



North Tyneside Council

Finance Sub Committee

Wednesday, 9 September 2020

Tuesday, 15 September 2020 This meeting will be held remotely via Teams - Remote Meeting commencing at 6.00 pm.

Agenda Item	Page
1. Apologies for Absence	
To receive any apologies for absence.	
2. Appointment of Substitute Members	
To receive a report on the appointment of Substitute Members	
3. Declarations of Interest and Notification of any Dispensations Granted	
You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.	
You are also invited to disclose any dispensation in relation to any registerable interests that have been granted to you in respect of any matters appearing on the agenda.	
You are also requested to complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.	
4. Minutes	5 - 8
To confirm the minutes of the meeting held on 14 July 2020.	
5. 2020/21 Financial Management Report to 31 May 2020	9 - 82
To receive the Financial Management report for the current financial year that reflected the financial position as at 31 May 2020.	

Members of the public are entitled to attend this meeting and receive information about it. North Tyneside Council wants to make it easier for you to get hold of the information you need. We are able to provide our documents in alternative formats including Braille, audiotape, large print and alternative languages.

6. Section 106 Report

To receive a report that provides information in relation to the Section 106 schedule.

7. Exclusion Resolution

The Sub-Committee is requested to pass the following resolution:

That under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

8. Business and Technical Partnerships Risks

83 - 102

To consider the attached report which details the risks rated as red contained within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with ENGIE and Capita.

Circulation overleaf ...

Members of the Finance Sub Committee

Councillor Debbie Cox (Deputy Chair)
Councillor Anthony McMullen (Chair)
Councillor John Stirling
Councillor Paul Richardson

Councillor Naomi Craven
Councillor John O'Shea
Councillor Judith Wallace

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Public Document Pack Agenda Item 4

Finance Sub Committee

Tuesday, 14 July 2020

Present: Councillor A McMullen (Chair)
Councillors D Cox, J O'Shea, J Wallace
and P Richardson

Apologies: Councillors N Craven

F28/19 Appointment of Substitute Members

There were no substitute members appointed.

F29/19 Declarations of Interest and Notification of any Dispensations Granted

There were no declarations of interest reported.

F30/19 Minutes

Resolved that the minutes of the meeting held on 11 February 2020 be confirmed.

F31/19 Welfare Reform - Financial update

The Sub-committee considered the update report on the three schemes that were implemented or revised in April 2013 as a consequence of on-going welfare reform.

Also provided was an update on the Full Services Universal Credit and an update on the additional support that had been provided through the Hardship Fund, which was introduced as part of the governments package of support due to Covid-19.

Discretionary Housing Payment Fund - DHF

The Discretionary Housing Payment Fund provided by the Department of Work and Pensions supports people in financial need who have a shortfall in their rent and housing benefit (or Universal Credit including the housing element).

Citizens Advice continued to work well with overall outcomes showed the significant monetary value its advice has on debts written off, income gains and rescheduled payments. Due to the current pandemic Citizens Advice had moved resources to provide telephone advice which was proving very responsive.

Allocated DHP funding for 2020/21 was £558,563, which was an increase of £109,173 from the previous year. The report provided details to the level of spend and unallocated funds, with additional information to the number of claimants.

Local Council Tax Support Scheme

The maximum amount of support provided to working age claimants was 85% for the financial year 2020/21, where pensionable aged claimants continued to receive 100% support.

Due to the current Covid-19 situation, there had been a 7% increase in working age caseload since March 2020, which had placed pressures on the cost of the scheme with 17,701 claimants in receipt of CTS, of which 9,963 were of working age and 7,738 pensionable age. The costs of awards were £15,406,416 with the anticipation of further increases as some employers may not take back furloughed employees.

Council Tax collection would be challenging, however, residents who had difficulty paying, would continue to be supported through flexible payment arrangements and access to debt and budget management advice.

Hardship Fund

As a response to Covid-19, the Government announced in March that provision of grant funding to local authorities in England would be made to support economically vulnerable people and households. North Tyneside received £2,024,000 Hardship Funding allocation, with the use to reduce the Council Tax liability of individuals, using discretionary powers to award £150 to each working age Council Tax Support recipient. It was reported that the hardship payment had made significant difference to working age Council Tax Support claimants with 58% having no Council Tax liability to pay in 2020/21.

Local Welfare Provision

The reported provided statistics for the period 1 April 2020 to the 26 June 2020, which showed an increase in applications for Local Welfare Support.

Of those applicants who were not provided funding by the authority were provided support and assistance by way of referrals and liaising with a number of other agencies detailed in the report.

Covid-19 Update

At the start of the pandemic there was increased worries from residents to the effect to buying food and the receipt of benefits during lockdown measures. The officer team took time to provide reassurance and sign-posted residents to appropriate support and worked with the new services to ensure no one fell through the gaps.

It was reported that most applicants fell within three categories being;

1. Having dependent children in the family or vulnerable adults with significant health needs that were at consultant led level.
2. People without significant health need.
3. Those where discretion could be used to support – typically where employment had been affected and food/utility vouchers were provided until benefit claims were made.

Universal Credit -UC

The number of UC claims had increased dramatically, with figures showing an increase of 37% for North Tyneside.

To ensure that claims were handled staff from across DWP and other government departments were redeployed to do payment related work. Claimants were receiving customer services calls and work coaches were being sign-posted to aid job seeking. The service was a voluntary service and dependent on the claimants need.

The DWP Employer Engagement staff were delivering digital labour market upskilling sessions for staff and it was predicted that another spike of new claims when lockdown arrangements were lifted.

Housing Benefit claimants had reduced as more people moved to UC with 5,960 working age claimants at the end of June 2020.

At 24 June 2020 there were 4000 housing tenants on UC, with 2,952 (73.8%) in arrears, with the average arrears at £609.35.

It was reported that 682 housing tenants on UC had informed the authority that they had been impacted by Covid-19.

AGREED that the Welfare Reform – Financial update be noted.

F32/19 2019/20 Provisional Finance Outturn Report

The Head of Resources presented the 2019/20 Provisional Finance Outturn report that had considered by Cabinet on 29 June 2020.

AGREED that 2019/20 Provisional Finance Outturn Report be noted

F33/19 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

F34/19 Business and Technical Partnerships Risks

The Sub-committee considered the report that set out the latest monitoring update on risks which were rated high within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Engie and Capita.

AGREED that Business and Technical Partnership Risks report noted

Item 5

Finance Sub-committee 15 September 2020

Cabinet Report 3 August 2020

2020/21 Financial Management Report to 31 May 2020

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North Tyneside Council

Report to Cabinet

3 August 2020

Title: 2020/21 Financial Management Report to 31 May 2020

Portfolios: Elected Mayor Finance and Resources	Cabinet Member: Norma Redfearn Councillor Ray Glindon
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Report from: Finance

Responsible Officer: Janice Gillespie, Head of Resources **Tel: 643 5701**

Wards affected: All

PART 1

1.1 Executive Summary:

This report is the first monitoring report to Cabinet on the 2020/21 financial position. The report brings together financial and performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the first indication of the potential revenue and capital position of the Authority at 31 March 2021.

Like all local authorities, North Tyneside Council has felt the impact of the ongoing Covid-19 pandemic and as such this report contains considerations to the potential financial impact the pandemic will have on the Authority. The Authority has received two payments of grant funding from Government (total of £12.531m) of which £0.733m was allocated to Covid-19 pressure arising in March 2020. The impact of pressures arising from Covid-19 in 2020/21 are forecasted to be significant and the May position contains Covid-19 pressures over and above the level of grant funding received to date. Due to the level of uncertainty of how service delivery will continue to be impacted by Covid, this report is an initial view and it is expected this will change over the coming months as the response and recovery continue. Like all authorities North Tyneside is seeing a clear financial impact as a result of the pandemic and current indications are that the Covid funding received to date does not cover all anticipated costs/loss of income. Discussions are on-going at both local and national level around the financing of the residual pressures expected as a result of Covid-19.

Areas of business as usual continues to face financial pressures across areas of Social Care and demand led services that have been reported over a number of years. In considering the financial outlook for 2020/21, Services have considered the financial pressures they will face in 2020/21 and how they will mitigate these.

This report necessarily reflects these known pressures the Services will be required to manage during the financial year. As well as an explanation of any previously identified risks that have crystallised, this report sets out any new risks that may have a financial impact on the Authority. It is anticipated that the overall in-year pressures of this nature will be managed by the Services.

Considering the anticipated financial impact of Covid-19, the report provides an early view of the Council Tax, Business Rates and sundry debt collection rates with an early indication of the Collection Fund position for 2020/21, and also provides an update to considerations of the Authority's cash flow position.

The report includes details of any additional grants received by the Authority since the budget was set. The report also advises Cabinet of the position so far on the 2020/21 Schools budgets, planning for 2021/22, Schools funding and the forecast outturn for the Housing Revenue Account as at 31 May 2020.

Finally, the report provides an update on the 2020/21 Investment Plan, including delivery so far this year, along with details of variations and reprofiling of the Investment Plan which are presented to Cabinet for approval.

1.2 Recommendations:

It is recommended that Cabinet:

- (a) notes the forecast budget monitoring position for the General Fund, Collection Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 31 May 2020 (Annex sections 1, 5, 6 and 7);
- (b) approves the receipt of £10.609m new revenue grants (as outlined in Annex section 3);
- (c) notes the Authority's Investment Plan spend of £1.286m to 31 May 2020 and the financing of the Plan to the end of the year (Annex Section 8); and
- (d) approves variations of £4.271m and reprogramming of £9.659m for 2020/21 within the 2020 – 2025 Investment Plan (Annex Section 8).

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 19 June 2020.

1.4 Authority plan and policy framework:

The budget is a key strand of the Authority's Budget and Policy Framework.

1.5 Information:

1.5.1 Financial Position

This report is the first monitoring report presented to Members on the Authority's 2020/21 financial position. It provides an early indication of the expected revenue and capital financial position of the Authority as at 31 March 2021. This report is an initial view and it is expected this will change over the coming months as the response

and recovery to Covid-19 continues.

The report covers:

- The forecast outturn of the Authority's General Fund and HRA revenue budget including management mitigations where issues have been identified;
- The delivery of 2020/21 approved budget savings plans;
- An indication of the impact of Covid-19 on Collection Rates;
- An indication of the impact of Covid-19 on the Collection Fund;
- The implications of Covid-19 of the Authority's cash position; and
- An update on the Capital Investment Plan, including details of variations and reprogramming, that is recommended for approval.

1.5.2 General Fund Revenue Account

The budget for 2020/21 was approved by full Council at its meeting on the 20 February 2020. The net General Fund revenue budget was set at £161.361m. This included £3.244m of savings to be achieved (£0.805m relating to 2020/21).

The forecast overall pressure is estimated at £12.968m against the approved net budget. This is made up of a forecasted pressure of £0.908m on normal activities and £12.060m relating to the impact of Covid-19. The £0.908m pressure in the services is driven mainly by Health, Education, Care & Safeguarding reflecting the continued pressures in Children's Services of £4.284m and Adult Services of £1.023m, partly mitigated by the contingency balances that were created by Cabinet as part of the 2018/19 budget setting process and continue to be held centrally to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection is £3.663m of pressures in Corporate Parenting and Placements, £2.195m in Wellbeing and Assessment and £0.848m in Integrated Disability & Additional Needs. The drivers for these pressures continue from 2019/20 and arise from:

- Continued growth in demand in Adult and Children's Social Care Services;
- The timing of delivery of some aspects of the Efficiency Savings Programme to the extent that achievement of some savings may be at risk;
- The shared pressure with the North Tyneside Clinical Commissioning Group around agreeing adequate levels of contributions for clients with health needs and to support social care; and
- Negotiations with care providers to assess the impact of the National Living Wage and the consequential impact on our commissioning costs are at an early stage for 2020/21.

It is anticipated that the outturn forecast for normal activities will improve over the course of the financial year as planned remedial actions begin to impact on both expenditure and income.

With regards to the impact of Covid-19, the main drivers behind the £12.060m shortfall are also within Health, Education, Care and Safeguarding where £11.991m is for increased costs to the Authority of supporting the market (£3.513m), impact on savings targets (£2.691m), additional demand (£2.454m), increased costs for children in care (£1.211m) and lost income within School Improvement (£0.868m).

Significant Covid-19 related pressures exist in Environment, Housing and Leisure, (£5.427m) due to loss of income in Sport & Leisure and Highways & Transport and in Commissioning & Asset Management through income lost within Catering (£3.824m).

1.5.3 New Revenue Grants

The following revenue grants have been received during April and May 2020:

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Health Education Care & Safeguarding	National Foundation of Youth Music	Arts Council and Youth Music Grant	Delivery of a Youth Music Programme	0.020
Environment Housing & Leisure	Arts Council England	Digital Lending Grant	For the purchase of new e-books and e-audio products	0.001
Health Education Care & Safeguarding	UK Border Agency	Unaccompanied Asylum Seeking Children	For individuals under 18 who have applied for asylum in their own right	0.031
Health Education Care & Safeguarding	Department for Education	Looked After Children Mental Health Assessment Pilot	Piloting a new mental health assessment framework for looked after children entering care	0.017
Central Items	Department for Education	Adoption Support Fund	To provide therapeutic support to Adopted & Special Guardianship (SGO) children during the Covid- 19 situation	0.204
Central Items	Department of Health and Social Care	Infection Control Grant	To provide support to care homes and other providers to fund the cost of controlling Covid- 19 infection	1.103

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Central Items	Ministry of Housing, Communities and Local Government	Covid-19 Local Authority Support Grant	To support the local authority in funding the financial impact of Covid-19	5.709
Central Items	Ministry of Housing, Communities and Local Government	Covid-19 Hardship Fund	To offer support to claimants of Local Council Tax Support that may be facing hardship due to Covid-19	2.024
Central Items	North of Tyne Combined Authority	Covid-19 Capacity Fund	Support including a grant scheme and specialist advice to businesses, a grant scheme and employment funding for community organisations, back to work employment support for residents and a marketing campaign for the town centres	1.500
Total				10.609

1.5.4 School Funding

Schools are required to submit their rolling three-year budget plan by 31 May each year. The total planned deficit for 2020/21 is £6.689m. Cabinet will be aware that the Authority has been working with schools for a number of years with regard to the long-term strategic issue of surplus secondary places and the associated financial pressures which continue to be compounded by rising employment costs. As anticipated, 2019/20 was the fifth year of balances decreasing following a long-term trend of rising balances in North Tyneside and the overall projected balances for 2020/21 continues this trend.

