Compared to the baseline position not all posts were filled from the assumed start day in September 2019. Whilst it is currently showing a favourable position, due to these vacancies, it is inevitable that more staff will be needed later on as the level of work has not diminished and will still need completing. It is also certain that when the eventual splits of the North and West workstreams happen that the programme team requirements will need reviewing.

NCC Transformation (£679k favourable variance on investment - £7,517k adverse on Benefits)

It has been widely reported to NCC Cabinet, the latest being 14th January 2020, the position on both the investment and savings forecast outturn

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position producing the above variances. Please see Appendix 1 for an extract from that report explaining the variances in full.

- 3.4 It is important to note that the variance on Benefits of £7,517k has been mitigated with savings and additional income across all services in NCC to produce their current overall projected outturn position of £29k underspend, to be confirmed at February Cabinet. The £7,517K has been robustly challenged and any savings that are not achievable have been built back into the 2020/21 base budget for NCC, with a corresponding host of savings to mitigate that position. The new savings proposals are approximately £23m for 20/21. These proposals are all part of the current budget setting cycle and will be confirmed in February 2020.
- 3.5 The Future Northants Programme have come to the end of the discovery phase and are now entering the design phase. Much of the programme budget is forecast in line with the baseline budget set. As the design phase matures the proposed investment and benefits expected will be robustly challenged, in line with the governance arrangements set out in the North Northants Joint Committee report on 16th January 2020. The forecast outturn position will be reported to; the Design Board and Leaders Oversight Board on a monthly basis and each North and West Joint Committee as they are scheduled.
- 3.6 There are no direct policy implications arising from the report.
- 3.7 There are no direct human resource implications arising from the report. However, the Future Northants Programme budget does include monies for staffing to deliver the programme.
- 3.8 Risk management is a core element of the Future Northants programme. Each of the programme portfolios and work streams have risk registers embedded within them in line with established project management methodologies. These risk registers are reviewed at each portfolio board meeting. Risks are also reported by exception to Design Board and Leaders Oversight Board.
- 3.9 There are no direct equality and health implications arising from the report.

4. FINANCIAL IMPLICATIONS

- 4.1 The report is financial in nature and clearly sets out the financial implications.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the report

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6. **CONCLUSION**

- 6.1 In line with the governance arrangements agreed the financial outturn position will be reported on a regular basis to the Design Board, Leaders Oversight Board and both North and West Joint Committees.

7. **RECOMMENDATION**

- i) Note the forecast outturn position for the Future Northants Programme.