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| Title | Future Northants Finance Monitoring Report |
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| North Northamptonshire Shadow Executive Shadow Overview & Scrutiny Committee For Information | |
| Purpose of this document | |
| The purpose of this report is to provide a summary of the forecast outturn position of the Future Northants Programme. | |

Document Control

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| Date | Version | Author | Brief Comments on Changes |
| 27/05/2020 | 1.0 | Audra Satham | Updated LGR and Transformation Budget Changes |
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(1) Responsibility: I=Information, R=Review, A=Approval

| Document Approval | |
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Benefits Realisation

An analysis of the impact of the current health crisis on the realisation of financial benefits is undertaken regularly on each of the Business Rates Retention Pilot schemes and NCC savings. This remains a fast moving, dynamic period of time and there are a number of assumptions in the analysis that will require ongoing review as the country enters into another lockdown period, which will be challenging in the lead up to setting budgets for the two unitary councils.

The variances reported above relate mainly to adults and children's services. Since period 5, reported in September, there has been a declining position on the home to school transport income. This is directly as a result of Covid-19. The overall savings impact is a profile issue not an inability to achieve the savings.

Outturn Position of all Northamptonshire Authorities

As was requested, for information, the table overleaf details the current forecast outturn of each of the Northamptonshire authorities.

| | 20/21 Projected | 20/21 Covid-19 Govt Grant | 20/21 Overall Adverse Variance | Mitigations: Income Grant Efficiencies Use of Reserves | Residual Variance | Comments |
|------------------------|--------------------|------------------------------------|---|---|----------------------|--|
| | £000 | £000 | £000 | | | |
| NCC | 31.770 | 35.370 | -3.600 | 3.600 | 0.000 | |
| Daventry | 1.480 | 1.066 | 0.414 | -0.414 | 0.000 | Additional costs for Leisure services, homelessness and rough sleeping. Expected losses in planning/building control/investment income. |
| Northampton | 6.473 | 4.023 | 2.450 | -2.450 | 0.000 | Main pressures: loss of income for car parks, licensing, planning and estates rental income (all as a result of covid); and additional costs for audit, housing temporary accommodation, and rough sleepers. |
| South Northants | 2.184 | 1.663 | 0.521 | -0.521 | 0.000 | Additional costs for Leisure services, housing and homelessness, environmental health/services, community support, Expected losses in investment income, planning, building control and licensing. |
| Corby | 2.129 | 1.400 | 0.729 | -0.729 | 0.000 | Income shortfalls from leisure and property rentals and additional covid related expenditure. |
| East Northants | 1.844 | 1.125 | 0.719 | -0.719 | 0.000 | Additional costs for Leisure services, housing and homelessness, environmental services and community support. Expected losses in commercial income. Covid Reserve set up as part of 2029/20 closedown. |
| Kettering | 2.662 | 1.574 | 1.088 | -1.088 | 0.000 | Additional costs for Waste & Recycling, Leisure services, homelessness and rough sleeping. Expected losses in planning, building control, investment, car park and court cost income. |
| Wellingborough | 1.530 | 1.341 | 0.189 | -0.189 | 0.000 | Additional costs for Leisure services, housing and homelessness, environmental services and community support. Expected losses in commercial and events income. |
| Total | 50.072 | 47.562 | 2.510 | -2.510 | 0.000 | |

The above table shows that after receiving the government grant of £35.370m, NCC are reporting a surplus of £3.6m. There is a common theme amongst all of the district and borough authorities, with many of the pressures on additional costs and reduced income from similar services. Unfortunately, despite receiving government funding, there is still an overall shortfall forecast of approximately £2.510m. The mitigations, to bring this overall variance down to zero, include draw down from general reserves. Each authority will continue to lobby Government to fund these shortfalls as any use of available reserves will mean that each of the two new unitary authorities would have less funds available to invest.

The mitigations put in place ensure that each authority is able to continue to deliver business as usual.

Further funding has been announced that is not reflected in the above figures. The latest lockdown will no doubt come with cost pressures and an updated position will be reported to future meetings. In addition, the above figures do not show the potential losses from reduced Council Tax and Business rates which, owing to the accounting regulations, won't show until later years.

Revised Financial Forecast

There remains considerable financial risk to the above outturn position, which may change on a regular basis depending on the recovery of the economy and the increasing outbreaks of Covid-19.

It is important to note that of the total £84.448m savings, £34.907m has already been delivered in 2019/20 and we are on track to deliver £13,933m during 2020/21. This will leave £35.608m to be delivered beyond vesting day.

3. Conclusion

Overall we are on track to deliver local government reform and transformation within budget, despite the very challenging environment in which we are operating. Risk remains high but by the end of 2020/21 a total of approximately £50m worth of savings will have been delivered.