As well as school balances reducing overall, some individual schools continue to face significant financial challenges. There are twelve schools with deficit budget plan in 2020/21, with seven of these schools continuing to be in deficit following 2019/20 and five schools that are new to deficit in 2020/21.

Cabinet will recall that the High Needs Block ended 2019/20 with a pressure of £4.542m. The initial forecasting of the budget position for 2020/21 indicates an anticipated in-year pressure of £1.943m reflecting a further rise in demand for special

school places. The Authority is planning for places at the end of 2020/21 to total approximately 786. This compares to a total of 762 places at this point of 2019/20.

1.5.5 Housing Revenue Account (HRA)

The HRA is forecast to have year-end balances at 31 March 2021 of £6.339m; assuming all identified Covid-19 related costs and income shortfalls are covered Centrally. These balances are £1.335m higher than budget which was set at £5.004m. The higher than forecast balances are mainly as a result of higher opening balances due to the impact of the previous year's financial performance (£0.211m) but there is also an in-year estimated underspend of (£1.124m), against an in-year budget of £2.589m, due to underspends arising on repairs budgets from Covid-19 impacts (£0.965m) combined with forecast vacancy savings of (£0.159m).

Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of 31 May 2020, 3,926 North Tyneside Homes tenants have moved on to Universal Credit and a team is working proactively with tenants to minimise arrears. This position will be closely monitored as the year progresses to identify any adverse impacts on the budget position.

1.5.6 Investment Plan

The approved 2020-2025 Investment Plan totals £263.937m (£82.924m 2020/21) and is detailed in table 39 of the Annex. The Annex to this report also sets out in Section 8 delivery progress to date, planned delivery for 2020/21, reprogramming and other variations identified through the Investment Programme Governance process.

An officer led review of the Investment Plan has resulted in proposals for reprogramming of (£9.659m) and variations of £4.271m of which more details are set out in Section 8 of the Annex to this report. The revised Investment Plan stands at £74.096m for 2020/21 and to the end of May 2020 spend of £1.286m had been incurred which represents 1.74% of the revised plan.

1.5.6 Performance against Council Plan

The 2020-2024 Our North Tyneside Plan (Council Plan) sets out the overall vision and policy context within which the Financial Plan and Budget are set. The Council Plan has three key themes – Our People, Our Places and Our Economy. For each one there is a set of policy outcomes that the Authority is seeking to deliver as set out below.

Our People will:

- Be listened to so that their experience helps the Council work better for residents.
- Be ready for school – giving our children and their families the best start in life.
- Be ready for work and life – with the right skills and abilities to achieve their full potential, economic independence and meet business needs.
- Be healthy and well – with the information, skills and opportunities to maintain and improve their health, well-being and independence, especially if they are carers.
- Be cared for, protected and supported if they become vulnerable including if they become homeless.
- Be encouraged and enabled to, whenever possible, be more independent, to volunteer and to do more for themselves and their local communities.

Our Places will:

- Be great places to live by focusing on what is important to local people, such as by tackling the derelict properties that are blighting some of our neighbourhoods.
- Offer a good choice of quality housing appropriate to need, including affordable homes that will be available to buy or rent.
- Benefit from the completion of the North Tyneside Living project and by North Tyneside Council's housing stock being decent, well managed and its potential use maximised.
- Recognise the climate emergency by further reducing the Borough's overall carbon footprint. This will include reducing the Council's carbon footprint, along with encouraging and enabling everyone to reduce their carbon footprint.
- Provide a clean, green, healthy, attractive and safe environment.
- Have an effective transport and physical infrastructure - including our roads, pavements, street lighting, drainage and public transport.
- Continue to be regenerated in Wallsend and Whitley Bay, through effective public, private and community partnerships, while ambitious plans will be developed for North Shields, Forest Hall and Killingworth.
- Be a thriving place of choice for visitors through the promotion of our award-winning parks, beaches, festivals and seasonal activities.

Our Economy will:

- Benefit, along with our people and places, from our ambitious vision which we created with partners in in the North of Tyne Combined Authority. We will have a dynamic and more inclusive economy, which will ensure that all residents have a stake in our region's future.
- Grow by supporting new businesses and building on our strengths, including our existing world class companies, and small and growing enterprises.
- Be business friendly, ensuring the right skills and conditions are in place to support investment, and create and sustain new high-quality jobs and apprenticeships for working age people.
- Continue to support investment in our business parks, units and Town Centres.

The Authority has plans in place to deliver all elements of the Council Plan and performance against these plans is carefully monitored. The area under most financial pressure is Health Education Care and Safeguarding.

In common with most local authorities, and in line with the national picture, North Tyneside has seen costs within adult social care continue to rise. Along with the number of adults supported increasing over the last few financial years, the individual needs of those residents have increased due to people living longer with multiple complex conditions. Supporting those needs requires more intensive packages of care which are more expensive to provide. In addition to older people, younger adults with learning disabilities and physical disabilities are also living longer, often with multiple complex issues.

In Children's Services, good progress continues to be made on engaging with children in the early years of life to ensure that they are ready for school. Safeguarding vulnerable children and maximising their educational attainment remain key priorities.

Over recent years, there has been an increase nationally in demand for children's

residential placements but with no corresponding increase in central government funded provision. As such, the levels of looked after children (LAC) and children who require supervision after leaving care continue to generate a significant financial pressure. Data for LAC levels suggest that, whilst fluctuating, there is a general trend of a steady increase in numbers (as per Section 4.2 in the Annex) but there are a wide range of levels of care provided, with more complex cases now being faced.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may approve the recommendations at paragraph 1.2 of this report.

Options 2

Cabinet may decide not to approve to recommendations at paragraph 1.2 of this report.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Cabinet is recommended to agree the proposals set out in section 1.2 of this report as it is important that Cabinet continues to monitor performance against the Budget, especially given the current level of financial pressures faced by the public sector.

1.8 Appendices:

Annex : Financial Management Report to 31 May 2020
Appendix 1: 2020 – 2025 Investment Plan

1.9 Contact officers:

Janice Gillespie – Corporate Finance matters – Tel. (0191) 643 5701
Claire Emmerson – Corporate Finance matters – Tel. (0191) 643 8109
David Dunford – (Acting) Senior Business Partner – Tel. (0191) 643 7027
Cathy Davison – Investment Plan matters- Tel. (0191) 643 5727
Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052

1.10 Background information:

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- (a) Revenue budget 2020/21
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Revenue%20Control%20Budget%202020-21.pdf>
- (b) Investment Plan 2020-25
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=136&MIId=238&Ver=4> (Agenda reports pack - Appendix D(i))

- (c) Reserves and Balances Policy
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CIId=136&MIId=238&Ver=4> (Agenda reports pack - Appendix G)
- (d) Overview, Scrutiny and Policy Development Performance Report
<https://democracy.northtyneside.gov.uk/documents/s2657/Our%20North%20Tynside%20Performance%20Report%20Cover%20March%202020.pdf>

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

As this is a financial report, implications are covered in the body of the report. This report will also be presented to the Authority's Finance Sub-Committee at its meeting on 15 September 2020.

2.2 Legal

The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Internal consultation has taken place with the Cabinet Member for Finance and Resources, the Elected Mayor, Cabinet Members, the Senior Leadership Team and Senior Finance Officers.

2.3.2 External Consultation / Engagement

The 2020/21 budget was completed after widespread consultation and community engagement in line with the Authority's approved Budget Engagement Strategy.

2.4 Human rights

The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and diversity

There are no direct equalities and diversity implications arising from this report.

2.6 Risk management

Potential future financial pressures against the Authority are covered in this report and registered through the Authority's risk management process.

2.7 Crime and disorder

There are no direct crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no direct environmental and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Chief Executive X
- Head of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy X

2020/21 Financial Management Report Annex

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SECTION 1 - GENERAL FUND SUMMARY

1 General Fund Revenue Forecast

- 1.1 This report is the first monitoring report to Cabinet on the 2020/21 financial position. The report brings together financial and performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the first indication of the potential revenue and capital position of the Authority at 31 March 2021. The report explains where the Authority continues to manage financial pressures.

Like all local authorities, North Tyneside Council is in a significant period of financial uncertainty with the impact of the Covid-19 pandemic increasing the challenge of being able to forecast the financial impact across the authority. We are in the early stages of understanding the impacts and expect the forecast position to change over time as we see the impacts evolve and change. We continue to see areas of pressure across Adults and Social Care, but there are significant impacts on income particularly across Sport and Leisure Services, and Catering Services.

- 1.2 The Authority's approved net revenue budget of £161.361m is forecast to outturn with a pressure of £12.968m. The budget includes £0.805m of savings as agreed at Council on 20 February 2020. Table 1 in paragraph 1.6 below sets out the variation summary across the General Fund.
- 1.3 The Authority is continuing to take a prudent approach to forecasting including in relation to identifying the impact of Covid-19 which currently is forecast to add pressures of £23.858 to the General Fund in 2020/21. The

total Local Authority Support Grant received from Government to date is £12.531m of which £0.733m was required to offset Covid-19 issues in 2019/20. The remaining £11.798m is being applied against the forecasted pressures leaving an amount of £12.060m over and above current grant funding. Therefore, the pressures relating to normal business activities across the Authority are currently in the region of £0.908m.

- 1.4 This Annex describes as far as possible the assumptions currently made in respect of additional costs and loss of income as a result of Covid-19, and where services continue to see variations in respect of Business as usual.
- 1.5 Through close motoring of Covid implications the forecast position will change through the year. Whilst some of the impact of additional cost and lost income are captured work is in progress to ensure transparency with regard to some of the savings that changes to operations will drive out. For example, we expect to see savings are car mileage, and potentially energy costs as a result of many office-based staff working from home. We have seen a reduction in printing across the authority and are working to understand with Engie how the authority will see the financial benefit that accrues from that.

Work is also underway to understand the longer-term financial implication and what that means for the longer-term financial plan. Some of that work is set out in Section 5 where an update on the Collection fund position is included in this Annex.

1.6 Table: 1 2020/21 General Fund Revenue Forecast Outturn as at 31 May 2020

Services	Budget	Forecast	Variance	Of which - Covid-19	Of which - Business as Usual	Outturn Variance 2019/20	Business as Usual Change since Outturn
	£m	£m	£m	£m	£m	£m	£m
Health, Education, Care and Safeguarding	70.163	87.461	17.298	11.991	5.307	5.759	(0.452)
Commissioning and Asset Management	7.053	12.713	5.660	5.215	0.445	0.178	0.267
Environment, Housing and Leisure	42.671	48.496	5.825	5.427	0.398	(0.637)	1.035
Regeneration and Economic Development	1.352	1.696	0.344	0.045	0.299	0.275	0.024
Corporate Strategy	0.632	0.846	0.214	0.051	0.163	(0.003)	0.166
Chief Executive's Office	(0.081)	(0.144)	(0.063)	0.000	(0.063)	(0.090)	0.027
Resources	2.779	3.058	0.279	0.005	0.274	0.452	(0.178)
Law and Governance	0.033	0.543	0.510	0.254	0.256	0.204	0.052
Central Items	16.746	(0.353)	(17.099)	(10.928)	(6.171)	(6.188)	0.017
Support Services	20.013	20.013	0.000	0.000	0.000	0.000	0.000
Total Authority	161.361	174.329	12.968	12.060	0.908	(0.050)	0.958

SECTION 2 - DELIVERY OF BUDGET SAVINGS PROPOSALS

2.1 The combined budget savings of £0.805m in 2020/21 approved by Council in February 2020 brings the total savings the Authority has had to find in the ten years following the 2010 Comprehensive Spending Review (CSR) to £127.756m.

2.2 **Table 2: Year on Year savings since 2010 CSR**

Year	£m
2011/12	16.169
2012/13	16.739
2013/14	12.240
2014/15	16.552
2015/16	14.158
2016/17	15.737
2017/18	18.338
2018/19	10.143
2019/20	6.875
2020/21	0.805
Total Savings	127.756

2.3 In addition to the £0.805m of new savings proposals approved as part of the 2020/21 budget setting process, £1.346m of savings targets were agreed in prior year budget setting processes for delivery in 2020/21. Savings targets of £1.093m within Health, Education, Care and Safeguarding (HECS) were met in 2019/20 through management actions and still require a permanent solution in 2020/21. The total amount of savings that need to be achieved in 2020/21 is therefore £3.244m.

2.4 The delivery of savings in 2020/21 is expected to be significantly impacted by the Covid-19 pandemic especially within HECS and Commissioning & Asset Management.

2.5 **Table 3: Efficiency Savings by Service at May 2020**

Service	2020/21 Target £m	Projected Delivery £m	Management Actions £m	Still to Achieve £m
HECS	2.691	0.000	0.000	2.691
Commissioning & Asset Management	0.249	0.164	0.000	0.085
Environment Housing & Leisure	0.125	0.125	0.000	0.000
Central Items	0.179	0.179	0.000	0.000
TOTAL	3.244	0.468	0.000	2.776

2.6 The governance structure of the Efficiency Savings programme includes a monthly review of progress by the Senior Leadership Team (SLT). In addition, in-year budget and performance progress meetings are held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The main variations in

relation to the savings which, at this early stage in the year, are shown as yet to be achieved are outlined in the sections below.

