

Document Type	Information Report
Programme	Future Northants
Title	Future Northants Finance Monitoring Report
Audience for this document	
The Executive	
Purpose of this document	
The purpose of this report is to set out the financial position of the Future Northants programme based on the revised approach of safe and legal on day one with the capacity to continue full disaggregation of services and transformation post vesting day.	

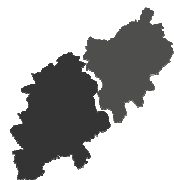
Document Control

Version History (please see version control guidance)			
Date	Version	Author	Brief Comments on Changes
27/05/2020	1.0	Audra Statham	Updated LGR and Transformation Budget Changes

Distribution (For Information, Review or Approval)	
Name	Resp⁽¹⁾

(1) Responsibility: I=Information, R=Review, A=Approval

Document Approval	
Date	Who



1. Introduction

Prior to the COVID outbreak, the extent of efficiency and transformations savings were forecast at circa £90m with a budget of 44.4m. Since the COVID outbreak the programme has been amended to focus on “safe and legal” transfer and the “must haves” while maintaining the desire to progress transformation and implementing this wherever we can (the “plus”). As a result the programme expenditure and benefits realisable have been reviewed and amended and are presented in Appendix 1 to this report.

2. Background

The budget to deliver local government reorganisation is £44.4m. This was set out in the original Prospectus for Change together with the funding sources as shown in the summary below.

Costs	£M
LGR Programme Cost	19.0
NCC 2019/20 Transformation Programme	6.5
LGR Transformation	18.9
Total	44.4
Funding	
Unitary LGR Funding (each LA £2.4m)	19.2
NCC 2019/20 Transformation Budget	6.5
BRP Transformation Funding	18.9
Total	44.4

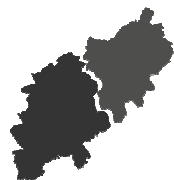
Budget spend included the direct programme team costs, transformation costs, integration costs and general expenditure such as executive recruitment.

The budget was forecast as being on track prior to the COVID outbreak.

Revised Financial Forecast

There is now considerable financial risk emerging, which will not be fully understood for some time yet although early assessments have been made.

Expenditure



The programme stages and duration have changed and we have now brought together all projects including our Social Care system, the Children’s Trust and NCC savings plans under this single programme to make it easier to manage and monitor.

These additional projects had their own funding with the creation of Children’s Trust funded by DfE and the new social care record system (Eclipse) funded through NCC’s capital budget respectively.

A review of ‘other programme costs’ has resulted in a reduction of the following areas:-

- Backfill not required post vesting day £1.314m
- Shadow Member Appointments not required in full £0.300m
- Programme Contingency £0.913m

Benefits Realisation

An analysis of the impact of the current health crisis on the realisation of financial benefits has been undertaken on each of the Business Rates Retention Pilot schemes and NCC savings on the basis of what is currently known or assumed.

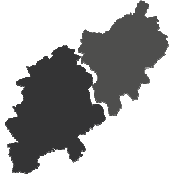
Although there may be some delay in delivering the benefits due to COVID impacts we still expect to achieve annual benefits rising to £85m a year. With one off costs of £53.3m this still represents a significant return on our investment and a positive legacy for the two new Unitary Councils.

The following is a summary of the revised programme budget:-

	Investments	Savings
	£’000	£’000
Business Rates Retention Pilots	15,000	36,619
NCC Transformation	6,523	47,829
Staff Costs	17,045	
Other Programme Costs	14,738	
Total	53,306	84,448
Original LGR Budget	43,450	
20/21 NCC Staff & Transformation Costs	9,046	
NCC Capital to fund Eclipse	219	
Children’s Trust Implementation funded by DfE	591	
Total	53,306	

We will still deliver the new two new Unitary Councils and Safe and Legal Plus programme within our original budget.

There are a number of assumptions in the analysis that will require ongoing review as the country starts to return to normal and enters into a recovery phase, which will be challenging in the lead up to setting budgets for the two unitary councils.



3. Conclusion

This document provides an update on what the current assessed COVID impact means for our plans to deliver local government reform and transformation and the resultant changes in the overall budget and re-profiling of benefits realisation. As progress is made and more information becomes available further reviews will be carried out to challenge the robustness of assumptions.

The above budgets will be monitored on a regular basis and reported to the Joint Implementation Board and each Shadow Committee.