

EXECUTIVE 14th November 2024

Report Title	Budget Forecast 2024-25 at Period 6
Lead Member	Councillor Lloyd Bunday, Executive Member for Finance and Transformation
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Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	N/A
Which Corporate Plan priority does the report most closely align with?	Modern public services

List of Appendices

Appendix A – Savings Schedule

1. Purpose of Report

- 1.1. The revenue budgets (2024/25) and Medium-Term Financial Plans for North Northamptonshire Council for the General Fund and the Housing Revenue Account were approved by Council at its meeting on 22nd February 2024. The purpose of this report is to set out the forecast outturn position for the Council for 2024/25 for the General Fund the Housing Revenue Account and the Dedicated Schools Grant.
- 1.2. This monitoring report sets out the material financial issues identified since the 2024/25 budget was set, based on the income and expenditure as at the end of September 2024 (Period 6) and reflects the views of the Assistant Directors and budget managers within the Directorates.
- 1.3. As part of the ongoing monitoring process, work will continue to examine income and expenditure and activity data, against the available budgets to support the position presented and help to shape the medium-term financial plan.

2. Executive Summary

- 2.1 This report provides commentary on the Council's forecast for the revenue outturn position 2024/25. This is an indication based on information available as at Period 6 (September 2024) – the forecast outturn position for each of the funds is as follows:
- General Fund - overspend of **£9.571m** (Period 3 - £8.461m).
 - Housing Revenue Account – underspend of **£633k** (Period 3 - £343k).
 - Dedicated Schools Grant – overspend of **£9.639m** (Period 3 - £10.657m).
- 2.2 **There are number of pressures and savings across the General Fund – the main ones are set in this Executive Summary.**
- 2.3 The total contract value for the Children's Trust is £183.3m. The Council's share of this is £80.945m this reflects how the contract sum is split between North Northamptonshire Council (44.16%) and West Northamptonshire Council (55.84%).
- 2.4 The Children's Trust are forecasting an overspend of **£8.838m** (Period 3 - £6.071m). This is set out in Sections 5.21 to 5.32 of the report. The cost to the Council is **£3.903m** (Period 3 - £2.681m).
- 2.5 The council has invested in additional agency workers to support the Education Health and Care (EHC) service to try to meet increasing demand for assessments in this area. This has resulted in a pressure of **£2.002m** (Period 3 - £2.222m).
- 2.6 There is a forecast pressure of **£9.964m** (Period 3 - £5.060m) in relation to Third Party Payments in independent care spend including residential and nursing care for those aged over 65 and for clients aged 18-64. These pressures are partially offset by additional grant and client contributions of **£6.500m** (Period 3 - £3.150m).
- 2.7 There are net pressures of **£1.164m** (Period 3 - £445k) across Communities the main variances are set out in Section 5.49.
- 2.8 There are net pressures of **£607k** (Period 3- £848k) across the Place and Economy Directorate the main pressure relates to an increase demand in Home to School Transport (£1.008m).
- 2.9 There are savings of **£576k** relating to savings on PFI scheme payments and further savings in interest payments of **£585k**. These are unchanged to those reported in Period 3.
- 2.10 There is additional investment income of **£750k** (Period 3 - £750k) this reflects, the higher Bank of England base rate compared to budget and is based on an average cash balance of £167.3m at a weighted average rate of 5.36% for a full year.
- 2.11 It is estimated that Business Rates income for 2024/25 is **£500k** above the original budget, this has been reflected in the monitoring and results in the

resources line increasing from £378.570m to £379.070m and is unchanged from Period 3.

- 2.12 There are further net additional pressures of **£842k** (Period 3 – £2.766m) which result in an overall pressure of **£9.571m** (Period 3- £8.461m).
- 2.13 The summary position relating to the Housing Revenue Account is set out in Sections 4.6 to 4.7 and the detail is set out in Section 6 of this report. The summary position relating to the DSG is set out in Sections 4.8 to 4.9 and the detail is set out in Section 7 of this report.
- 2.14 In order to help safeguard the financial position of the Council, officers will continue to seek efficiencies in year to offset the forecast overspend. The Council has a contingency budget and reserves available to call on to help fund in-year pressures, however, it will look to achieve alternative mitigations in the first instance before these are applied.
- 2.15 National factors continue to be challenging and the Council, like its residents and businesses are facing inflationary pressures which impact on the cost of services, however inflationary levels have reduced in recent months and CPI was 1.7% in September (August 2.2%). UK interest rates remained unchanged at 5% following the Bank of England meeting on 19th September, the next meeting of the Bank of England is on 7th November 2024.

3. Recommendations

- 3.1 It is recommended that the Executive:
- a) Note the Council's forecast outturn position for 2024/25 for the following:
 - i) **General Fund** as summarised in Section 4, alongside the further analysis, risks and other considerations as set out in Section 5 of the report.
 - ii) **Housing Revenue Account (HRA)** as set out in Section 6 of the report
 - iii) **Dedicated Schools Grant (DSG)** as set out in Section 7 of the report.
 - b) Note the release of £207k of the contingency budget to fund the recruitment of permanent staff into Education Support Services for Education Psychology Services (£141k) and Education Health and Care Services (£66k).
 - c) Note the assessment of the current deliverability of the 2024/25 General Fund savings proposals as set out in **Appendix A**.
- 3.2 Reason for Recommendations – to note the forecast financial position for 2024/25 as at Period 3 and consider the impact on this year and future years budgets.

- 3.3 Alternative Options Considered: The report focuses on the forecast revenue outturn against budget for 2024/25 and makes recommendations for the Executive to note the current budgetary position as such there are no specific choices within the report.

4. Report Background

General Fund

- 4.1 The Council's Revenue Budget for 2024/25 was set at the Council meeting on 22nd February 2024. The overall outturn forecast for the General Fund for 2024/25 as at Period 6 is a forecast overspend of **£9.571m** (Period 3 - £8.461m) against a budget of £378.570m. This is summarised in the Table below.

General Fund Forecast Outturn 2024/25				
Description	Net Budget	Forecast Position 31/03/25	Forecast Variance 31/03/25	Forecast Variance 31/03/25
	£'000	£'000	£'000	%
Net Available Resources	(378,570)	(379,070)	(500)	0.13
Total Corporate Costs	23,967	22,056	(1,911)	(7.97)
Children & Education	86,108	92,877	6,769	7.86
Adults, Health, Partnerships and Housing	146,971	149,207	2,236	1.52
Public Health & Communities	8,939	10,103	1,164	13.02
Place & Economy	71,265	71,872	607	0.85
Enabling & Support Services	41,320	42,526	1,206	2.92
Total Directorate Costs	354,603	366,585	11,982	3.38
Total Costs	378,570	388,641	10,071	2.66
Net Position	0	9,571	9,571	

Note – Favourable variances are shown in brackets.

- 4.2 The forecast position at Period 6 is an overspend of **£9.571m** (Period 3 - £8.461m). The following table summarises the overspend.

	Report Ref	Net Budget	Period 3 Forecast Variance	Movement	Period 6 Forecast Variance	Period 6 Variance
		£000	£000	£000	£000	%
Net Available Resources	5.1	(378,570)	(500)	0	(500)	0.13
Children & Education		86,108	5,288	1,481	6,769	7.86
Assistant Director of Education	5.15	1,313	326	(384)	(58)	(4.42)
Assistant Director of Transformation & Commissioning	5.17	895	413	501	914	102.12
Assistant Director of Inclusion	5.20	5,831	1,868	142	2,010	34.47
Northamptonshire Children's Trust - NNC Only	5.22	78,069	2,681	1,222	3,903	5.00
Adults, Health, Partnerships & Housing		146,971	3,997	(1,761)	2,236	1.52
Commissioning & Performance	5.36	9,575	189	(222)	(33)	(0.34)
Adult Services	5.38	119,628	2,952	19	2,971	2.48
Safeguarding and Wellbeing	5.41	14,876	839	(600)	239	1.61
Assistant Director Strategic Housing, Development and Property Services	5.43	2,892	17	(958)	(941)	(32.54)
Public Health & Communities		8,939	445	719	1,164	13.02
Public Health	5.46	0	0	0	0	-
Communities	5.48	8,939	445	719	1,164	13.02
Place & Economy		71,265	848	(241)	607	0.85
Growth and Regeneration	5.51	4,358	331	(266)	65	1.49
Assets & Environment	5.53	1,995	(157)	(219)	(376)	(18.85)
Highways & Waste	5.55	61,085	903	177	1,080	1.77
Regulatory Services	5.57	3,136	(234)	67	(167)	(5.33)
Directorate Management	5.59	691	5	0	5	0.72
Enabling & Support Services		41,320	294	912	1,206	2.92
Chief Executive	5.60	1,503	117	(119)	(2)	(0.13)
Chief Information Officer	5.62	12,277	56	76	132	1.08
Finance & Performance	5.64	16,271	205	796	1,001	6.15
Human Resources	5.66	3,695	(53)	(235)	(288)	(7.79)
Legal Services	5.68	5,372	39	416	455	8.47
Customer Services	5.70	2,202	(70)	(22)	(92)	(4.18)
Corporate Costs	5.3	23,967	(1,911)	0	(1,911)	(7.97)
Total		0	8,461	1,110	9,571	2.53

4.3 The net budget for 2024/25 was increased by **£2.975m** at the Executive meeting on 13th June 2024 and results from underspends in 2023/24 being carried forward to 2024/25. This has resulted in the net budget increasing from £375.333m to £378.308m. The changes are as follows:

- **£529k** for Climate Change funded from the Climate Change Reserve to support the development and operation of climate change projects and initiatives.

- **£1.945m** for the Education Case Management System (£1.362m) and the Regulatory Case Management System (£583k) which will be funded from the Transformation Reserve.
- **£416k** for one-off investment at NCT which will be funded from Earmarked Reserves.
- **£85k** for Member Initiatives which will be funded from the Members Empowerment Reserve.

4.4 The net budget for 2024/25 was increased by a further **£262k** at the Council meeting on 29th August increasing the net budget to £378.570m. The change was for

- one-off investment to enable the delivery of the OFSTED Local Area Partnership Priority Plan which will be funded from Earmarked Reserves.
- Council also agreed to increase the staffing budget to accommodate the recruitment of permanent staff into Education Support Services for Education Psychology Services (£141k) and Education Health and Care Services (£66k). This will be funded through the Councils Corporate Contingency Budget as detailed in Section 5.4.

4.5 It is estimated that Business Rates income for 2024/25 is £500k above the original budget, this increase is reflected within the Available Resources line within the Tables at 4.1 and 4.2.

Housing Revenue Account

4.6 The Housing Revenue Account (HRA) is a separate ring-fenced account within the Council for the income and expenditure associated with its housing stock. The HRA does not directly impact on the Council's wider General Fund budget or on the level of council tax. Income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.

4.7 The Council's overall outturn forecast for the Housing Revenue Account as at Period 6, is a forecast underspend of £633k (Period 3 - £343k) against the approved budget of £42.425m. This is summarised in the table below and further details are set out in Section 6.