Health, Education, Care and Safeguarding (HECS)

2.7 HECS has a target yet to be achieved of £2.691m. This consists of £1.093m of savings reported in 2019/20 as being met in year through management actions but still requiring a permanent solution and £1.598m of savings identified for delivery in 2020/21. These savings targets relate to a number of areas;

- Increasing income £0.385m
- Service delivery changes £1.160m
- Staffing £0.053m

2.8 This service has been significantly impacted by the Covid-19 pandemic and due to the level of response required during the containment phase and the level of uncertainty across the remainder of the financial year, at this stage a prudent forecast that those savings will not be achieved has been assumed. HECS is continuing to work on the delivery of these targets but in a context of a fragile care market and disrupted assessment and care management processes it will be very challenging to fully deliver these targets in 2020/21. The pressure arising within the budget due to forecasted non-delivery has been shown as part of the Covid-19 financial impact and has been adjusted out of the HECS budget position and is shown within Central Items against the Covid-19 grant.

Commissioning and Asset Management

2.9 Within Commissioning and Asset Management, the only savings targets forecast to be only partially met relate to the increase in school meals fees of £0.082m target of which £0.052m is not likely to be achieved due to Covid-19 related school closures which have also impacted a target relating to increases in catering SLA's of £0.100m of which £0.033m is forecasted as yet to be achieved. The value of the savings forecasted as yet to be achieved have also been adjusted out of the service's position and have been shown within Central Items as Covid-19 related costs.

SECTION 3 – NEW REVENUE GRANTS

3.1 New revenue grants have been received or notified during April and May 2020.

Table 4: Grants Received or Notified in April and May 2020

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Health Education Care & Safeguarding	National Foundation of Youth Music	Arts Council and Youth Music Grant	Delivery of a Youth Music Programme	0.020
Environment Housing & Leisure	Arts Council England	Digital Lending Grant	For the purchase of new e-books and e-audio products	0.001
Health Education Care & Safeguarding	UK Border Agency	Unaccompanied Asylum Seeking Children	For individuals under 18 who have applied for asylum in their own right	0.031
Health Education Care & Safeguarding	Department for Education	Looked After Children Mental Health Assessment Pilot	Piloting a new mental health assessment framework for looked after children entering care	0.017
Central Items	Department for Education	Adoption Support Fund	To provide therapeutic support to Adopted & Special Guardianship (SGO) children during the COVID 19 situation	0.204
Central Items	Department of Health and Social Care	Infection Control Grant	To provide support to care homes and other providers to fund the cost of controlling Covid- 19 infection	1.103

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Central Items	Ministry of Housing, Communities and Local Government	Covid-19 Local Authority Support Grant	To support the local authority in funding the financial impact of Covid-19	5.709
Central Items	Ministry of Housing, Communities and Local Government	Covid-19 Hardship Fund	To offer support to claimants of Local Council Tax Support that may be facing hardship due to Covid-19	2.024
Central Items	North of Tyne Combined Authority	Covid-19 Capacity Fund	Support including a grant scheme and specialist advice to businesses, a grant scheme and employment funding for community organisations, back to work employment support for residents and a marketing campaign for the town centres	1.500
Total				10.609

3.2 In addition to the above, the Authority also received a £1.140m Test, Track and Contain grant relating to Covid-19 from the Department of Health and Social Care. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred in relation to the mitigation against and management of local outbreaks of Covid-19. This grant was received in June 2020 and as such is not included in the table above.

2 July 2020 saw a further announcement of support for Local Government of £500m of unringfenced funding to respond to funding pressures. The share for North Tyneside Council was confirmed as £1.777m on 16 July 2020. In addition, the Government also announced support will be provided to support pressures on sales, fees and charges. The support will involve a 5% deductible rate, whereby Authorities will absorb losses up to 5% of their planned sales, fees and charges income, with the Government compensating authorities for 75p in every pound of their relevant loss thereafter. Officers are currently working through this element of the announcement

SECTION 4 – SERVICE COMMENTARIES

4.1 Meetings have been held between finance officers and budget managers to review the forecast positions for 2020/21, with forecasts being prepared on a prudent basis at this early stage in the financial year. Challenge sessions are planned to review the quarterly financial position and service performance with the Elected Mayor, the Deputy Mayor, the Cabinet Member for Finance and Resources, and other relevant Cabinet Members. Heads of Service and their senior teams also attend these challenge sessions to discuss plans in progress to mitigate any pressures.

4.2 Health, Education, Care & Safeguarding (HECS)

4.2.1 HECS is showing an initial forecast variance of £5.307m against its £70.163m net controllable expenditure budget. This position is after adjusting for a total of £11.991m of Covid-19 related cost and income pressures which are now shown within Central Items. This forecast position excludes the application of contingency budgets set aside in Central Items for pressures in Adult Services of £1.800m and within Children’s Services of £2.616m.

4.2.2 The HECS service continues to be heavily impacted by the Covid-19 Pandemic and has put in place a range of responses to support existing clients and other residents directly affected by the virus who have required new support packages to be put in place on discharge from hospital or to prevent an admission. Work has also been ongoing to support social care providers to maintain their vital services. In addition to cost pressures, income losses directly related to Covid-19 disruption are forecasted amounting to £1.315m. The following Covid-19 related pressures are forecasted within HECS for 2020/21.

4.2.3 Table 5: Impact of Covid-19 on HECS

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Mainly Wellbeing & Assessment	0.000	0.388	0.388	Lost client contributions
Mainly Wellbeing & Assessment	2.454	0.000	2.454	Additional demand
Mainly Wellbeing & Assessment	3.513	0.000	3.513	Supporting the care market
Mainly Integrated Services	0.754	0.000	0.754	Supplies and services incl. PPE
Employment & Skills	0.000	0.058	0.058	Lost course fee income
School Improvement	0.000	0.869	0.869	Lost income from the Langdale Centre, High Borrans and school development work

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Mainly Corporate Parenting & Placements	1.213	0.000	1.213	Increased costs for children in care
Across the Service	2.691	0.000	2.691	Savings targets at significant risk of non-delivery due to Covid-19 issues
Adoptions	0.051	0.000	0.051	£0.051m costs relating to adoptions
Total	10.676	1.315	11.991	

- 4.2.4 The financial impact of the Covid-19 crisis began in the last month of 2019/20 and is expected to continue throughout 2020/21. Under Government guidance which applied from 19 March 2020, the costs of packages for residents who have been discharged from hospital and any increased costs of packages which prevented admissions to hospital have been charged into a new pooled fund where the costs will be met by contributions from the Government paid via the North Tyneside Clinical Commissioning Group (NTCCG). The end date for these new arrangements has not yet been published but has been assumed to be 31 July for the purpose of forecasting. The Discharge Guidance states that there will be a transition period to allow local authorities to undertake a financial assessment of clients provided with a care package during this period. The forecast assumes that the costs of packages provided through the pooled fund will return to the Authority for the last seven months of the financial year and is identified as additional demand (£2.454m) in Table 5 above.
- 4.2.5 The forecasted costs of supporting the care market is estimated to be £3.513m and relates to supporting care homes and other providers to meet the additional operational costs of Covid-19, for example in relation to PPE and backfilling absent staff. All providers with operational services during the Pandemic have been paid an additional fee premium of 5% to cover Covid-19 operational costs. In addition, any provider which has been severely affected by Covid-19 can apply for reimbursement of any Covid-19 costs not funded through other sources, which have been suffered over and above the additional fee premium paid. The Authority is also working with care home providers within the Borough to address issues relating to the future sustainability of the market especially where individual providers have high levels of vacancies. There are similar operational cost pressures for in-house services totalling £0.754m of which £0.600m relates to PPE costs with additional costs also forecasted in relation to transport for clients, additional costs of Local Authority funded funerals and additional phone and IT costs to support increased levels of agile working.
- 4.2.6 Lost income across the service has also been identified as an impact of Covid-19 disruption. This relates to client contributions (£0.388m) where reduced levels of income are forecasted at the current rate for the remainder of the financial year.

This position is likely to improve as some currently suspended services are re-started albeit at reduced capacity. A loss of income within School Improvement of £0.869m is forecasted relating to a full year loss of income at High Borrans education centre and other fee income loss for the period April to August. Course fee income within Employment and Skills of £0.042m for the full financial year is also forecasted.

4.2.7 A total of £1.213m of sustained costs relating to children in care have been identified as a result of care provision being extended as court delays prevent children leaving care and additional operational costs within in-house settings and in externally provided care packages. A fee premium of 5% has been forecasted against all externally provided care for the full financial year.

4.2.8 Once the impact of Covid-19 has been adjusted for, the remaining pressures broadly reflect a continuation of the position in 2019/20. Further details are shown in paragraphs 4.2.10 to 4.2.36.

4.2.9 **Table 6: Forecast Variation for HECS at May 2020**

	Budget	Forecast May	Variance May	Of which-Covid-19 related	Of which-Business as Usual	Variance 2019/20	Business as Usual Change since Outturn
	£m	£m	£m	£m	£m	£m	£m
Corporate Parenting & Placements	16.739	22.846	6.107	2.444	3.663	5.262	(1.599)
RHELAC Service	0.004	0.004	0.000	0.000	0.000	0.037	(0.037)
Child Protection, Independent Assurance and Review	0.673	0.688	0.015	0.000	0.015	0.006	0.009
Early Help & Vulnerable Families	0.980	0.901	(0.079)	0.000	(0.079)	(0.089)	0.010
Employment & Skills	0.549	0.539	(0.010)	0.058	(0.068)	(0.068)	0.000
Integrated Disability & Additional Needs Service	2.272	3.272	1.000	0.152	0.848	0.404	0.444
School Improvement	0.056	0.830	0.774	0.869	(0.095)	(0.166)	0.071
Regional Adoption Agency	(0.010)	0.041	0.051	0.051	0.000	0.000	0.000

	Budget	Forecast May	Variance May	Of which-Covid-19 related	Of which-Business as Usual	Variance 2019/20	Business as Usual Change since Outturn
	£m	£m	£m	£m	£m	£m	£m
Children's Services Sub-total	21.263	29.121	7.858	3.574	4.284	5.386	(1.102)
Wellbeing, Governance & Transformation	2.156	2.220	0.064	0.000	0.064	0.099	(0.035)
Disability & Mental Health	31.851	32.897	1.046	1.777	(0.731)	(0.485)	(0.246)
Wellbeing & Assessment	11.505	19.998	8.493	6.298	2.195	1.188	1.007
Integrated Services	2.997	2.820	(0.177)	0.342	(0.519)	(0.405)	(0.114)
Business Assurance	0.293	0.307	0.014	0.0000	0.014	(0.024)	0.038
Adult Services Sub-total	48.802	58.242	9.440	8.417	1.023	0.373	0.650
Public Health	0.098	0.098	0.000	0.000	0.000	0.000	0.000
Total HECS	70.163	87.461	17.298	11.991	5.307	5.759	(0.452)

Main budget pressures across HECS

- 4.2.10 In addition to its response to the Covid-19 pandemic, HECS continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but which have become more acute with the operational impact of Covid-19 on care homes and issues around high vacancy levels in a small number of care homes within the Borough. Dialogue continues with care home providers around appropriate fee rates. Negotiations also continue around ensuring funding contributions from the NHS for clients with health needs as the NTCCG themselves face continuing budget constraints.
- 4.2.11 The main factor behind the overall outturn position is the significant pressure within Corporate Parenting and Placements in relation to care provision for children in care and care leavers. Although the number of children in care rose to 321 in January 2020, the numbers dropped to 299 by the end of 2019/20 and have remained stable (see 4.2.27 below). In addition to third party care provision pressures, there are also on-going pressures in the workforce arising from staff retention costs and recruitment costs. Within adult services, cost pressures remain in relation to third party care provision especially in relation to older people.

Adult Services

- 4.2.12 In Adult Services, there is a forecasted pressure of £1.023m which compares to an outturn variance of £0.373m in 2019/20. The position in 2019/20 benefitted from a one-off adjustment of £1.257m to reflect payments in advance for care delivered by a direct payment. Work is in progress to determine the longer term financial impact of the review of direct payments and the subsequent impact on the budget.
- 4.2.13 There are on-going pressures in third party payments for care provision which is £3.466m above budget levels. There is also a smaller pressure relating to premises costs (£0.165m). These are partially offset by increased client contributions and contributions from the NHS (£2.354m). There are also underspends against transport budgets and supplies and services of £0.103m and £0.151m respectively. The demand pressures were foreseen by Cabinet and backed by £1.800m of centrally held contingencies.
- 4.2.14 Pressures within external payments for care provision total £3.466m above budget. Table 7 below shows external payments for care pressures analysed into service types.

