

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	5 th March 2020	
Title	Future Northants Finance Monitoring Report		

1. PURPOSE OF REPORT

1.1 The purpose of this report is to provide a summary of the forecast outturn position of 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.

3. REPORT

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

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3.2 The summary outturn position is shown below:

	Total Budget £'000	Forecast £'000	Variance £'000
Investment Costs			
Programme Team	8,183	6,994	-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	41,582	-1,868

Benefits			
Business Rates Retention Pilots	36,619	36,619	0
NCC Transformation	41,415	33,281	8,134
LGR	7,900	7,900	0
Total Benefits	85,934	77,800	8,134

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 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 - £8,134k adverse on Benefits)

It has been widely reported to NCC Cabinet, the latest being 11th February 2020, the position on both the investment and savings forecast outturn 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 £8,134k has been mitigated with savings and additional income across all services in NCC to produce their current overall projected outturn position of £29k underspend, as confirmed at their February Cabinet meeting. The £8,134K 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

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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.

4. FINANCIAL IMPLICATIONS

- 4.1 The report is financial in nature and clearly sets out the financial implications.
- 4.2 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.
- 4.3 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.

5. LEGAL IMPLICATIONS

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

6. Conclusion

- 6.1 Monitoring of the Future Northants Programme budget is an on-going process and will be reported to the Joint Committee on a regular basis. The budget setting cycle for each of the eight Northamptonshire authorities will have concluded by the time this committee meets and it is the intention to bring a new baseline budget position for 20/21 to the next Joint Committee meeting.

7. RECOMMENDATION

It is recommended that the NNJC:

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

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Appendix 1

Table Five: Transformation Projects 2019-20

Transformation Projects 2019-20	Original Estimate 2019/20 £000	Revised Estimate Spend 2019/20 £000	Variance on Spend 2019/20 £000	Comment on Variance	Planned Saving 2019/20 £000	Revised Planned Saving 2019/20 £000	Variance on Planned Savings 2019/20 £000	Comment on Variance
Agency Staff Conversion: Reduce the number of agency staff in social work teams through enabling their transfer into the Council's staffing establishment	293	32	261	There have been four successful conversions in 2019-20 to date. Future uptake is currently expected to be limited at this stage, pending the success of a revised campaign.	-1,624	-77	1,547	Current forecasts are based on the part year effect of the 4 successful conversions that have occurred so far in 2019-20. The full year base budget savings going forwards from this one off investment total £100k. Assumptions have been made that there will be limited further conversions until a revised campaign is developed, at which point assumptions will be reviewed.
Renegotiation of Contract: Appointment of legal advisors who will deliver the renegotiation of the Shaw PFI contract - savings to accrue from 2020-21 onwards	168	168	0		0	0	0	
Local Government Reorganisation: Costs associated with the proposed local government reorganisation in Northamptonshire	950	0	950	This represents the County Council's 2019-20 contribution to the costs of the LGR Programme.	0	0	0	Savings will be made as part of the Local Government Reorganisation.
Estimated voluntary redundancy costs associated with reducing the size of the workforce	1,000	800	200	Revised estimate of final position. Will be revised when final confirmation is received.	-1,460	-662	798	Revised estimate of final position. Full year effect included in MTFP as savings are dependent on final leave dates.
Annual Cost of the Future Northants Programme, as per Strategy	2,598	2,209	389	Revised estimate based on latest forecast of staffing costs.	0	0	0	Savings will be made as part of the Local Government Reorganisation.
A review of the pricing and delivery of Learning Disability services, changing the way we buy care services for adults with learning disabilities from private providers, to meet the increasing demand in the most cost-effective way. This will ensure we have more certainty of our cost and can consider better ways of providing improved outcomes.	723	723	0		-2,800	-2,800	0	