Housing Revenue Account Forecast Outturn 2024/25				
Directorate	Budget			P6 Forecast Variance at 31/03/25 £'000
	Expenditure £'000	Income £'000	Net £'000	
Housing Revenue Account	42,425	(42,425)	0	(633)

Dedicated Schools Grant

- 4.8 The Dedicated Schools Grant (DSG) is a ringfenced grant allocated to Local Authorities by the government to support a range of education related services.
- 4.9 The Council's overall outturn forecast for the DSG as at Period 6 is a forecast pressure of £9.639m (Period 3 - £10.657m) the Net Spend is forecast to be £168.524m against the approved budget of £158.885m. This is summarised in the table below and further details are set out in Section 7. The pressures across the High Needs Block (HNB) are a national issue and the majority of Councils now have a deficit on their DSG budget, this is largely as a result from in the increase in the number of Education Health and Care Plans (EHCP). It is important to note that the DSG budget is subject to continual review and the Council is working with the ESFA to develop a deficit recovery plan.

Dedicated Schools Grants Forecast Outturn 2024/25

Block	DSG Allocation As Per ESFA £'000	Deficit Budget Agreed at Full £'000	DSG March Adjust £'000	DSG July Adjust £'000	Recoupment £'000	Net Budget £'000	Forecast Net Spend £'000	Variance £'000
Schools Block	285,841	0	0	0	237,772	48,070	48,070	0
Central Schools Block	3,081	0	0	0	0	3,081	3,081	0
Early Year Block	37,102	0	792	(174)	0	37,220	36,468	(1,252)
High Needs Block	62,416	7,705	0	(107)	0	70,014	80,905	10,891
Total	388,440	7,705	792	(281)	237,772	158,885	168,524	9,639

National Context

- 4.10 The national, and indeed the global, economy has seen significant inflationary pressures over the past few years, with energy prices pushed to record levels, which in turn has contributed to see higher levels of inflation, however over recent months inflationary pressures have been significantly lower than 18 months ago.
- 4.11 The Bank of England interest rate was unchanged at 5% at the last meeting on 19th September 2024, the next meeting of the Bank of England is on 7th November 2024.
- 4.12 The 12-month CPI figure for September is 1.7% (August 2.2%) and the 12-month RPI figure for September 2024 is 2.7% (August 3.5%).
- 4.13 Like most organisations, Councils have experienced the impact of significant price rises, particularly around fuel and energy costs. A number of services are provided under contract, and the Authority has experienced some pressure from suppliers regarding current arrangements and during negotiations for new contracts. As part of the budget setting for 2024/25, the Council included growth to address forecast inflationary increases, in the context of the position at the time.
- 4.14 Further risk to Local Government funding comes from the high street as individuals have less disposable income and businesses have faced challenges due to the economic climate. This poses a risk for the Council's future income generation from business rates should businesses cease to trade. It may also

see more people seeking to access Council Tax Support and other financial support which could reduce the overall Council Tax yield. The interest rates also have an impact on the number of new homes that are being occupied which can also have an adverse impact on the Council Tax yield.

- 4.15 Alongside this there is a recognition that the demand for services may increase which will need to be taken into account as part of financial and service planning.
- 4.16 The context of the national and global economy along with potential changes to the local government financial landscape in the future through reforms are key considerations for the Council.

5. Overview of Forecast Position 2024/25

Available Resources and Corporate Costs

- 5.1 The following Table provides a summary of the Councils Resources that have been used to fund the 2024/25 Budget and summarises the movement between the budget and the forecast outturn.

	Current Budget	Movement	Forecast Outturn
	£'000	£'000	£'000
Funding			
Council Tax	(201,599)	0	(201,599)
Council Tax Collection Fund	(1,986)	0	(1,986)
Business Rates	(110,525)	(500)	(111,025)
Business Rates Collection Fund	(2,764)	0	(2,764)
Other Government Revenue Grants	(32,499)	0	(32,499)
Better care Fund	(11,523)	0	(11,523)
Revenue Support Grant	(6,121)	0	(6,121)
New Homes Bonus	(2,610)	0	(2,610)
Contribution From Reserves	(8,943)	0	(8,943)
Total Funding	(378,570)	(500)	(379,070)

- 5.2 The Council is responsible for the collection of local taxes (Council Tax and Business Rates). At the end of September 2024 56.36% of Council Tax had been collected (September 2023 – 56.98%). Business Rates collection was 52.78% at the end of September 2024 (September 2023 – 55.72%).

Corporate Resources

- 5.3 The total net budget for Corporate Resources is £23.967m. The composition of the budget together with the forecast variances are shown in the following Table.

Description	Net Budget	P6 Forecast Variance	
		£'000	%
Corporate Contingency	3,894	0	0.00
Minimum Revenue Provision (MRP)	9,869	0	0.00
Pay Contingency	3,927	0	0.00
Treasury	4,907	(1,911)	(38.94)
Bad Debts Provision	870	0	0.00
IT Related Costs	500	0	0.00
Total	23,967	(1,911)	(7.97)

- 5.4 The Council's Corporate Contingency Budget for 2024/25 was £4.101m, which represents around 1% of the net budget. The contingency budget is held to meet unknown or unplanned / unbudgeted costs. There has been an increase of £207k to the staffing budget in the Children's Directorate to accommodate the recruitment of permanent staff into Education Support Services for Education Psychology Services (£141k) and Education Health and Care Services (£66k), which has been funded through the Corporate Contingency Budget. At this stage the balance of £3.894m on the Contingency Budget is currently assumed to be used in full during the year.
- 5.5 The Minimum Revenue Provision (MRP) reflects the minimum amount a Council must charge to the revenue budget each year to set aside a provision for repaying borrowing. This has been calculated as £9.869m, including an adjustment at Period 3 relating to the Corby Innovation Hub. This represents an increase of £1.899m from 2023/24 and ensures that the provision is aligned to the current MRP policy, which will be reviewed as part of the 2025/26 budget setting process and any favourable variances will be transferred to reserves to support the treasury management function.
- 5.6 The Council has a Pay Contingency budget of £3.927m and this assumes an average pay award of 4%. Negotiations are still on-going and once a final agreement has been reached the budget will be allocated to services. The forecast outturn will also be updated following the conclusion of the national pay negotiations.
- 5.7 The net Treasury Management Budget for 2024/25 is £4.907m. The composition of the budget and the forecast outturn is detailed in the table below, this is an area where both the cashflows and interest rate forecasts will continue to fluctuate, impacting on the level of return and will continue to be closely monitored.

Description	Net Budget £000	P6 Variance £000
Investment Income	(8,218)	(750)
Borrowing Costs	12,485	(585)
Other Treasury Management Costs	640	(576)
Total	4,907	(1,911)

- 5.8 The movement for investment income reflects the increase in the Bank of England base rate on future investments and is based on an average cash balance of £167.3m at a weighted average rate of 5.36% for a full year.
- 5.9 If interest rates remain high over the longer term, this will also create risk when acquiring new loans to finance future capital programmes. The current PWLB rate for borrowing over a 30-year period is around 5.70%, this means for every £1m borrowed this would be an additional £57,000 in interest payments.
- 5.10 Risks continue around the overall cash and loan position for North Northamptonshire, arising from a volatile marketplace. Any changes in these risks and balances will be reflected in future forecasts.
- 5.11 The bad debt provision for 2024/25 amounts to £870k – the value of this provision is based on the age of the debt, which reflects the risks associated with collection, and is forecast to be delivered on budget.
- 5.12 The 2024-25 budget includes provision of £500k for revenue costs for ICT systems as the Council seeks to upgrade its systems, including moving to single systems. This budget in 2024-25 will be used to fund the Social Care Case Management System and it is forecast this will be spent in full.

Directorate Budgets

- 5.13 This section of the report provides an analysis of the forecast variations against the 2024/25 General Fund for each of the Directorates as set out in the table at paragraph 4.2.

Children’s Services Directorate

- 5.14 The budget for Children’s and Education Services includes the Commissioning and Partnerships including Northamptonshire Children’s Trust and Education Services not funded by the Dedicated Schools Grant (DSG).

Assistant Director of Education

- 5.15 The **Assistant Director of Education** is responsible for all learning, pupil attainment and achievement and school improvement functions. The forecast outturn position for the **Assistant Director of Education** is set out in the following table.

Assistant Director of Education	£'000
Expenditure	5,270
Income	(3,957)
Net Budget	1,313
Forecast	1,255
Variance	(58)

5.16 The forecast variance relating to the **Assistant Director of Education** is set out in the following Table and explanations for the variances are provided in the table below.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	3,953	39	0.99
2	Supplies and Services	1,283	(74)	(5.77)
3	Income	(3,957)	(10)	0.25
4	Other budgets	34	(13)	(38.24)
	Total	1,313	(58)	(4.42)

- 1) The employee-related budgets within the Education services are currently forecast a £39k overspend.
- 2) The forecast underspend for supplies and services of £74k relates to the reduced spend on professional fees and hired services (£93k) in Access and Sufficiency. In addition, there are other, net minor overspends of £19k.
- 3) The main areas of income are DSG, Other Government Revenue Grants, s31 Extension of the Role of Virtual School Heads to Certain Previously Looked after Children and Children with a Social Worker Grants, Contribution from Partners, Joint Financing, Fees and Charges Income, Fines and Penalty Income, Training and Course Income and Other Income. The Access and Sufficiency is forecast to receive an additional income of £14k. There are other net minor pressures of £4k.
- 4) There is a net underspend of £13k in respect of other budgets.

Assistant Director of Transformation, Commissioning & Partnerships

5.17 The **Assistant Director of Transformation, Commissioning & Partnerships** leads the commissioning functions for Children's Services across North Northamptonshire and the contract management of the Northamptonshire Children's Trust and the commissioning of education services. The Children's and Education Services remaining with the Council includes the Intelligent Client Function (ICF) for the Northamptonshire Children's Trust and the Local Authority statutory education functions as follows:

- Education Inclusion
- Education Psychology
- Support for children with Special Educational Needs and Disabilities (SEND)
- School Improvement
- Virtual Schools (lead in the North Northamptonshire Unitary Authority)
- School admissions and school place planning
- Early Education and Childcare

- 5.18 The forecast outturn position for the **Assistant Director of Transformation, Commissioning & Partnerships** (excluding the Children's Trust) is set out in the following Table.

Assistant Director of Commissioning and Partnerships	£'000
Expenditure	4,970
Income	(4,075)
Net Budget	895
Forecast	1,809
Variance	914

- 5.19 The forecast variance relating to the **Assistant Director of Transformation, Commissioning & Partnerships** (excluding the Children's Trust) is set out in following Table and explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	1,813	855	47.16
2	Supplies & Services	3,125	21	0.67
3	Third Party Payments	0	5	0.00
4	Income	(4,074)	33	(0.81)
5	Other budgets	31	0	0.00
	Total	895	914	102.12

- 1) There is a net pressure of £855k on staffing which results from an increased use of agency staff. The Directorate is currently undertaking a staffing review which should help reduce these pressures.
- 2) The main areas of spend within Supplies and Services are Specialist Equipment for Service Delivery, School Meals, Consultancy, External Legal Fees and Professional Fees and Hired Service. The forecast is a net pressure of £21k.
- 3) The main areas of spend for Third Party payments are related to the Family Hubs Programme. This is currently forecast to overspend by £5k.
- 4) The main areas of income are DSG, Other Government Revenue Grants, and Contributions from External Partners. There is currently an adverse income variance of £30k relating to cessation of DSG funding for SEND IASS. There are other minor net pressures of £3k.
- 5) Other budgets are forecast to be delivered on budget.