Table 7: Analysis of Adult Services Care Provision Pressure by Service Type

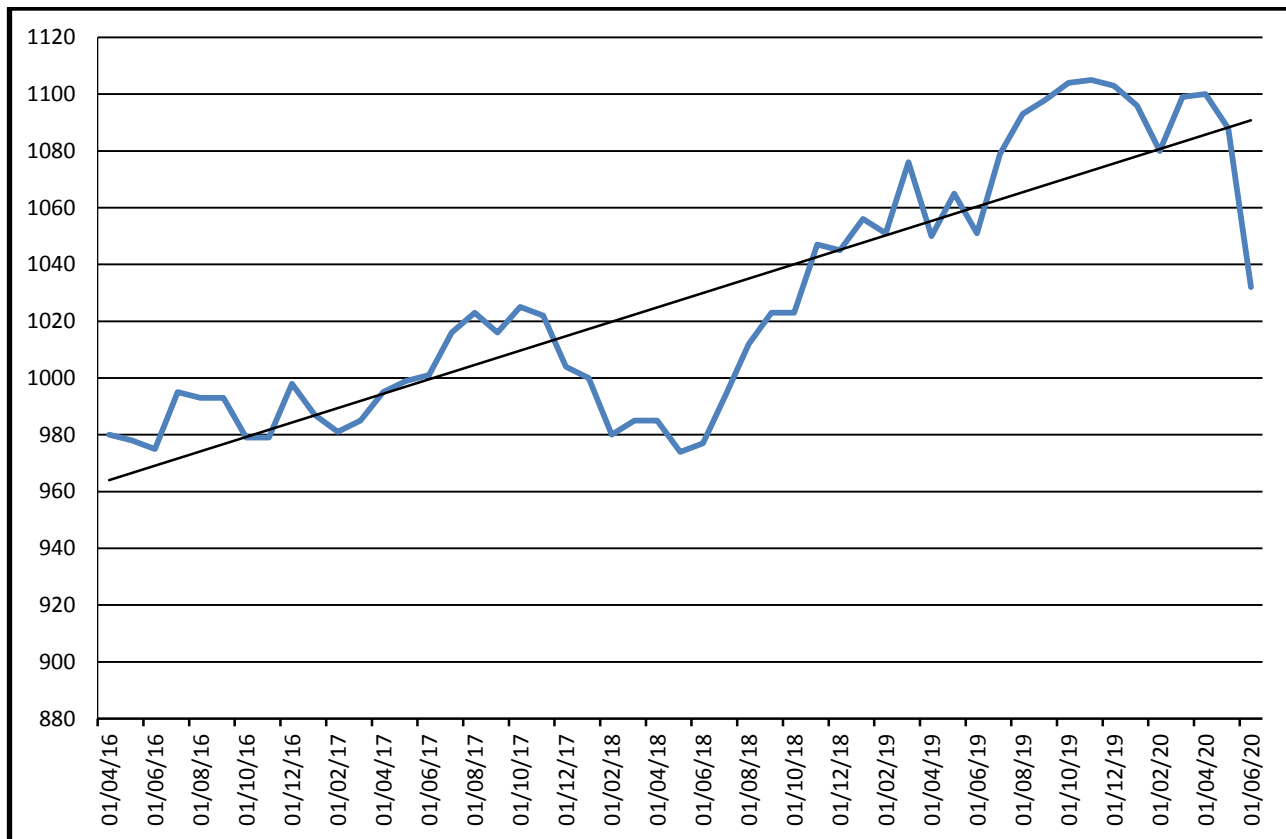
Type of Service	May £m	March £m
Residential and Nursing Care	2.950	3.934
Homecare and Extra Care	1.451	1.151
Other Community-Based Care	(0.935)	(0.890)
Total	3.466	4.195

Residential and Nursing Care

- 4.2.15 In relation to Residential and Nursing Care, an increase in short-term placements in the later part of 2018/19 saw numbers of placements overall rise to 1,066 by the end of that financial year. Internal processes to monitor the use of short-term placements were strengthened and numbers of placements fell in the first part of 2019/20. However, challenges remained, for example the option to move clients from short-term placements to community provision diminishes after longer lengths of stay in short-term placement as clients lose skills and family concerns increase around risks at home. The numbers of placements overall for residential and nursing care, continued in an overall upward trend since July 2019 to a total number of clients placed in care homes of 1,093 at the end of March 2020.
- 4.2.16 The impact of the Covid-19 pandemic, however, has had a significant impact on the numbers in residential and nursing care due to a higher than normal level of deaths and a slower rate of new admissions to care. The number in residential and nursing across all client categories at the end of May was 1,032. The reduced numbers in care has resulted in a reduced forecast pressure of £2.950m compared to £3.934m at the end of 2019/20.

4.2.17 The movement in numbers placed in residential and nursing care is shown in Chart 1 below.

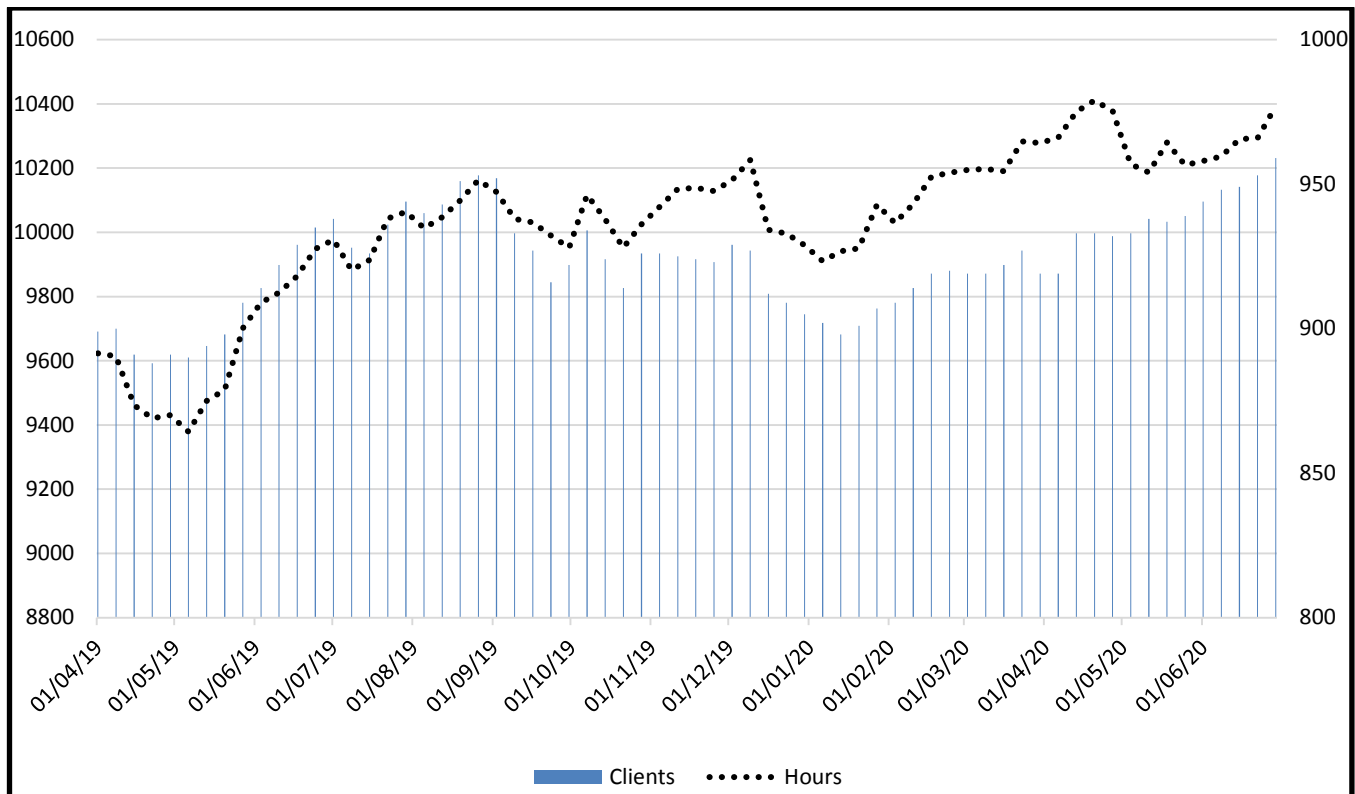
Chart 1: Movement in Numbers of Clients in Residential and Nursing Care since April 2016



Homecare and Extra Care

4.2.18 As reported during 2018/19, the Authority, in line with the national trend, had seen an increase in the number of homecare hours provided despite a fall in the total number of clients receiving this type of service. Cabinet will recall from the 2019/20 Outturn Report that the number of clients rose by 3% during 2019/20 however the number of hours delivered increased by 8.3%. The trend during the first two months of 2020/21 has been fairly volatile with an increase in the number of clients (left axis) and hours delivered (right axis) as shown in Chart 2 below:

4.2.19 Chart 2: Trends in Homecare/Extra Care Services



4.2.20 HECS is working hard to continue to embed the asset-based approach by re-engineering the customer pathway through the service to ensure that assessments are proportionate and that clients receive the appropriate level of support to meet their needs to the extent that they are eligible under the Care Act as cost-effectively as possible. Work is continuing to develop further technology solutions to meet needs related to areas such as medication prompts and shopping in a more cost-effective way. The approach around the proportionate assessments carried out during the Covid-19 pandemic under Care Act easement guidance is expected to support further change within the service and management are working hard to ensure positive changes are retained in future practice.

Client Related Income

4.2.21 There is a forecasted pressure in NTCCG contributions for shared care of £0.929m due to a reduction in contributions for clients who have a significant health need but who do not meet the threshold for continuing healthcare often referred to as 'shared care'. Shared care is not subject to the same statutory guidance as Continuing Healthcare and funding arrangements are agreed on an individual client basis between the Authority and the NTCCG. This form of funding has been reducing since 2015/16 and there is a further reduction in 2020/21 of £0.310m mainly due to the full year impact of changes notified in 2019/20. Management within HECS are working hard to ensure that clients with significant health needs are appropriately supported by contributions from NHS funding. This reduction is offset by a surplus against budget in other areas of NHS funding to give an overall surplus of £0.364m. Contributions from clients are forecasted to

be significantly above budget with a surplus of £1.990m, partially offsetting the overspends within payments for externally provided care.

Premises

- 4.2.22 There is a pressure of £0.165m in premises costs relating mainly to rent for respite premises for clients with a learning disability and accommodation costs for teams based within the community.

Children's Services

- 4.2.23 In Children's Services the £4.284m forecast position relates mainly to demand pressures of £3.663m in Corporate Parenting and Placements and £0.848m in Integrated Disability and Additional Needs. These pressures are partially offset by underspends in Early Help and Vulnerable Families, Employment and Skills and School Improvement. The pressures were foreseen by Cabinet and backed by £2.616m of centrally held contingencies. This position excludes Covid-19 related pressures of £3.574m which have been transferred to Central Items.

Corporate Parenting and Placements

- 4.2.24 The pressures within Corporate Parenting and Placements can be broken down as follows:

Table 8: Analysis of Pressures in Corporate Parenting and Placements

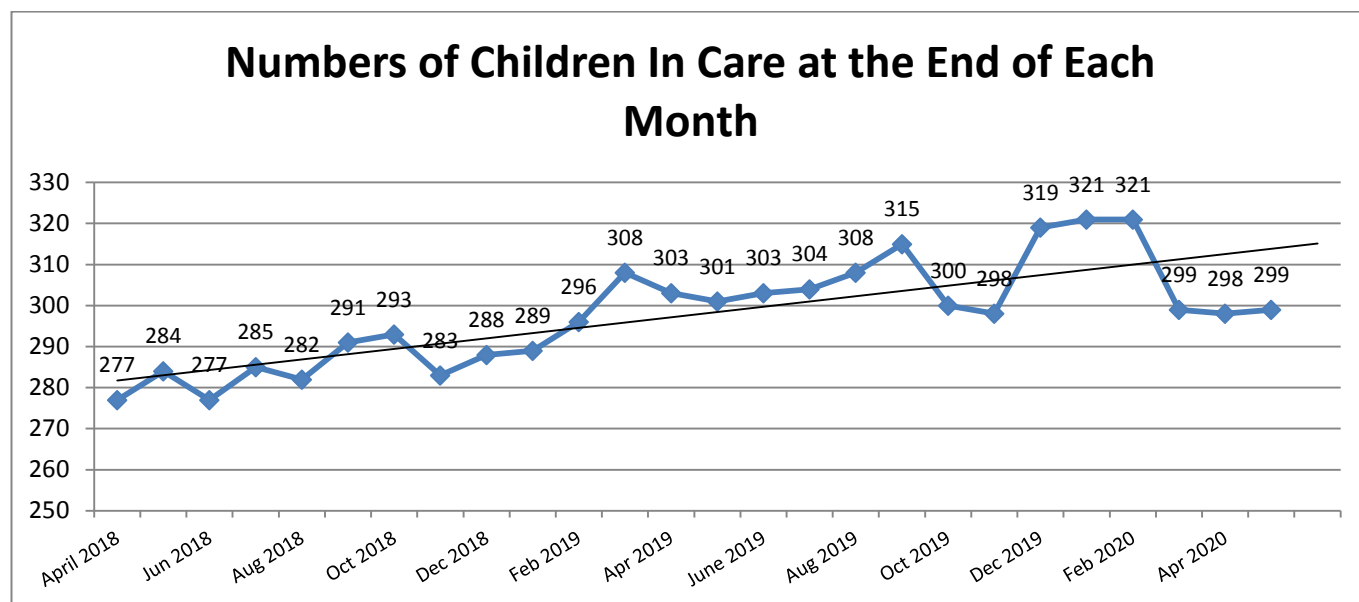
Type of Service	Budget 2020/21 £m	Variance May £m	Variance 2019/20 £m	Change Since Outturn £m
Care provision – children in care	9.384	1.960	4.362	(2.402)
Care provision – other children	3.200	0.719	0.634	0.085
Management & Legal Fees	(0.053)	0.437	(0.104)	0.541
Social Work	4.164	0.542	0.402	0.140
Safeguarding Operations	0.044	0.005	0.005	0.000
Total	16.739	3.663	5.299	(1.636)

- 4.2.25 The forecast has been developed based on the children in care as at the end of May 2020. The number in care at the end of May was 299 which was unchanged from March after dipping slightly to 298 in April. The May forecast for the total number of care nights however is currently significantly lower for 2020/21 at 106,720 nights compared to the total number of care nights delivered in 2019/20 which was 112,622 and this explains the reduced forecast for the new year. The number of children in care can be volatile and costs for individual children can be very high. The forecast will be increased if numbers of care nights delivered starts to rise above current levels. There is a concern that there may be future spikes in numbers of children in care as the potential economic effects of the Covid-19 crisis impact on families.