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Committed Cost of the Unitary Programme - the costs associated with the employment of project colleagues, engaged in the set-up of the Future Northants Programme	298	298	0		0	0	0	Savings will be made as part of the Local Government Reorganisation.
Libraries Transformation Programme - delivering provision of a fully comprehensive and efficient service	272	174	98	Reassessment of staff time input to deliver project. Also, capitalisation of IT and decommissioning costs.	-381	-315	66	Due to delayed implementation, an element of the property related savings will not be realised in 2019-20 as expected.
Transformation Roles in Children's service - supplements the transformation resources already in place through the council wide Transformation Programme to provide a coordinated approach and focus touch points within the CFN leadership team that have complete oversight and accountability for driving transformation and savings delivery across the Directorate.	180	60	120	Slippage in anticipated recruitment to posts.	0	0	0	Savings will be made as part of the overall Council wide transformation programme within CFN.
Single handed project - Reducing the level of resource associated with home care by using specialist equipment and training to reduce existing care or reduce care packages.	260	260	0		-1,000	-1,000	0	
Canary Pilot - Installing monitoring systems to enable long term care package savings.	53	53	0		-400	-436	-36	Current forecast suggests over delivery of target in 2019-20 due to success earlier in the year
TOM Design and diagnostics – The initial diagnostic from Newton Europe identified the savings areas and ranges at the start of October. Additional work was required ahead of 2020-21 budget setting to complete the full validation and baselining for all the proposed savings ahead of robustness sessions and tender process. The work undertaken will provide certainty of how and where the saving could be delivered and inform the configuration of the new eclipse system during so that the required metrics and outputs could be developed. An additional diagnostic was also required across the Adults and Childrens combined pathway for disability as this was an area of high and rising cost pressure.	0	435	-435	The work will ensure that the service has: <ul style="list-style-type: none"> - A clear delivery and programme plan for the savings and improvement, - Clarity of the service resource and skills needed, - An agreed scope and set of workstreams priorities, - That there are no savings duplications - A view on the future and potential for an all age disability service and - a robust specification for the tender and supporting data and outputs for bidders 	0	0	0	Savings will be made in 2020-21 as part of the Strengths Based Working proposal
Total:	6,795	5,212	1,583		-7,665	-5,290	2,375	

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15 2019-20 Savings Delivery Performance

- 15.1 The Council has a total savings requirement of £43.4m in 2019-20. Of this, £41.4m is within 2019-20 budget set in February 2019; £1.1m is other savings measures embedded in the brought forward base from 2018-19; and £0.5m in income proposals, as set out in the table below. The deliverability of these proposals is being monitored by each accountable service lead, budget manager and senior officers.
- 15.2 The Transformation Programme is divided into four work streams – Children’s, Adults, Place and Corporate. Each work stream has its own Programme Board led by the Senior Responsible Officer, which meet on a monthly basis throughout the year. The role of the Board is to provide robust governance and assurance by monitoring and managing programme progress, savings, impacts, risks, issues, interdependencies and benefits. This is to ensure that transformation and savings are delivered in line with corporate priorities, agreed savings targets and the Medium Term Financial Plan. Each programme Board report to the central Transformation Board, chaired by the Chief Executive.
- 15.3 The latest assessment on the deliverability of the £43.4m savings proposals is set out in the Table below, by work stream.

Table Seven: 2019-20 Savings Proposals

	Target Savings £000	Savings budgeted to be delivered at Period 12 £000	Variance currently forecast at Period 12 <i>Under/(Over)</i> delivery £000
Corporate Services	(1,578)	(1,505)	73
Children First Northamptonshire (CFN)	(10,296)	(4,086)	6,211
Place	(2,645)	(2,480)	165
Northamptonshire Adult Social Services (NASS)	(23,284)	(22,952)	332
Cross-cutting Programme	(3,220)	(1,866)	1,354
LGSS	(369)	(369)	0
Public Health & Wellbeing	(23)	(23)	0
Total, 2019-20 savings:	(41,415)	(33,281)	8,134