Assistant Director of Inclusion

- 5.20 The **Assistant Director of Inclusion** is responsible for SEND and Vulnerable groups, and Virtual Schools for Looked After Children. The forecast outturn

position for the **Assistant Director of Inclusion** is set out in the following table.
(Period 3 - £1.868m adverse)

Assistant Director of Inclusion	£'000
Expenditure	13,303
Income	(7,472)
Net Budget	5,831
Forecast	7,841
Variance	2,010

5.21 The forecast variance relating to the **Assistant Director of Inclusion** is set out in the following Table and explanations for the variances are provided in the table below.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	10,254	2,002	19.52
2	Supplies and Services	747	(33)	(4.42)
3	Third Party Payments	2,134	66	3.09
4	Income	(7,472)	(6)	0.08
5	Other budgets	168	(19)	(11.31)
	Total	5,831	2,010	34.47

- 1) The budget pressure within SEND Inclusion Services predominantly relates to staffing costs. The Education Health and Care (EHC) and Education Psychologist services are continuing to rely heavily on interim workers to fulfil its statutory obligations. This is due to an increasing level of need, a higher number of vacancies, and a backlog of historic assessments. The initiative to upskill the existing staff remains the service's priority in ensuring the future needs of children, young people and their families can be met. This has resulted in a forecast pressure of £2.002m. The Directorate is currently undertaking a staffing review which should help reduce these pressures in the future.
- 2) The forecast underspend for supplies and services of £33k relates to the reduced spend on professional fees and hired services (£132k) this is partially offset by an increased spend on external legal fees (£111k) across SEND Inclusion. In addition, there are other net minor favourable of £12k.
- 3) The main areas of spend for Third Party payments are Payments to Other Establishments, Care & Education Childcare Settings and Joint Arrangements. There is a forecast pressure of £66k this is as a result of Joint Arrangements in Education Psychology.
- 4) There is a net benefit of £6k in relation to income budgets.
- 5) There is a net favourable variance of £19k within Other budgets.

Northamptonshire Children's Trust

5.22 The forecast outturn position for the **Northamptonshire Children's Trust** is set out in the following Table.

Northamptonshire Children's Trust	£'000
Expenditure	81,777
Income	(3,708)
Net Budget	78,069
Forecast	81,972
Variance	3,903

5.23 The forecast variance relating to the **Northamptonshire Children's Trust** is based on the Period 5 (Aug 24) position and is set out in following Table and explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Third Party Payments	81,777	3,903	4.77
2	Income	(3,708)	0	0.00
	Total	78,069	3,903	5.00

5.24 The Northamptonshire Children's Trust delivers children's social care and targeted early help on behalf of North Northamptonshire Council and West Northamptonshire Council. The Councils set the strategic outcomes and priorities and the Trust is responsible for delivering those outcomes. Services provided by the Trust include:

- Targeted early help services to children and families.
- Front door and safeguarding services
- Support and placements for Children in Care
- Support and placements for Disabled Children
- In house fostering and residential provision
- Commissioning of external placements and contracts
- Commissioned legal services and transport for children in care.

5.25 The total contract value for the Children's Trust is £183.3m. The Council's share of this is £80.945m this reflects how the contract sum is split between North Northamptonshire Council (44.16%) and West Northamptonshire Council (55.84%).

5.26 The Children's Trust are forecasting an overspend of £8.837m, NNC's share of the overspend amounts to £3.903m (Period 3 - £2,681m overspend). The following table summarises the contract sum and the forecast variances (excluding the risk on savings).

Description	Contract Sum	Forecast Variance Period 3	Movement	Forecast Variance Period 6	
	£'000	£'000	£'000	£'000	%
Staffing	59,965	3,115	0	3,115	5.19
Placements	86,221	2,080	2,839	4,919	5.71
Contracts	4,866	0	0	0	0.00
Legal	5,141	(462)	(60)	(522)	(10.15)
Adoption	8,087	1,073	(104)	969	11.98
Other	224	(38)	(77)	(115)	(51.34)
Transport	3,434	174	(53)	121	3.52
Other care	6,249	129	221	350	5.60
Support Services / SLA	5,822	0	0	0	0.00
Transformation	3,291	0	0	0	0.00
Total	183,300	6,071	2,766	8,837	4.82

5.27 The forecast overspend on staffing is £3.115m this is due to the increased use of agency staff. The recruitment of social workers is a key challenge both locally and nationally, which has led to an increase in the use of agency staff. The recruitment of permanent social workers is progressing positively which will result in a reduction in the use of agency staff going forward.

5.28 There is a pressure of £4.919m relating placement costs for children in care. The market and availability of placements remains challenging. The placements budget will continue to remain under pressure as it remains extremely volatile both locally and nationally. The Trust is working on how these pressures can be mitigated in future years. The following table provides further detail around the pressures from placements.

Description	Placement	Forecast Variance Period 3	Movement	Forecast Variance Period 6	
	£'000	£'000	£'000	£'000	%
In House Fostering	8,626	0	48	48	0.56
Agency Fostering	17,600	1,120	554	1,674	9.51
Independent Residential	40,389	132	4,222	4,354	10.78
Supported Accommodation	14,385	67	(1,515)	(1,448)	(10.07)
18+ Agency Placements	4,373	1,078	(739)	339	7.75
Welfare Secure	355	300	0	300	84.51
Parent & Baby	910	0	235	235	25.82
UASC	7,887	10	0	10	0.13
Remand Secure	412	(76)	0	(76)	(18.45)
Income	(8,716)	(550)	33	(517)	5.93
Total	86,221	2,081	2,838	4,919	5.71

5.29 The legal services budget is forecasting an underspend of £522k due to a reduction in the demand for legal services this year.

- 5.30 The forecast overspend for Adoption costs is £969k this is as a result of an increase in the number of Special Guardianship Orders (SGO) as a result this means more children are staying with extended family rather than coming into the care system.
- 5.31 The forecast overspend on Transport costs is £121k, the main pressure relates to taxi costs for home to school transport for out of county placements and transport costs incurred within the services for transporting young people and contact.
- 5.32 There is a forecast pressure of £350k relating to other care costs. The main pressure in this area is direct payments and accommodation costs for families with no recourse to public funds which are forecasting to overspend due to additional demand. There are other minor net savings of £115k.
- 5.33 As part of the 2023/24 contract negotiations, it was agreed an amount of £2.243m be included for one off investments – the Council's share of this was £991k. The Executive at the meeting on 13th June 2024 agreed that the Council's share of the underspend which amounted to £416k would be available for one-off investment in 2024/25 – it is currently forecast that this will be delivered within budget.
- 5.34 The Children's Trust Budget is monitored in year through regular meetings between officers of both North and West Northamptonshire Councils and the Trust.

Adults, Health Partnerships and Housing

- 5.35 The revenue budget within this section covers Adult Social Services, Health Partnerships and Housing (excluding the HRA).
- 5.36 Under the 2014 Care Act, local authority Adults Services have a responsibility to make sure that people aged over 18 years who live in their areas are provided with personal day to day care (helping people get dressed, washed, going to the bathroom, eating etc) where they cannot do things for themselves or access family support. The service also provides other physical or psychological support to people with disabilities in order to help them live a full life. The overriding responsibility is to keep people safe and protect them from harm or neglect.
- 5.35 Care can take many forms and can be provided directly by the Council, through contracted organisations or families can receive a personal budget to buy suitable care for themselves. Although receiving formal or long-term care is subject to people meeting the Council's eligibility criteria, the service also has a key responsibility for helping people to stay independent and preventing or delaying the need for care.
- 5.36 The **Assistant Director of Commissioning and Performance** is responsible for ensuring services, practice and standards meet statutory requirements and includes the commissioning and monitoring of Adults Social Care external contract. The forecast outturn position for the **Assistant Director of Commissioning and Performance** is set out in the following table.

Assistant Director of Commissioning and Performance	£'000
Expenditure	21,072
Income	(11,497)
Net Budget	9,575
Forecast	9,542
Variance	(33)

5.37 The forecast variance relating to the **Assistant Director Commissioning and Performance** is set out in following table and explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	4,312	(29)	(0.67)
3	Third party Payments	15,255	(75)	(0.49)
4	Income	(11,497)	111	(0.97)
5	Other	1,505	(40)	(2.66)
	Total	9,575	(33)	(0.34)

- 1) The employee related costs are currently forecasting a favourable variance of £29k.
- 2) The main areas of spend in relation to Third Party Payments are in respect of Better Care fund expenditure (£5m) and the PPP Shaw contract (£11m). The forecasted underspend of £75k is because of recommissioned external contracts.
- 3) The main income sources are the Improved Better Care Fund (£7.875m) and Client Contributions from PPP and Block purchased care provision (£2.347m). Other income sources include assistive technology pool contribution. There is a combined under-achievement of £111k primarily due to block purchased contributions.
- 4) Other costs amount to £1.505m and is primarily made up of Community Equipment spend. This is forecast to underspend by £40k.

Assistant Director of Adult Services

5.38 The **Assistant Director of Adult Services** is responsible for the strategic planning, engagement, operational and statutory delivery of Adult Social Care This includes the independent care budgets for all people aged over 18 and the social care and reablement teams. The forecast outturn position for the **Assistant Director of Adult Services** is set out in the following table.

Assistant Director of Adult Services	£'000
Expenditure	141,941
Income	(22,312)
Net Budget	119,628
Forecast	122,600
Variance	2,971

5.39 The forecast outturn relating to the **Assistant Director of Adult Services** is set out in the following table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	10,474	217	2.07
2	Third Party Payments	113,114	9,964	8.81
3	Transfer Payments	16,237	(840)	(5.17)
4	Income	(22,312)	(6,500)	29.13
5	Other	2,115	130	6.15
	Total	119,628	2,971	2.48

- 1) The employee related costs are currently forecasting an overspend of £217k this is as a result of not achieving the budgeted staff turnover target.
- 2) The main areas of spend in relation to Third Party Payments are in respect of independent care spend including residential and nursing care for those aged over 65 and for clients aged 18-64. Trends continue throughout 24-25 at similar levels to 23-24. Demographic growth continued at a higher rate that was budgeted for at the end of last year which resulted in a £2.4m pressure. This years costs are forecast to be overspent by £9.964m.
- 3) The transfer payments relate to direct payments in relation to care, these costs are currently forecast to be underspent by £840k.
- 4) The main areas of income include client contributions to care costs and discharge funds. The additional income of £6.5m is being used to off-set the pressure with the independent care budget.
- 5) The main area of spend shown as other include support costs this is forecasted to be overspent by £130k.

5.40 Due to the volatile nature of the Adults Social Care budget, there may be further immersing risks whilst we progress through the financial year. This may include an unexpected increase in demand during the winter period, e.g., an increase in flu and other respiratory diseases, unexpected provider failures, additional pressures from acute hospitals, changes in caselaw and adverse weather. Mitigations would be sought to manage these pressures including, in exceptional circumstances, the use of reserves. This is an area the Council will continue to monitor closely.