Care Provision – Children in Care

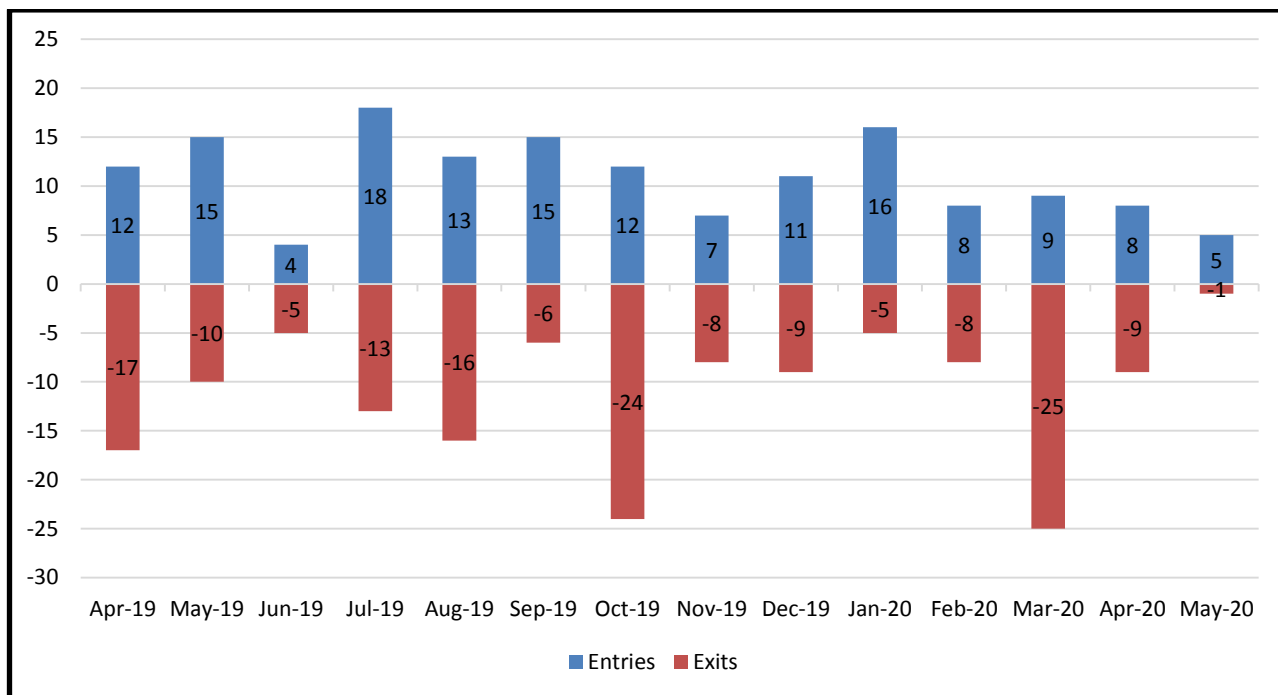
4.2.26 Over recent years, there has been an increase nationally in demand for children’s residential placements but with no corresponding increase in government-funded provision. In North Tyneside over the last few years the overall number of children in care has mirrored the increases being felt nationally.

4.2.27 Chart 3: Children in Care at the End of Each Month



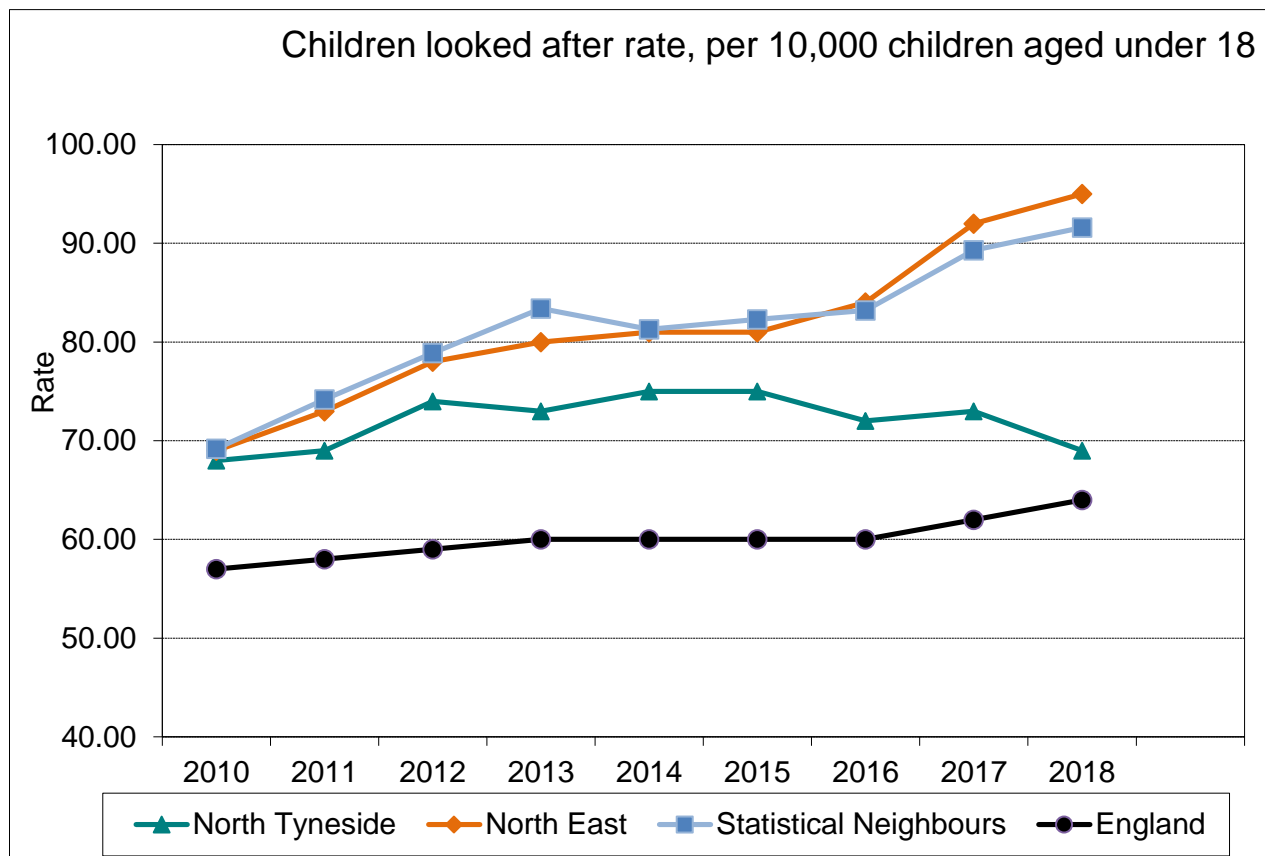
4.2.28 Delays within the court system continue to impact on the numbers of children leaving care. Although the situation had initially improved since the autumn, the impact of the Covid-19 has introduced further issues. The Authority currently has 10 cases delayed either because the court cannot complete the hearings remotely or because Covid-19 has affected the availability of specialist assessments. The impact of this is that children are remaining in care for longer where otherwise an improved situation for them could have achieved in a shorter time frame. The financial impact is the ongoing cost of placements. The pattern of children leaving care proved to be much more volatile in 2019/20 as compared to 2018/19 but with a general pattern of less children leaving care, as shown in Chart 4 below. The impact of Covid-19 on numbers leaving care in April and May can be seen with only one leaver in May.

Chart 4: Detailed Movement in the Numbers of Children in Care



4.2.29 The most recent available national comparators from 2018/19, as demonstrated by Chart 5 below, shows that North Tyneside, although above the England average, has historically performed well within the North East region in relation to the rates of children in care.

4.2.30 **Chart 5: Comparative Performance in Rates of Children in Care per 10,000 Children under 18**



4.2.31 Placement mix in 2019/20 continued to change, moving towards the complex end of the spectrum which led to increase in overall costs last financial year. Placement numbers are holding steady at this point in the year with a reduced forecast for care nights in the more complex and costly services. Residential care nights are forecasted to be 7,311 for the year compared to 8,649 in 2019/20. Residential placements continue to be costly with a current average annual cost of £0.259m but which can be very volatile and is dependent on the individual needs of the cohort of children and young people in externally provided residential placements at any point in time. External supported accommodation can also be expensive. During 2019/20 there was a cohort of eight young people with very complex needs being supported for the majority of the year at an average cost of approximately £0.005m per week and these placements are continuing into 2020/21.

4.2.32 **Table 9: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	19/20 Outturn Variance	Average Annual Placement cost (£m)	2020/21 Forecast Bed Nights	2019/20 Outturn Bed Nights	Placement Mix	No. of children May 20	No. of children March 20
External Residential Care	0.830	0.259	7,311	8,649	7%	23	23
External Fostering	0.144	0.038	9,553	11,184	9%	24	26
In-House Fostering Service	0.298	0.022	74,520	76,731	70%	204	203
External Supported Accommodation	0.946	0.148	3,746	4,349	4%	16	15
Other*	0.032	various	11,590	11,709	10%	32	32
Total	2.250		106,720	112,622	100%	299	299

*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility and NTC Children's Homes.

Care Provision – Children not in care

- 4.2.33 The pressure of £0.719m (2019/20 outturn variance, £0.634m) relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority's policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. The contingency budget of £2.616m established in Central Items in 2018/19 was, in part, intended to mitigate against these costs.

Management and Legal Fees

- 4.2.34 This area has a forecast pressure of £0.437m (2019/20 outturn variance, underspend of £0.104m). The position in the last financial year was due to the release of available grant funding to support pressures across the service. Pressure in this area includes management costs of £0.104m, professional fees relating to children in care £0.060m, legal costs £0.100m and other child related costs such as professional fees, DNA tests, drug and alcohol testing, asylum seeker support, counselling sessions and costs for other therapeutic interventions.

Social Work

- 4.2.35 Within the overall pressure of £3.663m for Corporate Parenting and Placements, there are staffing pressures of £0.542m. Cabinet is aware of the particular challenges faced across the children's social care sector nationally. The net pressure is due to the need to establish an additional team, to support with case load management (£0.234m) and as a result of market supplement payments (£0.259m). Children's services ended the year with no agency staff in place and caseloads were in line with good practice.

Integrated Disability and Additional Needs (IDANS)

4.2.36 IDANS is forecasting a pressure of £0.848m (2019/20 outturn variance was £0.404m). Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs). Within North Tyneside, the number of children with an EHCP has risen from 1102 in January 2018 to 1700 in May 2020. Within this service area the main pressures relate to operational staffing costs within in-house residential services of £0.150m, and an associated unachieved health income target of £0.100m. There are also forecast staffing pressures of £0.237m in Educational Psychology partly relating to cover arrangements associated with maternity leave and partly relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs. The IDANS service is continuing to carefully review planned provision.

4.3 Commissioning and Asset Management

4.3.1 Commissioning and Asset Management (C&AM) has a forecasted outturn pressure of £0.445m as set out in Table 11. This is after adjusting for forecast pressures of £5.215m relating to the impact of Covid-19 on the service.

4.3.2 C&AM has also been heavily impacted by the Covid-19 pandemic, particularly in relation to supporting schools and in relation to lost income. The following Covid-19 related costs have been forecasted within C&AM for 2020/21 and have been transferred to Central Items and set against the Covid-19 Local Authority Support Grant.

4.3.3 **Table 10: Covid-19 Financial Impact within Commissioning and Asset Management**

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Catering	0.666	3.158	3.824	Lost school meals income and hospitality income and costs of providing additional free school meals services
Cleaning	0.000	0.333	0.333	Additional hours of cleaning and associated equipment and materials directly related to Covid-19
Other income	0.000	0.113	0.113	Lost income for parking charges at Quadrant and school absence penalty notices

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Home to school Transport	0.225	0.000	0.225	Additional costs of transport under infection control
Volunteer Scheme	0.100	0.000	0.100	Supporting vulnerable residents by additional foodbank support for the full financial year
Property	0.400	0.000	0.400	Loss of ability to recharge staff time to capital
Property Services	0.000	0.135	0.135	Potential rental income reductions
Savings Targets	0.000	0.085	0.085	Savings targets for school meals fee increases and non-fee-paying income are forecasted not to be achieved at this stage
Total	1.391	3.824	5.215	

- 4.3.4 In relation to paid school meals, there is a forecasted income loss of £2.316m. This assumes a 100% loss of income for the period April to July 2020 dropping to a 50% loss from September to December and a 25% loss for the remainder of the year. Remaining Catering income losses (£0.182m) relate to staff restaurants and civic catering which are forecasted on the same basis as school meals losses and non-fee-paying income loss (£0.660m) which is forecast for the period April to July 2020. These pressures are net of a saving in provisions of £0.787m and costs relating to a loss of perishable food stock of £0.184m. A pressure of £0.666m is forecasted for the costs of packed lunches over and above grant funding for free school meals as this form of provision is forecasted to be more costly than normal operations.
- 4.3.5 Additional cost pressures of £0.333m for cleaning has been identified for the full financial year. This relates to anticipated additional cleaning hours that will be required as a result of Covid-19 with a forecasted increase in staffing costs by a third (£0.263m) for the period to March 2021 plus costs of new cleaning machinery and equipment and additional cleaning materials (£0.070m). This forecast will continue to be reviewed as the year progresses.
- 4.3.6 Anticipated losses of car parking income at Quadrant are forecasted as £0.065m and relate to the full financial year. Salary sacrifice arrangements for staff parking are currently suspended. A loss of income of £0.048m is forecasted in relation to school non-attendance penalty notices for the full year.
- 4.3.7 Additional costs of £0.225m in relation to Home to School Transport have been forecasted as the service is expecting increased pressure from September with a

need to provide more single journeys to allow for social distancing in line with anticipated guidelines.

4.3.8 Additional forecasted pressures in relation to Property relate to a forecast for staff recharges of £0.100m which are unachievable due to Covid-19 related delays to capital schemes and potential rental income losses of £0.135m. An amount of £0.300m has been identified as the forecasted cost of making all council buildings Covid-19 compliant prior to reopening.

