



## Northampton Borough Council

### Overview and Scrutiny Committee

13 July 2020

#### Briefing Note: FINANCE UPDATE – Covid Impact & West Northants Budget

##### 1. Introduction

The Chair of Overview and Scrutiny asked, on behalf of the Committee for a briefing note to be prepared on the following areas.

##### 2. West Northants Shadow Authority Budget

2.1 The Council has committed a budget of £2.4M, in line with all other Districts and Boroughs within Northamptonshire. The budget for the shadow authority and associated Unitary Programme across North and West is managed centrally and reported to the Implementation Executive.



##### APPENDIX 1

##### FUTURE NORTHANTS FINANCIAL SUMMARY AND ANALYSIS

The following sets out the financial position of the Future Northants programme based on the revised approach of safe and legal on day one with the capacity to continue full disaggregation of services and transformation post vesting day.

**Table 1 Summary Position**

	Summary of revised programme costs and savings		
	Investment	Savings	Notes
Business Rates Retention Pilots	15,000	36,619	Revised forecast shows majority of savings delivered between 2021 and 2024
NCC Transformation	6,523	47,829	Includes actuals for 2019/20 and revised forecast for 20/21
Other Programme Costs	14,738		Includes revised forecast for 20/21 onwards
Staff Costs	17,045		Actuals for 2019/20. Projection for safe and legal plus for 20/21 and transformation costs 2021/24
<b>Total</b>	<b>53,306</b>	<b>84,448</b>	
Original LGR Budget	43,450		
2020/21 NCC staff costs	4,796		These costs met from within NCC existing budget 2020/21
2020/21 NCC transformation costs	4,250		These costs met from within NCC existing budget 2020/21
NCC Capital to fund Eclipse	219		These costs met from within NCC existing budget 2020/21
Children's Trust implementation funded by DfE	591		These costs are for the Children's Trust set up and to be met from DfE funding
<b>Total</b>	<b>53,306</b>		

The table above reflects an increase in the overall programme as a result of additional, funded, NCC projects being added to the core programme.

2.2 As NBC CFO I am briefed on the overall position, but do not have sight of the detail behind the numbers, as this is managed now by the Interim CFOs for West and North and the Subject Matter Expert who advises the wider programme.

2.3 From an NBC perspective, I can confirm that whilst the overall programme cost has increased (funded by NCC) there is no additional requirement for NBC to contribute more than the funds approved by Full Council in February 2020. Should Overview and Scrutiny wish to have further

assurance, then I would need to guide them to the Shadow Authority Overview and Scrutiny function, along with the Interim CEO and CFO.

### **3. Financial Impact of Covid19 on the Council**

3.1 As reported to Cabinet on 27 May 2020, after the current Government funding of £2.381M there remains an indicative budget risk in 2020-21 of £2M to £3M. The key pressures being highlighted in Appendix 1 to the Cabinet Report. Cabinet were advised that it was still too early to fully identify all cost pressures associated with the pandemic and that it remains unclear whether further funding may be made available, be it targeted or un-ringfenced.

3.2 The pressures arise in several service areas and are a mixture of additional cost pressures (particularly within the Housing Service) and reduced/lost income (particularly from Car Park and Bus Station income). No further information is available to provide a further update to this Committee at this time.

3.3 Cabinet will receive a further update on the costs, pressures and Government Finding, at its meeting on 22 July 2020.

3.4 The Council has General Fund Reserves of £4M, should further funding not be forthcoming there is risk that the General Fund Reserves could be drawn down to a level below the minimum recommended for normal 'Business As Usual' risks. Which may impact on the opening risk for General Fund Reserves for the new West Northants Unitary Council.

3.5 MHCLG announced a further funding regime on 2<sup>nd</sup> July 2020, at the time of writing there are no specific details other than a 'grant' to be distributed through another new formula of £500M and a commitment to provide funding toward the loss of fees and charges (no details are available as to how to claim, evidence, period covered etc). It is probable due to report writing lead times, that if known in due course, this may be a verbal update at Cabinet on 22 July to supplement the published Accounting Period 02 (AP02) budget report.

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3 July 2020