Assistant Director of Safeguarding and Wellbeing

- 5.41 The **Assistant Director of Safeguarding and Wellbeing** is responsible for the strategic planning, engagement, operational and statutory delivery of key services for Adult Social Care. This includes ensuring services, practice and standards meet statutory requirements and that all professionals work together to deliver Making Safeguarding Personal to promote and secure the safety of local residents. The forecast outturn position for the **Assistant Director of Safeguarding and Wellbeing** is set out in the following table.

Assistant Director of Safeguarding and Wellbeing	£'000
Expenditure	16,342
Income	(1,466)
Net Budget	14,876
Forecast	15,115
Variance	239

- 5.42 The forecast outturn relating to the **Assistant Director of Safeguarding and Wellbeing** is set out in the following table and explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	13,389	222	1.66
2	Premises	1,038	(14)	(1.35)
3	Transport	332	82	24.70
4	Supplies and Services	883	73	8.27
6	Income	(1,466)	(188)	12.82
7	Other	700	64	9.14
	Total	14,876	239	1.61

- 1) The employee related costs are currently forecast to be overspent by £222k due the vacancy factor in regulatory services not being achieved.
- 2) The premises costs include costs associated with the running of the internal provider services and are forecast to be £14k underspent.
- 3) The transport costs include £332k for the Council's vehicle fleet and other travel costs associated with running the internal care provision. There is a pressure of £82k due to increased contract values.
- 4) There is a pressure of £73k within supplies and services primary due to increased spend on catering provisions and computer hardware.
- 5) The main income sources are from client contributions towards their care costs and is forecast to overachieve by £188k.
- 6) In other budgets there are additional minor variances totalling £64k.

Assistant Director Strategic Housing, Development and Property Services

5.43 The **Assistant Director Strategic Housing, Development and Property Services** provides strategic direction and leadership for the delivery of the Housing Service and housing management, this includes support for homeless people. The forecast outturn position for the **Assistant Director Strategic Housing, Development and Property Services** set out in the following table.

Assistant Director Strategic Housing, Development and Property Services	£'000
Expenditure	7,802
Income	(4,910)
Net Budget	2,892
Forecast	1,951
Variance	(941)

5.44 The forecast outturn relating to the Assistant Director **Strategic Housing, Development and Property Services** is set out in the following table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	3,046	168	5.52
2	Premises	239	69	28.87
3	Supplies and Services	3,773	(584)	(15.48)
4	Third Party Payments	239	135	56.49
5	Other	505	(427)	(84.55)
6	Income	(4,910)	(302)	6.15
	Total	2,892	(941)	(32.54)

- 1) The employee related costs are currently forecasting an overspend of £145k in relation to the homelessness service, this is as a result of additional agency costs. There are other minor pressures of £23k
- 2) The main area of spend in relation to premises include cost associated with temporary accommodation. This is forecast to be £69k overspent due to emergency repairs.
- 3) The main areas of spend in relation to Supplies & Service relate to temporary accommodation within the homelessness service. There is an underspend of £584k achieved through substantial efforts to reduce the need for temporary accommodation and reduce the use of the most expensive types of temporary accommodation.
- 4) The third-party payments include payments to private and independent contractors This is forecast to be £135k overspent.
- 5) Due to lower demand within the Homelessness Service there are forecast favourable variance of £427k.

6) Income is mainly made up of grants this includes the Homelessness Prevention grant and the Rough Sleepers Initiative which total £3.143m. In addition, there is income from property rents of £1.614m. The income is forecasting a favourable variance of £302k due to additional grant income.

5.45 All services across Adults, Health Partnerships and Housing undertake regular budget monitoring, track fluctuations in spend, and work to identify additional efficiencies and savings to either mitigate forecasted overspends within the directorate or to contribute to the overall corporate position in year of the Council. Ongoing work continues to identify any further efficiencies, savings or income that can be identified to improve the overall position in-year, to set budgets for the following year, and in contributing to the medium-term financial strategy.

Public Health and Communities

5.46 The **Director of Public Health and Wellbeing** is a statutory officer and the principal adviser on all health matters to elected members, officers, and partners, with a leadership role spanning health improvement, health protection and healthcare public health. This includes delivering core public health services in line with grant funding and statutory requirements.

5.47 The grant is ringfenced and is forecasting to break even. Any variances will result in a movement to or from reserves ensuring that all grant conditions are met.

Director of Public Health	£'000
Expenditure	19,377
Income	(19,377)
Net Budget	0
Forecast	0
Variance	0

Assistant Director Communities and Leisure

5.48 The **Assistant Director Communities and Leisure** includes libraries, cultural facilities (such as museums, theatres, art galleries and heritage sites), sports and leisure facilities (such as swimming pools, tennis courts, golf, playing pitches, indoor courts/sports halls etc), archaeological archiving and activities and access to parks and open spaces for play and recreation. The Service is also responsible for community grants as well as providing education and outreach services and advice and support, encouraging physical and mental wellbeing of residents through sport and leisure-based activities The forecast outturn position for the **Assistant Director Communities and Leisure** is set out in the following Table.

Assistant Director Communities and Leisure	£'000
Expenditure	25,356
Income	(16,417)
Net Budget	8,939
Forecast	10,103
Variance	1,164

5.49 The forecast outturn relating to the **Assistant Director of Communities and Leisure** is set out in following table and explanations for the variances are provided in the paragraphs that follow.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	10,799	749	6.94
2	Premises	3,900	388	9.95
3	Supplies & Services	6,124	741	12.10
4	Third Party Payments	4,279	(44)	(1.03)
5	Income	(16,417)	(719)	4.38
6	Other	254	49	19.29
	Total	8,939	1,164	0.00

- 1) The employee related costs are currently forecast to be overspent by £749k this is mainly due to contractual changes. Some of these costs are offset by additional income that has also been forecasted.
- 2) The main areas of spend within premises costs are Utilities £1.799m, Business Rates £627k & Building repair and maintenance £393k. Premises related costs are currently forecast to be overspent by £388k. £101k of this relates to the Castle contract in Wellingborough. A further overspend of £272k is estimated across Leisure due to higher utility costs, and pressures on the Grounds Maintenance, Buildings Repair and Maintenance budgets. There are further minor net pressures of £15k.
- 3) The main areas of expenditure within supplies and services include Grants £3.361m, Equipment & Materials, £653k & Contracted Services £1.279m of which £351k relates to CCTV contracts. There is a forecast pressure of £741k, the main pressure of £456k relates to contracted services including the Archives & Heritage Inter Authority Agreement (IAA) with West Northamptonshire Council, the CCTV Contract and £211k relating to Equipment & Materials across the service, which will offset by additional income. There are other net pressures of £74k. The service is continuing to look at how these pressures can be mitigated.
- 4) Third-party payments include £2.5m for payments for the Ukraine resettlement programme and £906k for the Libraries IAA which is forecasting to underspend by around £66k. There are minor net pressures of £22k.

- 5) The main areas of income include £9.808m of grant income and £5.379m relating to fees and charges, which relate to the Corby International Pool, Chester House and other services. This budget is forecasting additional income of £719k mainly due to increased income from leisure facilities.
- 6) Other costs are forecast to have a minor variance of £48k.

Place and Economy Directorate

5.50 The Place and Economy budget covers the following four functional areas plus Management Costs:

- Growth and Regeneration
- Assets and Environment
- Highways and Waste
- Regulatory Services

Assistant Director Growth and Regeneration

5.51 The **Assistant Director Growth and Regeneration** includes Planning Services, Economic Development, Growth and Infrastructure, Regeneration, Digital Infrastructure, Climate Change and Flood and Water Management. Key income/cost drivers include local demand and volume of applications for the Planning service, including major development fees, availability of Planning resources e.g., planning professionals and demand for economic activities. The forecast outturn position for the **Assistant Director of Growth and Regeneration** is set out in the following Table. (Period 3 - £331k Adverse).

Assistant Director Growth and Regeneration	£'000
Expenditure	11,299
Income	(6,941)
Net Budget	4,358
Forecast	4,423
Variance	65

5.52 The forecast variance relating to the **Assistant Director Growth & Regeneration** is set out in following Table. Explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	6,707	(759)	(11.32)
2	Supplies and Services	4,438	304	6.85
3	Income	(6,941)	589	(8.49)
4	Other	154	(69)	(44.81)
	Total	4,358	65	1.49

- 1) There is a forecast underspend of £759k within employees, arising from vacant posts. A number of agency staff are covering these vacancies within the service due to difficulties recruiting staff and are providing cover whilst a restructure is in progress.
- 2) There is an overspend of £304k within supplies and services relating to the costs of professional fees / legal work.
- 3) The main income sources are planning fee income (£3.514m) and other income, mainly external grants, which amounts to (£3.427m).

There is currently a pressure on income of £589k. This is mainly due to reduced income on planning fees due to a reduction in the number of major applications being received this year.

- 4) Within 'Other' there are net favourable variances which amount to £69k.

Assistant Director Assets and Environment

- 5.53 The **Assistant Director Assets and Environment**, includes Facilities Management, Property Estate Management, Energy and Fleet Management, Grounds Maintenance, Parks and Open Spaces and On and Off-street parking enforcement. It also includes Asset and Capital Management of the Council's corporate assets and capital programmes, together with the effective management of the Council's strategic assets and landholdings. Key income and cost drivers include parking income, number of visitors to country parks and open space, demand for commercial rental spaces, use of corporate workspaces and use of energy. The forecast outturn position for the **Assistant Director of Assets and Environment** is set out in the following table. (Period 3 - £157k favourable).

Assistant Director Assets and Environment	£'000
Expenditure	24,489
Income	(22,494)
Net Budget	1,995
Forecast	1,619
Variance	(376)

- 5.54 The forecast variance relating to the **Assistant Director Assets and Environment** is set out in following Table and explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	10,122	(845)	(8.35)
2	Premises	9,281	475	5.12
3	Transport	4,701	(60)	(1.28)
4	Supplies and Services	1,868	350	18.74
5	Third Party Payments	627	17	2.71
6	Income	(22,494)	(205)	0.91
7	Other	(2,110)	(108)	5.12
	Total	1,995	(376)	(18.85)

- 1) The underspend of £845k against Employees relates to vacant posts as a result of ongoing work on restructures, which is expected to be completed in 2024/25.
- 2) The main areas of spend within Premises are Business Rates £1.507m, Utilities £3.060m, Building Repairs and Maintenance £2.203m, Rents and Service Charges £872k, Building cleaning £446k and other premises costs of £1.055m.

There is a pressure of £475k on premises costs, where the main components are £50k on Land Drainage due to the recent heavy rain, £87k on Repairs and Maintenance, £90k for the clean-up of the lake at Oakley Vale and £82k due to inflation on cleaning contracts. There is a further pressure of £113k on Business Rates and a series of minor net pressures totalling £53k.

- 3) The main areas of spend within Transport relates to Vehicle leasing £3.047m, Fuel £1.129m and other transport costs of £525k.

There is a forecast underspend of £53k on vehicle fuel due to reductions in the cost of fuel, there are further minor net savings of £7k.

- 4) There is an overall net pressure of £350k on Supplies and Services, of which £220k relates to the processing of PCN/Warning notifications for George Street due to the 6 months 'Warning Only' notifications. The data is being closely monitored during 2024/25.

There is also an £87k pressure relating to the replacement of dilapidated play equipment, £79k for Equipment & Tools. These pressures are partly offset by a net underspend of £36k.