4.3.9 **Table 11: Commissioning and Asset Management Forecast Variation**

	Budget £m	Forecast May £m	Variance May £m	Of which – Covid-19 £m	Of which – Business as usual £m	Variance 2019/20 £m	Business as Usual Change since Outturn £m
School Funding & statutory staff costs	4.690	4.661	(0.029)	0.000	(0.029)	(0.029)	0.000
Commissioning Service	0.359	0.349	(0.010)	0.000	(0.010)	(0.010)	0.000
Facilities & Fair Access	0.353	5.436	5.083	4.580	0.503	0.505	(0.002)
Community & Voluntary Sector Liaison	0.439	0.521	0.082	0.100	(0.018)	(0.018)	0.000
Strategic Property & Investment	1.727	1.727	0.000	0.000	0.000	0.000	0.000
High needs Special Educational Needs	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Property	(0.645)	(0.110)	0.535	0.535	0.000	(0.269)	0.269
Commissioning & Asset Management & support	0.154	0.153	(0.001)	0.000	(0.001)	(0.001)	0.000
Procurement	(0.024)	(0.024)	0.000	0.000	0.000	0.000	0.000
Total Commissioning & Asset Management	7.053	12.713	5.660	5.215	0.445	0.178	0.267

4.3.10 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing forecast pressures of £0.503m largely unchanged from the 2019/20 outturn. The overspends are across Catering and Cleaning (£0.244m) and Home to School Transport (£0.223m) with a smaller pressure on Quadrant

car parking income (note the impact of lost Quadrant car parking income resulting from Covid-19 building restrictions has been transferred to Central Items).

The issues in Catering and Cleaning relate to non-staffing cost increases and staffing pressures which have not been met by increases in income while the Home to School Transport pressures relate to the increase in children with complex needs attending special schools which is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant (see paragraphs 5.8 to 5.15 for more details). National supplier relief guidelines have been followed and transport contractors have been paid at usual rates during the lockdown period however, only the costs of anticipated additional routes to comply with social distancing have been included as Covid-19 costs. These main budget issues with Facilities and Fair Access are difficult to forecast and there is considerable uncertainty resulting from Covid-19 related changes in the operation of schools. Business as usual forecasts are currently largely based on 2019/20 outturns as there is a limited amount of financial data available relating to 2020/21. As such these forecasts prudently include pressures which existed in 2019/20 but which may not fully materialise in 2020/21 due to the restrictions on operations caused by the Pandemic.

4.3.11 C&AM is continuing to look at additional ways to achieve further efficiencies across the Catering and Cleaning services to mitigate these pressures in 2020/21 although this will be further complicated by the ongoing challenge of Covid-19 related changes to the way schools will operate in 2020/21. Within Home to School Transport, work continues on route rationalisation using the new QRoute system however this will also be impacted by Covid-19 as sharing of transport will be limited by infection control measures.

4.4 **Environment, Housing & Leisure (EHL)**

4.4.1 EHL is forecasting a pressure of £0.398m against the £42.671m budget, as set out in Table 13 below. EHL has realigned budgets and received growth to correct many of the historic pressures which in previous years were mitigated by one off items. The position includes a planned £0.758m draw-down of reserves for the street-lighting PFI contract.

4.4.2 EHL continues to be heavily impacted by the Covid-19 pandemic most notably by the closure of its sports and leisure facilities and libraries. The following Covid-19 related financial impacts have been identified within EHL for 2020/21 and have been transferred to Central Items and are set against the Covid-19 Local Authority Support Grant.

4.4.3 Table 12: Forecast Impact of Covid-19 on EHL for 2020/21

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Sports & Leisure	0.102	2.880	2.982	Lost income due to closures of facilities and costs of additional cleaning supplies, etc.
Environmental Services	0.131	0.235	0.366	Additional costs and lost income from café closures Covid-19 signage Additional PPE costs School SLA income foregone
Waste & Refuse Services	0.024	0.130	0.154	Reduced commercial income from fewer collections Reduced income from special collections Increased supply costs
Cultural Services	0.172	0.324	0.496	Impact on Mouth of Tyne Festival (fees paid to acts, Impact on T&W Museums Lost income in libraries Loss of rental income in buildings
Planning and Development	0.000	0.113	0.113	Reduction in building control fees Reduction in planning applications
Environmental and Regulatory Services	0.000	0.040	0.040	Taxi licencing activities
Highways and Transport	0.000	1.236	1.236	Impact on car parking fees Lost income on engineering fees, streetworks, road permits, etc
Homelessness Additonal Costs	0.034	0.000	0.034	Additional bed and breakfast costs to prevent homelessness

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Street-lighting PFI	0.006	0.000	0.006	Costs to counter increased anti-social behaviour
Total	0.469	4.958	5.427	

4.4.4 The impact of the Covid-19 Pandemic on EHL is mainly in relation to lost income. £4.958m of the £5.427m estimated impact is due to income-generating services being closed or expected to operate at a lower level than previously. For the period April to July, lost income is based on closed services and uses prior year income generation patterns to provide an estimated value. Thereafter a high-level impact assessment of ongoing income has been made based on expected operating levels.

4.4.5 In most areas costs forecasted costs relate to additional work or supplies required to operate during the Pandemic, however the Mouth of the Tyne festival has cost pressures due to upfront costs of providing the festival such as booking fees for acts. These fees, at this stage, cannot be guaranteed to be transferrable to the festival when it occurs in 2021/22. These forecasts will be reviewed as more information becomes available.

4.4.6 Table 13: Forecast Variation in Environment Housing & Leisure

	Budget (£m)	Current Forecast (£m)	Variance (£m)	Of Which Covid-19 (£m)	Of Which BAU (£m)	Outturn 2019/20 (£m)	Change Since Outturn £m
Sport & Leisure	2.802	6.003	3.201	2.982	0.219	0.310	(0.091)
Cultural Services	6.801	7.463	0.662	0.496	0.166	0.044	0.122
Security & Community Safety	0.314	0.328	0.014	0.000	0.014	0.009	0.005
Fleet Management	1.087	1.143	0.056	0.000	0.056	0.019	0.037
Waste and Recycling Disposal	7.579	7.659	0.080	0.154	(0.074)	(0.889)	0.815
Waste Management	3.880	3.878	(0.002)	0.000	(0.002)	0.101	(0.103)
Local Environmental Services	7.210	7.640	0.430	0.366	0.064	(0.106)	0.170
Head of Service and Resilience	0.234	0.218	(0.016)	0.000	(0.016)	(0.036)	0.020
Street Lighting PFI	4.323	4.329	0.006	0.006	0.000	0.000	0.000
Consumer Protection & Building Control	0.997	1.026	0.029	0.040	(0.011)	(0.040)	0.029
Transport and Highways	6.395	7.623	1.228	1.236	(0.008)	(0.016)	0.008
Planning	0.252	0.365	0.113	0.113	0.000	0.056	(0.056)
General Fund Housing	0.797	0.821	0.024	0.034	(0.010)	(0.089)	0.079
Total	42.671	48.496	5.825	5.427	0.398	(0.637)	1.035

4.4.7 The main pressures relate to operational pressures envisaged across several services, with a total value of £0.348m, plus cross-cutting pressures on utilities and rates of £0.091m and income pressures of £0.103m. These pressures are slightly mitigated by an expected saving in Waste Strategy of £0.070m.

4.4.8 The following paragraphs 4.4.9 to 4.4.21 outline the pressures in each service area;

Sport and Leisure

4.4.9 Sport and Leisure is predicting a pressure of £0.219m, however this position is after a transfer to Central Items of £1.982m lost income and additional expenditure due to Covid-19 to July and a further estimated £1.000m impact due to reduced take-up of the service thereafter. Whilst income budget targets around gyms have increased by £0.050m compared to 2020/21, EHL is expecting to meet these once the impact of Covid-19 has been adjusted for.

4.4.10 Most of the historical energy and rates pressures within Sport & Leisure have been corrected in the 2020/21 budget, leaving a smaller £0.091m pressure compared to £0.207m in 2019/20. Historical pressures around operational costs (both staffing and non-staffing) identified in 2019/20 outturns have been prudently recast in 2020/21 whilst the review and full impact of the current pandemic is assessed. As such these forecast pressures may not fully materialise in 2020/21.

Cultural Services

4.4.11 Cultural Services within North Tyneside are showing a forecast pressure of £0.166m, which is net of Covid-19 related forecast transfers of £0.496m.

4.4.12 Historical pressures around energy and rates have been partially mitigated in 2020/21, however some historical pressures prudently remain in relation to library income targets and historical pressures on operational costs against budgets. These pressures will continue to be assessed by Cultural Services as the year progresses, taking in the context of the Pandemic as well as operational reality.

Security and Community Safety

4.4.13 This service area has reviewed and realigned both structure and finances to increase its overall viability. Following this work, it is now forecasting small pressure of £0.014m.

Fleet Management

4.4.14 Fleet Management is now forecasting a small £0.056m pressure, mainly in relation to reduced recharging income around transport available for rental and non-recovery of management fees on fuel charges due to lack of use. This income pressure has been partially offset by reduced maintenance costs and will continue to be reviewed as any drop in income may be self-correcting over the year as operations pick up from the current hiatus.

Waste Management including Recycling and Disposal

- 4.4.15 Last year's outturn saving reflected lower than expected volumes of waste disposal. For 2020/21 Waste Management have reviewed the budgets to meet the expected volumes and prices, then realigned budgets where possible to ensure the expected service costs for fleet, bins replacement, green waste and waste strategy are met. This is reflected in an almost balanced position after recognising and transferring Covid-19 pressures of £0.154m relating to reduced commercial and other income. . As waste volume data is made available across the year this forecast will be constantly reviewed.
- 4.4.16 There is a forecast saving of £0.074m in waste strategy costs due to vacant posts that are yet to be filled. Whilst the service is currently forecasting to carry out this work to budget this will need to be carefully monitored and any financial impact identified as it manifests.

Local Environmental Services

- 4.4.17 Local Environmental Services is predicting a forecast pressure of £0.064m, mainly relating to expected additional operational pressures in Bereavement of £0.050m. These pressures are due to a prudent approach to operational spend and will need to be constantly reviewed along with operational income as the year progresses.

This is after transferring out the £0.366m estimated impact of Covid-19 on the service, which mainly relates to lost income in park cafes, additional costs of signage and PPE and lost grounds maintenance SLA income with schools. Schools have been advised under Government guidance to make payments to contracted suppliers, including the Authority, however this is at their own discretion.

Street Lighting PFI

- 4.4.18 The street-lighting PFI contract balances to budget following a planned £0.758m draw-down from reserves, as in previous years. Historical energy cost pressures have been mitigated where possible, reducing the value of the reserve draw-down.

Consumer Protection & Building Control

- 4.4.19 This area is predicting Covid-19 related loss of income of £0.113m. Dealing with these costs centrally leaves an expected small staffing saving of £0.011m.

Transport & Highways

- 4.4.20 This area is forecasting Covid-19 related lost income from car parks of £0.832m, which is based on complete closure to mid-May then reduced ongoing pressure (reducing) of 90% lost income in June for off street parking leading to full recovery from August onwards. On Street parking is forecasting 70% lost income in June reducing to 20% from August until December, followed by full recovery from February. In addition to this loss there are lost engineering fees, streetworks fees and road permit income of £0.404m due to reduced works during 2020/21. Transferring out these costs leaves a small forecast saving of £0.008m.

General Fund Housing

4.4.21 The planning service is expecting to carry additional Covid-19 related costs due to increased costs of homelessness, though meeting these costs centrally will leave a small saving of £0.010m.

4.5 Regeneration and Economic Development

4.5.1 Regeneration and Economic Development (RED) is forecasting a pressure of £0.299m at May 2020, as shown in Table 15 below. This is after moving the expected Covid-19 impact of £0.045m into Central Items to be matched against the grant received.

4.5.2 Table 14: Forecast Impact of Covid-19 on RED for 2020/21

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Regeneration	0.000	0.045	0.045	Estimated lost rental income at Swan Hunters site

4.5.3 Table 15: Forecast Variation for Regeneration and Economic Development

	Budget (£m)	Current Forecast (£m)	Variance (£m)	Of Which Covid-19 (£m)	Of Which BAU (£m)	Outturn 2019/20 (£m)	Change Since Outturn £m
Business & Enterprise	0.734	0.740	0.006	0.000	0.006	(0.022)	0.028
Regeneration	0.421	0.705	0.284	0.045	0.239	0.267	(0.028)
Resources & Performance	0.197	0.251	0.054	0.000	0.054	0.030	0.024
Total	1.352	1.696	0.344	0.045	0.299	0.275	0.024

4.5.4 The pressures in Regeneration result from a forecast inability to achieve staff capitalisation & recharge income targets of £0.164m following reductions to regeneration capital projects and changes to how projects are delivered, together with combined income generation shortfalls at both the Swans-related sites making up the remaining £0.075m pressure.

4.5.5 Resources and Performance is carrying historic staffing pressures resulting in a forecast £0.041m pressure. The remaining forecast pressure comes from nominal overspends against the Public Sector Housing service.

4.6 Corporate Strategy

4.6.1 Corporate Strategy is forecasting a pressure of £0.163m as set out in Table 17 below, after transferring out Covid-19 related costs totalling £0.051m.

4.6.2 **Table 16: Forecast Impact of Covid-19 on Corporate Strategy for 2020/21**

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Marketing	0.000	0.040	0.040	Marketing income lost
Corporate Strategy Management	0.011	0.000	0.011	Production of Covid-19 leaflets and guidance
Total	0.011	0.040	0.051	

4.6.3 **Table 17: Forecast Variation Corporate Strategy**

	Budget (£m)	Current Forecast (£m)	Variance (£m)	Of Which Covid-19 (£m)	Of Which BAU (£m)	Outturn 2019/20 (£m)	Change Since Outturn £m
Policy Performance and Research	0.104	0.097	(0.007)	0.000	(0.007)	(0.037)	0.030
Children's Participation & Advocacy	0.244	0.285	0.041	0.000	0.041	(0.112)	0.153
Marketing	0.272	0.328	0.056	0.040	0.016	0.062	(0.046)
Elected Mayor & Executive Support	0.013	0.022	0.009	0.000	0.009	(0.005)	0.014
Corporate Strategy Management	(0.001)	0.115	0.116	0.011	0.105	0.089	0.016
Total	0.632	0.847	0.215	0.051	0.164	(0.003)	0.167

4.6.4 The remaining pressures in the service are due to shortfall of £0.100m against income targets, plus small staffing and operational pressures across the service.