- 5) There is an overall pressure of £17k within Third Party Payments of which £10k relates to Specialist Waste Disposal in Grounds Maintenance and £7k on Private contractors.
- 6) The main income sources are Rent and Leases (£16.227m), Parking Income (£2.812m) and various other forms of income amounting to £3.371m.

A net favourable variance of £205k is forecast. The main components are additional income of £134k from Country Parks, £157k from Charges to Tenants, £34k on Parking income and £80k through additional rental income. Partial offsetting these increases in income, is a pressure of £143k on Garage rents, £31k on Fine and Penalty income and £26k on season tickets.

- 7) Within Other budgets there is a forecast underspend of £108k of which £95k relates to Fleet recharges to HRA.

Assistant Director Highways and Waste

- 5.55 The **Assistant Director for Highways and Waste** includes street cleaning, waste and recycling collections and disposals, including the household waste and recycling centres and Transport Management. The highways services maintain the extensive network of public roads, footpaths, and rights of way, including highway related infrastructure such as streetlights, traffic signals, bridges, gullies, and highway trees. Services also include School Transport and Concessionary fares. Key cost drivers include the tonnes of waste materials collected from households, businesses, and litter bins for recycling and disposal, variations to costs per tonnage, investment on various highway assets, as well as the impact of extreme weather conditions, school age population for school transport and the agility of the older population for concessionary fares. The forecast outturn position for the **Assistant Director of Highways and Waste** is set out in the following Table. (Period 3 – £980k adverse)

Assistant Director Highways and Waste	£'000
Expenditure	79,164
Income	(18,079)
Net Budget	61,085
Forecast	62,165
Variance	1,080

- 5.56 The forecast variance relating to the **Assistant Director for Highways and Waste** is set out in following Table. Explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	11,165	920	8.24
2	Premises	889	(101)	(11.36)
3	Transport	23,707	1,024	4.32
4	Supplies and Services	8,450	178	2.11
5	Third Party Payments	35,109	(857)	(2.44)
6	Income	(18,079)	(78)	0.43
7	Other	(156)	(6)	3.85
	Total	61,085	1,080	1.77

- 1) There is a pressure on Employees of £920k mainly relating to overtime and agency costs within Refuse and Recycling, where work is ongoing to mitigate this pressure through restructuring.
- 2) There is an underspend on Premises which includes £242k which relates to lower costs on traffic signals energy costs due to the LED replacement programme. The Highways depot has a pressure of £139k relating to rents & leases. There are minor net pressures of £2k.
- 3) The main areas of spend within Transport relate to contract payments for Home to School Transport, Social Care Transport and Concessionary payments to transport operators.

There is a forecast pressure of £1.014m on Home to School Transport. This comprises the current level of demand, plus an additional inflationary uplift. The service is reviewing where possible mitigations for this pressures which does currently include route optimisation.

It should be noted that a large number of operator contracts are being re-tendered during the financial year. This will be closely monitored to understand the financial implications and potential mitigations.

There are other minor pressures of £10k.

- 4) The main areas of spend within Supplies and Services relates to Professional Fees and Hired Services £5.601m, Specialist Supplies and Materials £1.185m and Other Supplies and Services budgets of £1.843m.

There is a pressure of £178k within Supplies and Services due to additional refuse costs.

- 5) The main areas of spend within Third Party Payments are Waste Disposal (£16.398m), Street Lighting (£5.375m) and Highways Maintenance (£6.389m) and other third-party payments (£2.821m).

There are budgetary challenges with regard to Highways Maintenance and the increased requirement for repairs due to the deterioration of the highway network, together with the effect of inflation on the cost of services. Work is ongoing to identify how the service can be delivered differently in order to remain within the allocated budget; this may require a change in approach to maintaining the highways network.

There is a forecast underspend of £857k within Third Party Services of which £475k relates Street Lighting due to the LED replacement programme, £258k for recycling disposal and £118k for domestic waste disposal, due to lower tonnages. There are other minor underspends of £6k.

- 6) There is additional income of £453k for Highways regulations and investigation searches, arising because of higher-than-expected residential developments, house sales and utility works. Offsetting this, there is a pressure for garden waste income of £380k, due to subscriptions being lower than expected.

7) There are other minor net increases in income of £5k.

Assistant Director Regulatory Services

5.57 The **Assistant Director Regulatory Services** includes Bereavement Services, Building Control and Local Land Charges, Emergency Planning, Environmental Health and Licensing, Trading Standards, Private Sector Housing and the Travellers Unit. The main income and cost drivers include the local economy and market for Building Control income, age/morbidity demographic rate for bereavement services (burials and cremations), public health demand for Environmental Health services, and legal/statutory obligations for building regulations and licensing. The forecast outturn position for the **Assistant Director of Regulatory Services** is set out in the following table (Period 3 – £234k Favourable).

Assistant Director Regulatory Services	£'000
Expenditure	7,791
Income	(4,655)
Net Budget	3,136
Forecast	2,969
Variance	(167)

5.58 The forecast variance relating to the **Assistant Director Regulatory Services** is set out in following Table. Explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	6,645	(521)	(7.83)
2	Premises	341	53	15.43
3	Supplies and Services	686	44	6.46
4	Income	(4,655)	290	(6.24)
5	Other	118	(34)	(28.73)
	Total	3,136	(167)	(5.33)

1) There is an underspend of £521k within Employees, primarily relating to salaries, which is offsetting the pressure on agency costs, pending the restructuring of the service and recharges from Disabled Facility Grant.

2) The main areas of spend within Premises are Business Rates £135k, Utilities £139k and other premises costs of £67k.

There is a pressure of £53k within Premises on Building Maintenance and Utilities.

3) The main areas of spend within Supplies and Services are Professional Fees £433k, Equipment & Tools and Subscriptions £110k, and Other Supplies and Services of £143k.

There is a pressure of £44k, mainly relating to professional fees.

- 4) The main income sources are Bereavement Services (£2.399m), Building Control and Local Land Charges Income (£1.141m), Licensing Income (£683k), other income sources which amount to (£432k).

The overall income forecast is a pressure of £290k. There is a pressure on Building Control income of £260k, due to a reduction in market share and a reduction on Licensing income of £90k. This is offset by additional income of £60k within Private Sector Housing, relating to licences for Houses in Multiple Occupancy (HMO's).

- 5) There is a net underspend of £34k within Other.

Place and Economy Management

- 5.59 This area includes the management costs for the Place and Economy Directorate and is forecasting a minor overspend of £5k.

Directorate Management	£'000
Expenditure	691
Income	0
Net Budget	691
Forecast	696
Variance	5

Enabling & Support Services

Office of the Chief Executive and Assistant Chief Executive

- 5.60 The functions managed through the **Office of the Chief Executive and Assistant Chief Executive** include the Chief Executive, the Assistant Chief Executive, Executive Support, Communications, Consultation, Engagement and Corporate Equalities and Print Room. The service supports teams across the authority, providing leadership and strategic direction to secure a cohesive and coordinated approach to the delivery of improved organisation-wide service provision, resource allocation and prioritisation. The forecast outturn position for the **Chief Executive and Assistant Chief Executive** is set out in the following table (Period 3 – £117k adverse).

Chief Executive and Assistant Chief Executive	£'000
Expenditure	1,517
Income	(14)
Net Budget	1,503
Forecast	1,501
Variance	(2)

5.61 The forecast variance for the Chief Executive's Office and the Assistant Chief Executive is set out in following table. Explanations for the variances are provided below the table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	1,888	(262)	(13.88)
2	Supplies & Services	462	108	23.38
3	Other	(823)	142	(17.25)
4	Income	(14)	10	(71.43)
	Total	1,513	(2)	(0.13)

- 1) There are forecast savings from transitional vacancies within the Executive Support (£138k) and Communications (£124k) teams.
- 2) The main areas of spend within Supplies and Services are printing and postage costs for the corporate print and post rooms (£204k) and corporate subscriptions (£156k).

There is a forecast pressure of £108k, which arises from the externally commissioned review of departmental structures and activities. One of the aims of the review is to identify areas where efficiency savings may be delivered.

- 3) 'Other' spend includes recharges where there is a pressure of £142k, which relates to recharges to the Housing Revenue Account
- 4) The income budget relates to printing on behalf of third-party organisations. There is an anticipated pressure of £10k as demand for these services has reduced.

Chief Information Officer

5.62 The **Chief Information Officer** is responsible for the delivery of efficient and effective management of all aspects of IT operations, Digital, IT programmes of work, IT commercial contracts and supplier relationships, IT Service delivery teams and for transforming the IT and Digital Services team. This includes managing IT services provided by West Northamptonshire Council. The forecast outturn position for the **Chief Information Officer** is set out in the following Table (Period 3 – £56k adverse).

Chief Information Officer	£'000
Expenditure	12,279
Income	(2)
Net Budget	12,277
Forecast	12,409
Variance	132

5.63 The forecast variance relating to the **Chief Information Officer** is set out in following table and explanations for the variances are provided below the table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	2,376	(43)	(1.81)
2	Supplies & Services	5,988	46	0.77
3	Third Party Payments	4,521	129	2.85
4	Other	(608)	0	0.00
	Total	12,277	132	1.08

- 1) There are forecast salary savings of £219k due to transitional vacancies, offset by agency costs of £176k.
- 2) The main areas of spend within Supplies & Services are software licences (£2.283m), budgets for the ECMS (£1.362m) and IDOX (£583k) projects and the IT strategy (£1.061m). There are further expenditure budgets of £679k.

There is a forecast pressure on license costs of £56k, arising from savings previously identified through reducing the number of licenses, following the consolidation of the IDOX system, now being expected to be delivered in 2025/26. These pressures are partially off-set by minor savings of £10k, giving an overall pressure of £46k.

- 3) Third Party Payments relate to the shared IT service with WNC. There are forecast pressures of £129k within the Programme team and Business system teams as a result of increased project activity and inflationary pressures.
- 4) 'Other' relates to internal income recharges. These are forecast to be delivered on budget.

Finance, Performance, Procurement and Revenues and Benefits

5.64 The **Finance and Performance Service** is responsible for leading the management, development, performance and continuous improvement of all Finance, Audit and Risk services. The **Procurement Service** leads on all aspects of procurement delivery, category management, commissioning and contract management. The **Revenue and Benefits Service** is responsible for the collection of both Council Tax and Business Rates and in assessing, awarding and payment of benefits. The forecast outturn position for these services is set out in the following table (Period 3 - £205k adverse).

Finance, Performance, Procurement and Revenue and Benefits Service	£'000
Expenditure	85,560
Income	(69,289)
Net Budget	16,271
Forecast	17,272
Variance	1,001

5.65 The forecast variance for the **Finance, Performance, Procurement and Revenues and Benefits Service** is set out below. Explanations for the variances are provided below the table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	16,679	(616)	(3.69)
2	Supplies & Services	4,391	862	19.63
3	Transfer Payments	64,711	413	0.64
4	Other	(221)	614	(277.83)
5	Income	(69,289)	(272)	0.39
	Total	16,271	1,001	6.15

- 1) There is a forecast saving of £616k for Employees, arising from vacancies within Internal Audit (£228k), Procurement (£175k), Performance (£123k) and Revenues & Benefits (£41k). There are further net minor savings of £49k.
- 2) The main components of the budget for Supplies and Services are Insurance Premiums (£2.527m), Audit fees (£893k) and Postage (£229k).

There is a forecast pressure of £501k, arising from increases in Insurance Premiums, arising from pressures within the Insurance market. There is a forecast pressure of £100k on printing & postage costs within Revenues and Benefits, and other minor pressures totalling £261k

- 3) Transfer Payments relate to Housing Benefit payments, where the associated subsidy is shown within the income.

There is a forecast pressure of £413k due to a reduction in recoverable income in respect of Housing Benefit overpayments

- 4) Amounts shown within Other Costs includes payments to the Lead Authority Board for shared services provided to the Council (£762k), technical adjustments (£483k) and other expenditure budgets (£742k). These expenditure budgets are offset by internal recharges totalling £1.964m.

Within an overall pressure of £614k, there is a pressure of £174k arising from the repayment of overpaid Covid Fees and Charges support grant, issued by central government in 21/22 to support under-recoveries of fees and charges income during the pandemic. North Northamptonshire Council performed better than initially calculated and part of the grant must be returned.

Additionally, there are forecast pressures of £427k relating to the Lead Authority Board Services. This is due to increasing transaction volumes and rises in overhead costs.

There are also other minor pressures totalling £13k

- 5) The main areas of Income are Housing Benefit Subsidy (£64.481m) and income received from government to cover the costs of collecting NNDR (£1.180m).

Income is forecast to be £272k above budget. There is additional income from support services funded by DSG (£130k) and Adult Learning Services (£165k). There is also additional grant income to support authorities implementing changes following the Redmond Review (£105k) and new burdens funding for the Revenues & Benefits team (£100k).

These increases are partially offset by reductions of £61k in the Housing Benefit administration grant and £43k for school income, due to a reduction of the number of maintained schools. There are other minor reductions of £24k.

Customer and Governance

- 5.66 The **Assistant Director of Human Resources** is responsible for the leadership, development and implementation of relevant strategies for the area and council, enabling the delivery of corporate HR priorities, including HR Advisory, Workforce Planning & Development, Learning & Development and Health & Safety. The forecast outturn position for the **Assistant Director of Human Resources** is set out in the following Table (Period 3 - £53k favourable).

Human Resources	£'000
Expenditure	4,259
Income	(564)
Net Budget	3,695
Forecast	3,407
Variance	(288)

- 5.67 The forecast outturn relating to the **Assistant Director of Human Resources** is set out in following Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	4,380	(442)	(10.09)
2	Supplies & Services	325	(43)	(13.23)
3	Third Party Payments	40	(20)	(50.00)
4	Other	(486)	41	(8.44)
5	Income	(564)	176	(31.21)
	Total	3,695	(288)	(7.79)

- 1) There is a forecast saving on Employee budgets of £442k, arising from vacancies with the service.
- 2) The main areas of spend in Supplies & Services are professional services (£165k) and software licences (£104k). There are further smaller expenditure budgets totalling £56k. There is an underspend of £43k arising from a series of minor items.
- 3) The main area of spend in Third Party payments is the recharge from WNC for the shared Payroll function and this is forecast to be delivered on budget.

There is a forecast underspend of £20k arising within the recharge for staff counselling, due to demand being lower than expected.

- 4) 'Other' relates to recharges, where there is a forecast pressure of £36k relating to Internal Recharges and other minor pressures totalling £5k.
- 5) Income is mainly generated through Inter Authority Agreements (IAA) and Service Level Agreements (SLA's) with WNC, NCT and MKC. There is a forecast pressure of £176k arising within Training and Course Income, as a result of reduced uptake from partners.

Assistant Director of Legal and Democratic Services

5.68 The **Assistant Director of Legal and Democratic Services** is responsible for developing and delivering a strong governance and ethical framework and the management of the internal Legal Services Team, Democratic & Election Services, FOI & Data Governance and Registration and the Coroners Services. The forecast outturn position for the **Assistant Director of Legal and Democratic Services** is set out in the following Table (Period 3 - £39k adverse).

Legal Services	£'000
Expenditure	6,415
Income	(1,043)
Net Budget	5,372
Forecast	5,827
Variance	455

5.69 The forecast variance relating to the **Assistant Director of Legal Services** is set out in the following Table and explanations for the variances are provided below the Table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	4,140	192	4.64
2	Supplies & Services	2,223	(5)	(0.22)
3	Third Party Payments	712	254	35.67
4	Other	(660)	97	(14.70)
5	Income	(1,043)	(83)	7.96
	Total	5,372	455	8.47

- 1) There is a net forecast pressure on the Employees budget of £192k. This arises due a £91k pressure within legal services due to the need to employ locums to cover vacancies.

There is also a staffing pressure of £117k within registration services related to the use of shared services. There are other net minor favourable variances that amount to £16k.

- 2) The main areas of expenditure within Supplies and Services are members allowances, ward initiative funds and external legal fees.

There is a forecast saving of £77k on Members Allowances due to special responsibility allowances where a member has more than one role.

There is a forecast pressure of £54k related to electoral registration printing and postage costs. The frequency and content of reminder letters is set out by legislation so alternative approaches cannot be implemented. There are other net minor pressures totalling £18k.

- 3) The main area of spend within Third Party Payments is the shared Coroner's service with WNC, where the forecast pressure is £197k. The pressure reflects the 2023/24 outturn together with inflationary pressures from supplier contract renewals. There are other net minor pressures of £57k.

- 4) 'Other' relates mainly to support service recharges, members travel expenses and staff mileage which is expected to be delivered on budget.

There are forecast pressures of £127k relating to internal recharges for legal services.

There are a series of minor savings on other budget codes which total £30k.

- 5) There is additional income of £77k within registration services from weddings and citizenship ceremonies and £6k from other small variances.

Assistant Director of Customer Services

5.70 The **Assistant Director of Customer Services** is responsible for leading and implementing the transformation and aggregation of all the Customer Service and Complaints teams and for setting the key priorities and direction for Customer Services and Complaints in line with the corporate plan. The role is also responsible for the leadership, development and implementation of customer and digital strategies for the council, to deliver an improved customer experience and the administration of the 'Blue Badges' parking scheme. The forecast outturn position for the **Assistant Director of Customer Services** is set out in the following Table (Period 3 - £70k favourable).

Customer Services	£'000
Expenditure	2,310
Income	(108)
Net Budget	2,202
Forecast	2,110
Variance	(92)

5.71 The forecast outturn relating to the **Assistant Director of Customer Services** is set out in the following table.

Ref	Description	Budget	Forecast Variance	
		£'000	£'000	%
1	Employees	3,023	(68)	(2.25)
2	Supplies & Services	155	(43)	(27.74)
3	Other	(868)	20	(2.30)
4	Income	(108)	(1)	0.93
	Total	2,202	(92)	(4.18)

- 1) There is a forecast saving on Employees at Period 6 of £68k. This is due to savings from vacant posts within the Customer Service team.
- 2) The main area of spend within Supplies and Services relates to the issuing of blue badges (£70k). There are a number of minor variances which result in a net saving of £43k.
- 3) There is a pressure of £20k within the Other budget, which relates to recharges for blue badges.
- 4) The income budget relates to the issuing of blue badges (£80k) and rent from the NHS Phlebotomy unit in the Kettering Offices (£28k), where there is a minor favourable variance of £1k due to a rent uplift.

6 Housing Revenue Account

6.1 The Housing Revenue Account (HRA) is a separate ring-fenced account within the Council for the income and expenditure associated with its housing stock. The HRA does not directly impact on the Council's wider General Fund budget

or on the level of council tax. Income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.

- 6.2 The forecast position for the HRA at the end of Period 6 shows an underspend of £633k (Period 3 - 343k). This is summarised in the following Table:

Housing Revenue Account (HRA)			
	Revised Budget 2024/25	Projection P6 2024/25	Forecast Variance
	£000	£000	£000
INCOME			
Rents - Dwellings Only	40,967	41,367	(400)
Service Charges	1,086	1,109	(23)
HRA Investment Income	372	372	0
Total Income	42,425	42,848	(423)
EXPENDITURE			
Repairs and Maintenance	11,849	12,265	416
General Management	8,730	8,285	(445)
HRA Self Financing	6,946	6,882	(64)
Revenue Contribution to Capital	9,282	8,785	(497)
Transfer To / (From) Reserves	1,604	2,104	500
Special Services	2,406	2,534	128
Other	1,608	1,361	(248)
Total Expenditure	42,425	42,216	(210)
Net Operating Expenditure	0	(633)	(633)

- 6.3 The net budget for 2024/25 was increased by £438k at the Executive meeting on 13th June 2024 which will be used to support clearing the Repairs & Maintenance backlog works that started in 2023/24.
- 6.4 The forecast position for rental income from dwellings at Period 6 is £400k higher than budget. A rent gain of £148k is a result of the Right to Buy Sales being 29 less than the budgeted amount of 80 in 2023/24, resulting in a higher number of dwellings on 1st April 2024 resulting in a higher rental yield. RTB sales were budgeted at 60 for 2024/25 however, the forecast sales are 45 which results in a rent gain of £38k. The reduction in RTB sales is in part from the current economic climate and the increased costs of borrowing. This variance is increased by £214k due to a lower void rate.
- 6.5 Income from Service Charges is forecast to be £23k higher than budget.
- 6.6 The forecast position for Period 6 is an underspend in expenditure of £210k. The movements are set out in Sections 6.7 to 6.13.
- 6.7 There are pressures on repairs and maintenance costs of £416k, which relate to an increased spend on utilities (£46k), general repairs (£42k), subcontractors (£231k) and supplies and services (£590k). These are partly offset by underspends on salaries (£378k), equipment (£133k) and other minor adverse variances (£18k).

- 6.8 There are savings of £445k in General Management. These relate to salary savings due to vacant posts (£422k); savings on services (£51k). There are other minor net adverse variances of £28k.
- 6.9 There is a saving of £64k against the HRA Self-financing line which relates to savings on loan interest charges due to loans not being enacted. This is as a result of a lower spend on the HRA capital programme resulting in a saving on interest costs.
- 6.10 The HRA holds a depreciation charge that recognises the cost of managing and maintaining the Council stock at the current level. This funding represents a revenue cost to the HRA that is then used to support the capital programme to deliver the required enhancements to the stock to keep it fit for purpose. The Revenue Contribution to Capital Expenditure (RCCO) as a minimum must equal the depreciation charge. There has been a movement in the value of the stock at 1 April, which is still subject to audit, resulting in the depreciation charge being lower than budgeted. There is also a lower depreciation charge for the Councils vehicle fleet. This has resulted in a lower depreciation charge of £497k.
- 6.11 There is a pressure of £500k within the transfer to / from reserves line as a provision of £500k has been made to the insurance reserve.
- 6.12 There are pressures of £128k in Special Services. This relates to overspends on utilities of £120k due to a backlog of gas invoices from the previous year. This is partially offset by savings on salaries (£16k). There are other minor net adverse variances of £24k.
- 6.13 There are savings within 'Other' of £248k which relates to the contribution to the bad debt provision being £223k less than budgeted - owing to higher collection rates on arrears. There are other minor favourable variances of £25k. At this stage it is assumed that the contingency budget of £363k will be used in full.