4.7 Resources and Chief Executive Office

4.7.1 The forecast pressure of £0.211m within Resources and Chief Executive Office, is after an adjustment of £0.005m for Covid-19 revenue costs. In addition, the service has identified £0.050m of capital Covid-19 costs due to purchase of IT equipment. The pressures, as set out in Table 19 below, mainly relate to additional licence costs within ICT Retained Services, IT Customer Journey costs plus an increased staffing pressures in HR, which are mitigated by savings in Finance (Revenues & Benefits) and Chief Executive.

4.7.2 Table 18: Forecast Impact of Covid-19 on Resources for 2020/21

Service	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Corporate HR Costs	0.005	0.000	0.005	Additional resource to support HR for Covid-19 issues

4.7.3 Table 19: Forecast Variation Resources

	Budget (£m)	Current Forecast (£m)	Variance (£m)	Of Which Covid-19 (£m)	Of Which BAU (£m)	Outturn 2019/20 (£m)	Change Since Outturn £m
ICT	2.823	3.072	0.249	0.000	0.249	0.555	(0.306)
Finance	(0.290)	(0.366)	(0.076)	0.000	(0.076)	(0.150)	0.074
HR & Organisational Development	(0.150)	(0.044)	0.106	0.005	0.101	0.047	0.054
Chief Executive	(0.081)	(0.144)	(0.063)	0.000	(0.063)	(0.090)	0.027
Total	2.302	2.518	0.216	0.005	0.211	0.362	(0.151)

4.7.4 Within ICT, the main pressures relate to continuing pressures associated with the Customer Journey project running to September (£0.141m), plus on-going pressures relating to various new software development and licence costs. This follows a budget correction of £0.500m for ICT software since 2019/20.

4.7.5 Within the Finance service, Revenues & Benefits is showing an overall saving of £0.064m, which is made up of three main factors:

- Enforcement cost and income are showing a pressure of £0.178m; this is due to the cost of the service exceeding recovery income as a result of changes in recovery proceedings.
- Bank Charges are expected to be £0.030m overspent due to increased costs
- Overpayments Income is forecasting a pressure of £0.649m due to a reduction in overpayment debt as debt is transferred to DWP for recovery. In addition, as a result of the transfer of debt for recovery by the DWP (through the Payment Deduction Programme where overpayments are deducted directly from benefit payments) there is a decrease in the bad debt provision (£0.398m)

- Overpayments eligible for subsidy is showing a surplus variance against budget due to benefits subsidy of £0.523m, as the impact of less claims lowers the net cost of claims less subsidy.

4.7.6 Human Resources (HR) & Organisational Development is showing a pressure of £0.158m due to the full year impact of the restructure, which is offset by small operational savings and increased income (£0.062m) from work on the Step-Up Grant and Health and Safety Insurance recharges.

4.7.7 The Chief Executive's office is showing a saving of £0.063m, due to forecast savings in staffing and operational spend.

4.8 **Law and Governance**

4.8.1 Law and Governance is forecasting a pressure of £0.256m, following transfer of £0.254m identified Covid-19 costs (see Table 20).

4.8.2 **Table 20: Forecast Impact of Covid-19 on Law & Governance for 2020/21**

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
Customer, Governance and Registration	0.000	0.095	0.095	Registrars – lost income due to reduction in numbers of weddings, civil ceremonies and citizenship ceremonies.
	0.000	0.019	0.019	Registrars – lost income due to reduction in weddings venue usage
Legal Services	0.000	0.063	0.063	Legal Services – lost fees for property/business transactions
Information Governance	0.000	0.077	0.077	Land Charges - lost property transaction income
Total	0.000	0.254	0.254	

4.8.3 **Table 21: Forecast Variation for Law and Governance**

	Budget (£m)	Current Forecast (£m)	Variance (£m)	Of Which Covid-19 (£m)	Of Which BAU (£m)	Outturn 2019/20 (£m)	Change Since Outturn £m
Customer, Governance and Registration	(0.075)	0.064	0.139	0.114	0.025	0.003	0.022
Information Governance	0.013	0.074	0.061	0.077	(0.016)	0.001	(0.017)
Legal Services	(0.134)	0.084	0.218	0.063	0.155	0.137	0.018
Democratic and Electoral Services	(0.064)	(0.058)	0.006	0.000	0.006	0.007	(0.001)
North Tyneside Coroner	0.293	0.379	0.086	0.000	0.086	0.056	0.030
Total	0.033	0.543	0.510	0.254	0.256	0.204	0.052

4.8.4 Alongside the forecast staffing pressures arising from within Legal Service (£0.180m) and the increased costs of the Coroner Service due to increased costs of autopsies (£0.048m), there are smaller pressures within Customer, Governance and Registration relating to a forecast shortfall against income targets not related to Covid-19. These are slightly mitigated by net operational savings across the service.

4.9 **Central Items**

4.9.1 The May 2020 business as usual forecast for Central Items is a surplus of £6.171m. This represents a small change compared to the £6.188m underspend at the end of 2019/20. As described in sections 4.1 to 4.8, the income and expenditure pressures relating to Covid-19 within each service area have been transferred into Central Items to be shown against the Covid-19 support grant. Total pressures of £22.988m has been identified across the rest of the General Fund as shown in Table 22 below;

4.9.2 **Table 22: Summary of Covid-19 Pressures by Service**

Service	Total Forecasted Covid-19 Pressure £m
Health, Education, Care and Safeguarding	11.991
Commissioning and Asset Management	5.215
Environment, Housing and Leisure	5.427
Regeneration and Economic Development	0.045
Corporate Strategy	0.051
Chief Executive's Office	0.000
Resources	0.005
Law and Governance	0.254
Total Covid-19 pressures transferred to Central Items	22.988
Covid-19 Pressure within Central Items – bad debts	0.300
Covid-19 Pressure within Central Items – items normally recharged to General Fund from HRA	0.570
Allocation of Local Authority Support Grant	(11.798)
Central Items Covid-19 Pressure	(10.928)
Remaining Gap	12.060

4.9.3 As reported in the 2019/20 Provisional Finance Outturn Report presented to Cabinet in June, the total Local Support Grant received from Government to date is £12.531m of which £0.733m was required to offset Covid-19 issues in 2019/20. The remaining £11.798m has been carried forward into 2020/21 and is being applied against the forecasted pressures leaving an amount of £12.060m over and above current grant funding. This pressure is being partially offset by underspends within Central Items outlined in paragraph 4.9.5 below. Table 23 summarises the position within Central Items.

4.9.4 Table 23: Outturn Variation Central Budgets and Contingencies

	Budget £m	Forecast May £m	Variance May £m	Of Which Covid-19 £m	Of Which BAU £m	Variance 2019/20 £m	Change since Outturn £m
Corporate & Democratic Core	1.734	1.734	0.000	0.000	0.000	0.018	(0.018)
Other Central Items	15.012	(2.087)	(17.099)	(10.928)	(6.171)	(6.206)	0.035
Total Central Items	16.746	(0.353)	(17.099)	(10.928)	(6.171)	(6.188)	0.017

4.9.5 Within Other Central Items there are several budget areas which are partially offsetting the Covid-19 pressures. Continuing from 2019/20, there are contingency budgets totalling £4.558m including contingencies held for adult and children's social care of £4.416m. Continued savings have been identified in 2020/21 resulting from the application of the Authority's Treasury Management Strategy. There is a forecasted underspend of £1.314m due to interest savings resulting from higher than forecasted cash balances, reduced interest rates and Investment Plan reprogramming. In addition, reprogramming is also forecasted to deliver a credit against Minimum Revenue Provision of £0.279m.

Sundry Debt

4.9.6 As well as the collection of council tax and business rates, the Authority also has to consider the collection of sundry debts. Table 24 below shows the collection rates for sundry debt over the last 7 years, comparing the amount of debt collected between the March year end and the end of May each year. The figures show a significant drop off in the amount of debt being collected in the months impacted by Covid-19. This forms the basis of the £0.300m increase in bad debts that has been treated as a Covid-19 impact within Central Items

4.9.7 Table 24: Sundry Debt Collection Rates

Age of Debt / Financial Year	Less than 1 year (%)	2 and 5 years (%)	Greater than 5 years (%)	Overall (%)
31 March 2014	64.6	13.9	2.4	57.0
31 March 2015	62.6	6.2	3.2	58.4
31 March 2016	57.6	2.0	4.7	47.5

31 March 2017	63.6	14.2	0.8	57.2
31 March 2018	60.6	24.9	20.6	55.6
31 March 2019	57.6	11.5	19.2	45.9
31 March 2020	45.1	3.9	6.1	37.2

SECTION 5 – THE COLLECTION FUND

- 5.1 This section has been added to the report due to the impact of Covid-19 on the Collection Fund. Whilst the impact is anticipated to be felt in 2020/21, the nature of the Collection Fund means it is important to consider the impact Covid-19 will have on future years with regards to budget setting in 2021/21 and medium-term financial planning.

Members will recall when the budget was set on 20 February 2020, the budgeted Council Tax for 2020/2021 was £114.558m, of which the retained share for the Authority is £100.886m. For Business Rates (NNDR) the net for 2020/2021 is £58.435m; following adjustment for the previous year's deficit position on NNDR, the budget retained share for the Council for 2020/21 is £27.955m. Business Rates income is supplemented by a top-up grant from Government of £20.505m, providing an anticipated combined budgeted income from Business Rates to the Council of £48.460m.

Council Tax

- 5.2 Cabinet are aware that the Council Tax Base is a key figure used in setting the budget and this is affected by the number of domestic properties in the borough, the level of collection rate expected and the number of households claiming Local Council Tax Support (LCTS). For the 2020/21 Budget, the Council Tax Base was agreed by Cabinet on 20 January 2020. This calculation is based on the number of domestic properties as at the end of November before considering the impact of future housing growth, collection rates and LCTS.
- 5.3 The Covid-19 pandemic has already begun to have a number of impacts on the Council Tax position, most notably through the levels of collection (a 0.31% reduction in April 2020 and 0.78% drop in May 2020) and increase in LCTS. Table 25 below shows the position of the key statistics through the last seven financial years leading up to the budget position set for 2020/21. The statistics show a strong record of growth in the borough combined with a strong collection performance. However, for May 2020, following the impact of Covid-19, the tax base figure is 61,527 which is lower than the budgeted figure of 61,870. The main cause of this has been the increase in the number of LCTS claimants (outlined in 5.4 below). Despite the net collectable debit being higher, increased pressures on collection and increasing LCTS claimants suggest less resources will be generated by the Authority.
- 5.4 Table 26 shows the number of LCTS claimants over a seven-year period. This shows a year on year reduction in the number of claimants in the borough prior to the impact of Covid-19. This impact is shown in the increase seen from the end of 2019/20 to the May position in 2020/21, where we have had an additional 472 claimants, with further claimants expected. A reduced collection rate of 97.5% is now being assumed due to the increased financial difficulties Covid-19 may have had on residents.

Table 25: Council Tax – Performance through the years

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Budget	2020/21 End May
No of Domestic Properties	95,059	95,563	96,243	96,752	97,698	98,626	99,558	99,407	99,606
Council Tax Base	53,034	55,400	56,424	56,948	58,202	59,048	60,167	61,870	61,527
Net Collectable Debit £m	81.404	82.842	84.868	89.961	97.737	104.048	110.511	114.558	115.901
In year Collection Rate %	96.5	96.4	96.6	96.5	96.2	95.4	95.0	n/a	n/a
Assumed Collection Rate %	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	n/a

Table 26: Local Council Tax Support Claimants

Financial Year	Working Age	Pensionable Age	Total Claimants
2013/14	11,551	10,656	22,207
2014/15	11,290	10,032	21,322
2015/16	10,937	9,435	20,372
2016/17	10,434	8,891	19,325
2017/18	10,289	8,435	18,724
2018/19	9,633	8,098	17,731
2019/20	9,372	7,800	17,172
2020/21 – End May	9,897	7,747	17,644

- 5.5 The impact of these factors on the Collection Fund position has the potential to push the Council Tax Collection Fund into deficit for 2020/21, which will have a direct impact on available resources for 2021/22.
- 5.6 The Authority has received £2.023m of discretionary funding from Government to support residents who are in financial hardship through Covid-19. This funding came with a clear instruction that Government expected local authorities to provide £150.00 additional Council Tax discount to working age claimants who were in receipt of LCTS. Some claimants did not have that amount of liability which meant that they had

nothing to pay in 2020/21, once the discount was awarded. The hardship discount has been paid to 9,897 LCTS recipients at a cost to date of £1.436m.

The guidance from Government states that any new claimants that are awarded LCTS during 2020/21 should also be entitled to up to £150.00 in hardship support. The Authority is anticipating more claimants to come forward once the Government’s furlough scheme comes to an end and there is a potential for job losses if firms either cease trading or reduce staff.

Forecasts at this stage suggest that approximately £0.400m of the grant may be left after all the hardship payments are allocated as the Authority’s Recovery Group workstream on Welfare Support is currently looking at criteria and processes for utilisation of the remaining hardship funding.