7 Dedicated Schools Grant

- 7.1 The Dedicated Schools Grant (DSG) is a ring-fenced specific grant allocated to the Council by the Government to support a range of education related services.
- 7.2 The Department for Education (DfE) currently operate a four-block funding model for funding schools and pre-16 education including early years as set out in the following table:

Dedicated Schools Grant (DSG)			
Schools Block	Central Schools Services Block	High Needs Block	Early Years Block
The School's Block is the largest element of the DSG and is allocated to Schools and Academies for day-to-day spending in their individual budgets.	The Central Schools Block provides funding for local authorities to carry out central functions on behalf of maintained schools and academies.	The High Needs funding system supports provision for Children and Young People with Special Educational Needs and Disabilities (SEND) from their early years to age 25.	The Early Years Block provides funding for 2, 3 and 4-year-olds.

7.3 The original DSG Budget for 2024/25 had a budget deficit of £7.705m. The forecast outturn at Period 6 is a pressure of £9.639m (Period 3 - £10.657m) resulting in an overall deficit of £17.344m (Period 3 - £18.362m). This is summarised in the following Table:

Dedicated Schools Grants Forecast 2024/25									
Block	Gross Budget	Deficit Budget Agreed	Mar DSG Allocation Adjust	July DSG Allocation Adjust	Revised Budget	Recoupment	Net Budget	Forecast Net Spend	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block	285,841	0	0		285,841	237,772	48,070	48,070	0
Central Schools Bloc	3,081	0	0		3,081	0	3,081	3,081	0
High Needs Block	62,416	7,705	0	(107)	70,014	0	70,014	80,905	10,891
Early Year Block	37,102	0	792	(174)	37,720	0	37,720	36,468	(1,252)
Total	388,440	7,705	792	(281)	396,655	237,772	158,885	168,524	9,639
HNB Deficit approved for 2024/25									7,705
Forecasted Deficit 2024/25									17,344

7.4 The national pressure on services to support the education of children with additional needs is well documented. This has been exacerbated by the ongoing impacts of COVID on children and young people's health and wellbeing. Many Councils are struggling to contain expenditure within the budget available to meet needs. The mitigation actions that are available often have front loaded costs and benefits are felt over the course of many years. Whilst funding has been increased, this has not reflected the full increase in needs that are being identified.

7.5 Where a local authority has an overall deficit on its DSG account at the end of the financial year, or where a surplus has substantially reduced during the year, they must provide information to the DFE about pressures and savings on the High Needs Budget as part of a DSG Deficit Management Plan. The Council continue to work the DFE as it develops a Deficit Recovery Plan.

7.6 In addition, where there is a deficit, this will have an adverse impact on the Council's cashflow position and will impact on the resources available for investment – which will result in the investment income being lower for the General Fund.

7.7 The demand pressures that impact on increased expenditure within the DSG can be summarised as:

- A 75% increase in demand for EHCPs between January 2019 and January 2023, with a further 19% increase since January 2023
- 401 children who have benefitted from Early Help Funding within the last 12 months, which is an increase of 189 from the previous 12 months, a 112% increase.
- Permanent exclusions in 2023/2024 (snapshot prior to end of summer term) is 123 compared to 91 in the previous year

7.8 The main pressures across the High Needs Block are considered in Sections 7.9 to 7.13.

7.9 **Independent Provision.** The forecast outturn is a pressure of £2.702m. The pressure is because of sufficiency issues in maintained and academy SEND placements meaning greater use of Independent Providers at significantly higher cost. The average cost of an independent special school placement is around £72k a year compared with an average of £22k in a maintained school or an academy. There are currently 202 children attending Independent Special Schools, this is predicted to rise to 220 children before the end of the financial year.

7.10 **Alternative Provision,** this budget combines several factors including alternative provision and tutoring for children and young people without a school place. It also includes therapies for children and young people with an EHCP. The pressure is forecasted to be £2.808m. NNC has limited access to high quality AP places locally and as a result, packages of tuition and therapeutic provision is commissioned to support children who should otherwise be in school. Provision will also need to be sought for Children and Young people who move into the area with an EHCP, whilst they wait for a special school place, and this is a growing number.

7.11 **Mainstream Top Ups,** Mainstream top up's is the phrase used to describe the funding that is allocated to mainstream education settings for children who have an EHCP. The number of children who have an EHCPs and are attending a mainstream setting has doubled over the last 3 years. The average level of funding for a mainstream top up is £7k and we currently have 1,484 children with EHCP's in mainstream provision. By supporting mainstream schools to meet higher levels of need the pressure is reduced on the specialist placement budgets, this pressure is forecast to be £3.099m.

7.12 **NNC Special School's and SEN Unit Top Ups,** this is the funding for children and young people with an EHCP attending Special School and SEN Unit provision and the forecast outturn is a pressure of £1.801m. The pressure is a

result of the creation of some additional special school and SEN Unit places within existing schools.

- 7.13 **SENDIF Plus** this relates to SEND early help funding for children who are in their pre-school settings and the draft outturn is a pressure of £373k. The pressure is as a result of an increase in the children accessing funding which has risen from a prediction of 55 children at budget setting to 182 children accessing the funding so far, this financial year. Services are reporting a high level of complex needs within the early years' cohort, which can be partly attributed to these children's early experiences being during periods of national lockdown and poorer access to services.
- 7.14 There are other net pressures within the High Needs Block which amount to £108k
- 7.15 The Early Years Block is showing a underspend of £1.252m, at the end of 2023/24, funds were carried forward to account for a potential clawback from the DfE. The clawback amount was £91k against an income of £1.344m, leaving a net income of £1.252m.
- NNC commission the services of local special schools to provide advice, training and support to mainstream schools to support children with emerging SEND needs and those with EHCPs. The services cost a total of £1m, rising to £1.5m in September 2024. This support overtime will increase the confidence of teachers within mainstream settings to support children with SEND needs without the need for an EHCP. Also to support children with an EHCP to stay within mainstream settings. The outreach services have also supported the development of several SEND units attached to mainstream settings.
 - The Family Hubs is an Early Help model which NNC have adopted. This model sees a collaboration of Early Help services made easily accessible to families who need them. The aim is that over time families will be able to access support earlier which will prevent needs escalating.
 - NNC has invested in a Brokerage and Commissioning service who are tasked with shaping the independent market and providing best value. They are also developing a commissioning framework for education support services such as tuition, therapies, etc to sit on again to drive best value.
 - There have been an additional 23 places created at a secondary SEND unit, with a new unit opening at another secondary school later in the year. There have been an additional 23 places created in a primary special school and 12 additional places created between 2 secondary special schools.
- 7.16 In 2024/25 work will continue to mitigate these pressures, the Schools Forum agreed to a transfer of funding from the Schools Block (SB) of the DSG to HNB, this amounts to circa £1.5m additional funding for the HNB. Forum will look at measures that will support inclusion in mainstream settings and provide challenge where any school may not be meeting this standard.

- 7.17 Identifying and meeting the needs of children and young people with SEND at the earliest opportunity and putting in place appropriate actions to meet these needs, remains the central focus of all of this work. Ensuring that the whole system works in an inclusive and joined up way is key to meeting this aspiration and to ensuring the efficient use of available resources to manage costs effectively.

8 Conclusions

- 8.1 The Period 6 forecast for 2024/25 is an overspend of £9.571m (Period 3 - £8.461m). A contingency is held to help offset potential costs that were not known at the time of budget setting. Currently £3.894m of the contingency is available to meet further pressures. Service Directors will be working to mitigate these pressures in-year, including those of the Children's Trust. The Council also holds earmarked reserves which may be utilised if mitigations are not identified to fund the current pressures.

9 Implications (including financial implications)

9.1 Resources, Financial and Transformation

- 9.1.1 The financial implications are set out in this report. The current forecast position for the General Fund is an overspend of £9.571m and the Housing Revenue Account is forecasting an underspend of £633k. The original DSG Budget for 2024/25 had a budget deficit of £7.705m. The forecast outturn at Period 6 is a pressure of £9.639m resulting in a deficit of £17.344m.

9.2 Legal and Governance

- 9.2.1 The provisions of the Local Government Finance Act 1992 set out requirements for the Council to set a balanced budget with regard to the advice of its Chief Finance Officer (Section 151 Officer).
- 9.2.2 The robustness of the budget estimates and the adequacy of the proposed reserves were considered under Section 25 of the Local Government Act 2003 prior to the Council agreeing its 2024/25 budget.

9.3 Relevant Policies and Plans

- 9.3.1 The budget provides the financial resources to enable the Council to deliver on its plans and meet corporate priorities as set out in the Council's Corporate Plan.

9.4 Risk

- 9.4.1 The deliverability of the 2024/25 Revenue Budget is monitored by Budget Managers and Assistant Directors. Where any variances or emerging pressures are identified during the year then mitigating actions will be sought and management interventions undertaken.

9.4.2 Details of pressures, risks and mitigating actions implemented will be provided as part of the finance monitoring reports as the year progresses. The main risks identified include demand led services such as Adult Social Care, children's services, and home to school transport together with the impact of high levels of inflation.

9.4.3 Whilst services will work hard to offset pressures, the Council holds a number of reserves to help safeguard against the risks inherent within the budget for 2024/25.

9.5 **Consultation**

9.5.1 The 2024/25 budget was subject to consultation prior to approval by Council in February 2024.

9.6 **Consideration by Executive Advisory Panel**

9.6.1 Not applicable.

9.7 **Consideration by Scrutiny**

9.7.1 The budget monitoring reports are presented to the Corporate Scrutiny Committee for review after they have been presented to the Executive Committee.

9.8 **Equality Implications**

9.8.1 There are no specific issues as a result of this report.

9.9 **Climate and Environment Impact**

9.9.1 Among the new Council's priorities will be putting in place plans to improve the local environment and tackle the ongoing climate emergency. Where these have a financial impact then it will be reflected in the budget.

9.10 **Community Impact**

9.10.1 No distinct community impacts have been identified because of the proposals included in this report.

9.11 **Crime and Disorder Impact**

9.11.1 There are no specific issues arising from this report.

10 Issues and Choices

- 10.1 The report focuses on the forecast revenue outturn against budget for 2024/25 and makes recommendations for the Executive to note the current budgetary position and as such there are no specific choices within the report.

11 Background Papers

- 11.1 The following background papers can be considered in relation to this report.

Final Budget 2024/25 and Medium-Term Financial Plans, including the Council Tax Resolution, North Northamptonshire Council, 22nd February 2024.

Quarterly Budget Forecast Reports to the Executive.

Appendix A

Directorate	Assistant Director	Proposal Description	2024/25 £000	Red £'000	Amber £'000	Green £'000
Adult Services	Commissioning & Performance	Cessation of time limited voluntary sector support and redirection of funds to Support North Northamptonshire pilot.	(200)	0	0	(200)
Adult Services	Commissioning & Performance	Reduction in number of residential placements made in the independent sector owing to increase utilisation beds in PPP properties.	(695)	0		(695)
Adult Services	Commissioning & Performance	Review of ASC Charging Policy following national change	(77)	0	0	(77)
Adult Services	Commissioning & Performance	Harmonise minimum income guarantee for those on legacy benefits with Employment Support Allowance	(40)	0	(40)	0
Adult Services	Commissioning & Performance	Financial Assessments - Discharge To Assess process	(200)	0		(200)
Adult Services	Commissioning & Performance	Budget Realignment to meet demographic growth	(1,000)	0	0	(1,000)
Adult Services	Adult Services	High Cost Placements Review	(1,500)	0	0	(1,500)
Adult Services	Adult Services	Learning Disabilities Care Models	(1,000)	0	0	(1,000)
Adult Services	Adult Services	Systems & Processes ASC	(600)	0	0	(600)
Adult Services	Adult Services	Improved performance in bed based reablement, earlier intervention through admission avoidance and positive reduction in post-hospital demand	(2,000)	0	0	(2,000)
Adult Services	Adult Services	Increased Client Contributions	(1,000)	0	0	(1,000)
Adult Services	Adult Services	Single Handed Care	(500)	0	(157)	(343)
Adult Services	Adult Services	Increase use of Shared Lives Service	(84)	0	(84)	0
Adult Services	Safeguarding and Wellbeing	Ensuring unit costs reflect true cost of delivery and costs are fully recovered from external commissioners	(50)	0	0	(50)
Adult Services	Safeguarding and Wellbeing	Review of in house services and implementation of Phase 2 and 3 of NNC's provider transformation programme ensuring people are supported to achieve good outcomes.	(205)	0	(205)	0
Adult Services	Housing	Utilise grant funding allocation and bids	(375)	0	0	(375)
PH & Communities	Communities	Fees and Charges - Leisure - (24-25 VAT change)	(400)	0	0	(400)
PH & Communities	Communities	Leisure-Golf Club - to be become 100% self funded	(39)	0	0	(39)
PH & Communities	Communities	Leisure 24-25 Fees and charges	(20)	0	0	(20)
PH & Communities	Communities	Strategic Investment into VCSE to be funded from PH reserves for 3 years	(121)	0	0	(121)
PH & Communities	Communities	Community Wellbeing grants - to be funded by PH grant in line with the Health & Wellbeing Strategy	(120)	0	0	(120)

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Directorate	Assistant Director	Proposal Description	2024/25 £000	Red £'000	Amber £'000	Green £'000
PH & Communities	Communities	PH investment to support a five-year Place based development programme	(75)	0	0	(75)
PH & Communities	Communities	Communities and Wellbeing - Devolution of Counties Community Centre	(1)	0	0	(1)
PH & Communities	Communities	Grant funding to provide support for victims of domestic abuse	(13)	0	0	(13)
Childrens	Assistant Director of Education	Removal of Professional Fees & Hired Services budget following the disaggregation between the North and West.	(23)	0	0	(23)
Childrens	Assistant Director of Education	Fees and Charges Income - FSM Administration	(101)	0	0	(101)
Childrens	Assistant Director of Education	Fees and Charges Income - EET fine & penalty income	(59)	0	0	(59)
Place & Economy	Growth & Regeneration	Increase in Fees & Charges	(15)	0	(15)	0
Place & Economy	Growth & Regeneration	Government increase in Statutory Planning Fees	(801)	0	(801)	0
Place & Economy	Growth & Regeneration	Harmonisation of S106 Management Fee Charging	(50)	0	(50)	0
Place & Economy	Growth & Regeneration	Cancellation of all non-essential subscriptions	(34)	0	0	(34)
Place & Economy	Growth & Regeneration	Removal of unused discretionary grant budget	(30)	0	0	(30)
Place & Economy	Growth & Regeneration	Reduction in professional fees budgets	(50)	0	(50)	0
Place & Economy	Growth & Regeneration	Rationalisation of planning websites (JPU IT costs)	(21)	0	(21)	0
Place & Economy	Growth & Regeneration	Growth & Regeneration Service Improvement and Redesign	(234)	0	(234)	0
Place & Economy	Assets and Environment	Following the sale of Knuston Hall in 2023/24, this reflects the reversal of the ongoing costs reflected in 23/24 prior to the sale.	(180)	0	0	(180)
Place & Economy	Assets and Environment	Operational changes to the maintenance of flowerbeds and planting schemes.	(30)	0	0	(30)
Place & Economy	Assets and Environment	Additional income from rent reviews across the commercial portfolio.	(249)	0	(249)	0
Place & Economy	Assets and Environment	Saving on current cost of providing Christmas lights for Wellingborough in line with contract end date	(16)	0	0	(16)
Place & Economy	Assets and Environment	Inflationary increase in Country Park Parking Charges	(20)	0	(20)	0
Place & Economy	Assets and Environment	Saving on budget based on current consumption and market price.	(200)	0	(200)	0
Place & Economy	Assets and Environment	Part reversal of 2022/23 increase to utilities budget.	(500)	0	(500)	0
Place & Economy	Assets and Environment	Income derived from dedicated routes to aid traffic flow across North Northamptonshire	(600)	0	(600)	0
Place & Economy	Assets and Environment	Assets & Environment Service Improvement and Redesign	(100)	0	(100)	0

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Directorate	Assistant Director	Proposal Description	2024/25 £000	Red £'000	Amber £'000	Green £'000
Place & Economy	Assets and Environment	Realignment of Income and change in fees charged to the Childrens Trust to reflect levels of support service provided.	(401)	0	0	(401)
Place & Economy	Highways & Waste	Harmonisation of garden waste collection services	(534)	0	(534)	0
Place & Economy	Highways & Waste	Increase to garden waste subscription rate - via Fees & Charges	(386)	0	(386)	0
Place & Economy	Highways & Waste	Increase refuse & recycling fees & charges	(100)	0	(100)	0
Place & Economy	Highways & Waste	Increase highways & transport fees and charges	(41)	0	(41)	0
Place & Economy	Highways & Waste	Increased income from materials processed through the HWRCs	(20)	0	(20)	0
Place & Economy	Highways & Waste	Further develop and grow trade waste service	(75)	0	(75)	0
Place & Economy	Highways & Waste	Reduce the number of schemes within Local Cycling and Walking Plans each year that are developed to a stage to submit for funding from either council or government grants.	(215)	0	(215)	0
Place & Economy	Highways & Waste	Reduce funding for regulations, this will reduce the number of yellow lines and speed limits able to be reviewed/ assessed each year.	(50)	0	(50)	0
Place & Economy	Highways & Waste	Installation of LED lamps leading to maintenance & energy cost reductions, and reduction in carbon emissions. The installation programme commenced in September 2023 and concludes in August 2025.	(280)	0	0	(280)
Place & Economy	Regulatory Services	Increase in Fees & Charges	(68)	0	(68)	0
Place & Economy	Regulatory Services	Reversal of Bereavement Income (sales and publications) pressure	(136)	0	(136)	0
Place & Economy	Regulatory Services	Harmonisation of fees and charges for Bereavement Services (Kettering, Corby and W'boro areas)	(50)	0	(50)	0
Place & Economy	Regulatory Services	Review of teams structures and service delivery	(200)	0	(200)	0
Place & Economy	Regulatory Services	Review of discretionary budgets	(32)	0	0	(32)
Place & Economy	Regulatory Services	Review of dog/pest control contracts/specifications and additional contract income generation	(10)	0	(10)	0
Enabling	Finance & Performance	Additional income arising from Housing Benefit Subsidy	(5)	0	0	(5)
Enabling	Finance & Performance	Additional income provided to offset the costs of business rates collection	(5)	0	0	(5)
Enabling	Finance & Performance	A technical change that aligns the budgeted charge in Public Health with the corresponding income budget within Enabling Services	(97)	0	0	(97)
Enabling	Finance & Performance	Budget for project support no longer required	(50)	0	0	(50)

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Directorate	Assistant Director	Proposal Description	2024/25 £000	Red £'000	Amber £'000	Green £'000
Enabling	Finance & Performance	An ex CBC miscellaneous expenses budget not applicable in NNC and now released.	(102)	0	0	(102)
Enabling	Finance & Performance	An ex ENC miscellaneous expenses budget not applicable in NNC and now released	(35)	0	0	(35)
Enabling	Finance & Performance	Legacy council small grant payment budgets, not applicable in NNC and now released	(27)	0	0	(27)
Enabling	Finance & Performance	Reduction in the travelling expenses budget, due to the increase in the number of virtual meetings.	(20)	0	0	(20)
Enabling	Finance & Performance	Miscellaneous expenses budgets released.	(48)	0	0	(48)
Enabling	Finance & Performance	Realignment of Income and change in fees charged to the Childrens Trust to reflect levels of support service provided.	(534)	0	0	(534)
Enabling	Finance & Performance	Additional Investment Income arising from rises in interest rates	(4,697)	0	0	(4,697)
Enabling	HR & Governance	Removal of temporary funding for the Pay and Grading project on completion	(100)	0	0	(100)
Enabling	HR & Governance	Anticipated saving from bringing upper tier legal services in house	(117)	0	(117)	0
Enabling	HR & Governance	Ex District and Borough budgets not applicable in NNC and now released	(113)	0	0	(113)
Enabling	HR & Governance	Commercialisation	(10)	0	(10)	0
Enabling	HR & Governance	A review and increase in fees and charges, through developments in the offer regarding wedding ceremonies.	(136)	0	(136)	0
Enabling	HR & Governance	Printing Agendas for committee members only.	(50)	0	0	(50)
Enabling	HR & Governance	A review of member training and travel budgets to reflect actual spend.	(41)	0	0	(41)
Enabling	HR & Governance	Salary gradings lower than originally anticipated following restructure	(30)	0	0	(30)
Enabling	HR & Governance	Retendering OH contract and considering changes in levels of provision.	(30)	0	(30)	0
Enabling	HR & Governance	Removal of Wellbeing Advisor post	(34)	0	0	(34)
Enabling	HR & Governance	Changes to Customer Contact	(157)	0	(157)	0
Enabling	HR & Governance	Realignment of Income and change in fees charged to the Childrens Trust to reflect levels of support service provided.	(57)	0	0	(57)
Enabling	IT & Customer Services	Extension of IT contract costs for the current income management system	(153)	0	0	(153)
Enabling	IT & Customer Services	Rationalisation of service contracts - largely mobile telephone contracts	(50)	0	(50)	0
Enabling	IT & Customer Services	Rationalisation of service usage - largely Microsoft contract	(50)	0	0	(50)

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Directorate	Assistant Director	Proposal Description	2024/25 £000	Red £'000	Amber £'000	Green £'000
Enabling	IT & Customer Services	Savings on Cadcorp licences deriving from the GIS project	(15)	(15)	0	0
Enabling	IT & Customer Services	Savings on corporate costs deriving from telephony project	(100)	0	(100)	0
Enabling	IT & Customer Services	Savings resulting from withdrawal from Ark data centre and other changes to service delivery	(48)	0	(48)	0
Enabling	IT & Customer Services	Savings delivered though rationalising a number of licensing arrangements	(195)	0	0	(195)
Enabling	IT & Customer Services	Available through the consolidation of licenses, identified by the Idox implementation project	(40)	(40)	0	0
Enabling	IT & Customer Services	Additional resource required in the Web Team to manage / deliver the migration of legacy authority websites	(86)	0	0	(86)
Corporate	Corporate	Anticipated change in pay related costs following pay and grading review.	(415)	0	0	(415)
Corporate	Corporate	Reduced costs following the repayment of loans	(172)	0	0	(172)
Corporate	Corporate	Increased Vacancy Factor to acknowledge higher turnover rates	(1,157)	0	0	(1,157)
Total			(25,202)	(55)	(5,859)	(19,288)