Business Rates

- 5.6 Significant changes have been made by Government to Business Rates in response to the Covid-19 pandemic, in an effort to help support businesses during the crisis. One such measure was the introduction of a grant aimed at supporting businesses in the retail, hospitality and leisure sectors, small businesses in receipt of small business rate relief and other organisations such as community associations and sporting clubs during the pandemic. Using records held in the Northgate system, initial estimates were that 3,014 business premises would be eligible to apply for this grant at a cost of £34.270m. At the end of May 2020, the Authority had made payments to 2,567 (85.17%) of the eligible businesses, totalling £29.495m. Payments have continued to be made during June and July and as at 3 July 2020, payments totalling £31.200m had been made to 2,706 (89.78%) eligible businesses.
- 5.7 Two further discretionary reliefs were introduced, as a response to Covid-19, for Retail Discount and Nursery Discount. At the end of May 2020, these reliefs totalled £27.094m and £0.219m respectively for North Tyneside.
- 5.8 The implications of these reliefs are that the Authority’s net rateable value is reduced, resulting in lower income than budgeted for being generated through Business Rates. Government is compensating Authorities for this through additional Section 31 grants. Section 31 grants are received into the General Fund whereas business rates income retained would be received into the Collection Fund. These extra reliefs will impact the Collection Fund, leaving a greater deficit than expected but a greater S31 surplus will be achieved in the General Fund. The forecasted position for S31 is shown in table 27 below.

Table 27: Section 31 grants in 2020/21

	Budget £m	May Forecast £m	Difference £m
S31 Grant	(4.900)	(17.187)	(12.287)

- 5.9 Other considerations, resulting from the impact of Covid-19, are not only the ability for businesses to recover and continue to operate in the borough but whether

demand for premises will change as businesses adjust to increase levels of home working. With large business parks in the borough, such as Cobalt, Quorum and Balliol this is a particular concern for North Tyneside. Whilst it is very difficult currently to forecast the implications on the Rates payable by the impacts on business across the borough for illustrative purposes at this early stage a 10% reduction to the overall net rate payable has been assumed. A further consideration will be the impact of collection rates which have fallen towards the end of 19/20 and into 20/21.

5.10 Table 28: Rateable Value and Net Rates Payable by Business Type

Type	Current Rateable Value £m	Nets Rate Payable (100%) £m	Nets Rates Payable (90%) £m
Shop/Retail	61.012	1.453	1.308
Offices	30.716	12.494	11.245
Industrial	33.107	13.306	11.975
Hospitality	1.721	0.012	0.011
Club/Community/Sports	3.660	0.942	0.847
Others	19.694	6.508	5.857
Total	149.910	34.715	31.243

5.11 Table 29: Business Rates Collection Rates

Financial Year	Collection Rate (%)
2014/15	97.99
2015/16	98.50
2016/17	97.76
2017/18	98.90
2018/19	99.70
2019/20	97.60
2020/21 (assumed)	97.83

5.12 The overall implications are that the Collection fund could move into significant deficit for 21/22, some of which will be met by the S31 grant for the reliefs issued in 20/21 and is illustrated in Table 30 below.

Table 30: Summary position for Business Rates

	Difference £m
Additional S31 Grant (table 27)	(12.287)
North Tyneside Projected Deficit (table 30)	15.245
Additional Deficit	2.958

SECTION 6 - SCHOOLS FINANCE

Update on School Budgets 2020/21 to 2022/23

6.1 Schools are normally required to submit their rolling three-year budget plan to the Authority by 31 May each year. Due to the impact of Covid-19, the Council exercised discretion to move this deadline to mid-June, allowing schools to provide initial budget plans before making any allowances for falling rolls, headroom or growth funding (as held within the DSG). Table 31 below shows the current three-year impact of the schools' budgets by phase.

6.2 **Table 31: School three-year budget plan summary by phase**

PHASE	ACTUAL OUTTURN 2019/20	BUDGET PLAN 2020/21 OUTTURN	BUDGET PLAN 2021/22 OUTTURN	BUDGET PLAN 2022/23 OUTTURN
	£m	£m	£m	£m
Nursery/ Primary	(4.371)	(2.999)	(3.117)	(2.269)
Middle / High	5.113	9.422	11.563	14.659
Special / PRU	(0.907)	0.266	3.702	7.831
TOTAL	(0.165)	6.689	12.148	20.221

6.3 The initial planned deficit for school balances is budgeted to rise from a £6.689m deficit in 2020/21 to £20.221m in 2022/23. The schools finance team are continuing to work with schools to refine these budget positions and will also be supporting schools' applications for de-delegated funding held centrally to cover schools experiencing falling rolls, requiring a headroom allocation to help bring them out of deficit sooner or schools experiencing growth in rolls where there is a lag in funding. These applications will be considered by a sub-group of Schools Forum and these allocations will be reported back to Cabinet as they are agreed.

School Deficits

6.4 Some individual schools continue to face significant financial challenges. There are twelve schools with a current deficit budget plan for 2020/21. These break down into seven schools with continuing deficits (including two deemed to be in structural deficit) and five schools with a new deficit in 2020/21. An initial deficit review session has been held with each school during May and June 2020, with challenge sessions commencing in July 2020. Before any adjustments identified during the upcoming challenge sessions and the allocation of falling rolls and headroom funding, the total balances of these deficit schools are expected to total £12.716m with individual school deficit values shown in Table 32 below.

6.5 **Table 32: Schools in an expected deficit position 2020/21**

School	Outturn 2019/20 £m	Budget Plan 2020/21 £m
Beacon Hill	(0.149)	0.699
Benton Dene Primary	0.041	0.016
Forest Hall Primary	0.000	0.014
Greenfields Primary	0.000	0.120
Holystone Primary	0.051	0.032
Ivy Road Primary	0.257	0.300
Longbenton High	2.092	2.610
Marden Bridge Middle	0.038	0.067
Marden High	0.479	0.468
Monkseaton High	4.310	5.164
Norham High	2.197	3.193
St Mary's R C Primary N/S	(0.026)	0.033
Total	9.290	12.716

6.6 Further work continues with special schools to look at appropriate levels of funding for the needs of their current cohort of pupils. A review of High Needs provision in North Tyneside is also being undertaken and the outcome of this review will be reported to Cabinet in due course.

6.7 As in previous years, the details of schools' balances will be reported to the Department for Education (DfE) through the Consistent Financial Reporting (CFR) return. This return is co-ordinated by the Authority and would normally be submitted by the deadline of July (to coincide with the end of term). Due to the pressures on schools dealing with Covid-19, this return has been pushed back to 11 September 2020. Concerns have been raised nationally with the DfE as many schools will have difficulties meeting this deadline as schools are planning to either close or be on reduced setting from July to September.

Covid-19 Impact on Schools

6.8 Schools across North Tyneside have identified approximately £0.797m of additional costs due to the impact of Covid-19 for March to July. In April, the DfE issued advice that they would be looking to support costs in schools, especially around additional cleaning, keeping schools open outside normal hours and costs of providing meals. Schools forecasted that costs in these categories would be approximately £0.148m of the £0.797m total impact, with £0.460m due to lost income out of school clubs and other community-led services. DfE have now issued guidelines that significantly reduce the costs that will be covered, leaving schools with a potential £0.650m pressure over the budgeted pressures in 2020/21.

High Needs Block

- 6.9 Cabinet will recall that the High Needs block ended 2019/20 with a pressure of £4.542m. Cabinet should note that the High Needs block forms part of the Dedicated Schools Grant (DSG) which is ring-fenced and does not form part of the General Fund. This overall pressure in the High Needs block is broadly in line with the national and regional picture and remains an area of concern nationally.
- 6.10 The forecast for the High Needs Block in 2020/21 is an anticipated in-year pressure of £1.943m reflecting a further rise in demand for special school places within the Authority. The total number of places the Authority is planning for at the end of 2020/21 is approximately 786. This compares to a total of 762 places at this point in 2019/20. These additional places create pressures in relation to place funding of £10,000 per place and the associated top-up funding reflecting each child's level of need. A breakdown of the in-year pressure is shown in Table 33 below:

6.11 **Table 33: Breakdown of High Needs Pressures at May 2020**

Provision	Budget £m	Provisional Outturn Variance £m	Comment
Special schools and PRU	13.000	1.217	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder
ARPs/Top ups	4.005	0.497	Pressures in pre 16 top ups e.g. Norham ARP, Melrose ARP
Out of Borough	2.165	0.227	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.957	0.002	
Subtotal	23.127	1.943	
2019/20 Balance		4.542	
Subtotal	23.127	6.485	

Managing High Needs: The changing needs of children with SEND

- 6.12 North Tyneside, like many Local Authorities in the North East and nationally, continues to experience a significant increase in the numbers of children with Special Educational Needs and Disabilities (SEND). All Local Authorities have a statutory responsibility to keep High Needs provision under review. In North Tyneside, review work has taken place in line with the High Needs Strategic Plan

endorsed by School's Forum and the Joint Commissioning Strategy agreed with the NTCCG. Work has focussed on improving data and intelligence to inform the future pattern of educational provision, considering changes needed to commissioned services and how inclusion in mainstream schools could be strengthened. It has involved the Authority working with School's Forum, the Special School Heads Group, Primary Learning Partnership (Primary Headteachers), Education Improvement Partnership (Secondary Headteachers), the NTCCG, NHS Foundation Trust Therapeutic Services, the Parent Carer Forum and other stakeholders.

- 6.13 A new North Tyneside Inclusion Strategy will be developed in 2020 to strengthen our capacity to meet the needs of children with SEND in line with our North Tyneside Children's Services Pledges to:

The new strategy will;

- seek to clarify our vision for inclusion and build consensus around our shared expectations and consistency of approach across the borough;
- describe our shared purpose, principles and priorities across education, social care and health;
- provide the framework and direction to ensure that the right provision is in place to meet the changing needs of children with SEND; and,
- enable us to identify the actions we will take to improve the lived experience of our children and young people with SEND.

- 6.14 The overriding aim will be to educate children in their home community and in mainstream provision wherever possible. Schools will be consulted on the next phase of changes to Additionally Resource Provision (ARPs). Opportunities to strengthen out-reach provision from Moorbridge Pupil Referral Unit and from special schools will be considered to support more children with Autism and Social, Emotional and Mental Health (SEMH) issues to remain in mainstream provision. Children with SEND in mainstream schools should be supported through a four-stage cycle of assess, plan, do and review, known as the graduated approach. Schools are expected to make reasonable adjustments and use their best endeavours to meet the needs of children and young people, before seeking statutory assessment or requesting High Needs top-up funding.

- 6.15 Where a mainstream placement with additional support is not appropriate, we will prioritise children accessing a local alternative education or special school placement. Only in exceptional circumstances, for those children with the most complex needs that cannot be met in borough, will an external placement be sourced via an independent, non-maintained special school or college. There has been a significant increase in requests from parents for placements in independent, non-maintained special schools and colleges. Feedback from parents and partner agencies indicate that reasons for requesting an external placement frequently include that the therapy offer is not comparable with that of external, independent providers. Also cited is the need for better joint working between education and health teams in school. This includes joint assessment of need and formulation of the EHCP, ensuring the delivery of support to meet need

through a consistent staff team, clarity in setting and monitoring outcomes, and issues in the effective communication with parents.

- 6.16 The NTCCG has recently confirmed additional investment for Autism provision, therapy services linked to the expansion of specialist education places, and additional capacity for the Community Learning Disability Team for children and adults with complex health and care needs. The Authority, NTCCG, Northumbria NHS FT and special schools are working together to improve joint working and to ensure that roles and responsibilities are clear and that parents are assured that their child is receiving the support needed to make the expected progress identified in their plan. This approach will be key to building confidence with parents that their child's needs can be met locally without the need to source an external placement.

Early Years Block

- 6.17 The Early Years block outturn for 2019/20 was a surplus of £0.432m. An adjustment to funding normally takes place by June each year when the DfE reviews funding estimates based on the January pupil census prior to the new financial year. The Authority would normally expect a clawback of funding as a result of this review. Initial indications for 2020/21 show that services can be delivered within the budget available.

Covid-19 Impact on Early Years

- 6.18 The worst-case forecasted impact on funding for Early Years settings was initially estimated to be £0.300m. This was to assist settings that were open to cover costs of supporting children from closed settings, assuming most children would still be attending settings. In practice, open Early Years settings are only applying for additional funding where they are taking in children over their normal numbers (which is mainly impacting on child-minding services rather than nurseries). Due to this managed approach the additional impact on funding is expected to be less than £0.020m.

SECTION 7 - HOUSING REVENUE ACCOUNT

Forecast Outturn

7.1 The forecast set out in Table 34 below is based on the results to May 2020. Currently the HRA is forecasting an underspend before the impact of £1.729m of identified Covid-19 costs. Throughout the year costs will be monitored closely across all areas, but with additional focus on Rent Arrears and the effect this has on the bad debt provision, rental income, Council Tax voids and staffing vacancies, which could lead to further improvements in the forecast position.

7.2 Table 34: Forecast Variance Housing Revenue Account

	Budget £m	Current Forecast £m	Current Variance £m	Outturn 2019/20 £m
HRA Management Costs	10.227	10.068	(0.159)	9.953
HRA Repairs	12.247	11.281	(0.966)	11.457
HRA Other Costs	40.415	40.415	0.000	37.800
HRA - Rental Income	(60.299)	(60.299)	0.000	(59.710)
Total before Covid-19 pressures	2.590	1.465	(1.125)	(0.500)
Covid-19 pressures	0.000	1.729	1.729	0.000
Total after Covid-19 pressures	2.590	3.194	0.604	(0.500)

7.3 The Covid-19 costs for HRA mainly relate to unproductive workforce costs, but also include costs from lost rental income due to properties not being available to let and the costs of PPE.

7.4 Table 35: Forecast Impact of Covid-19 on HRA for 2020/21

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
HRA – PPE	0.030	0.000	0.030	Split across relevant service areas
HRA – PPE	0.065	0.000	0.065	Staff involved in procuring, receiving, packaging and delivering PPE being acquired as a direct result of the Covid-19 pandemic - HPC Stores staff, Procurement staff and staff driving vans for delivery.
HRA - Other	0.000	0.069	0.069	Losses from increased numbers of empty homes and matched properties that cannot be let

Service Area	Covid Cost Pressures £m	Covid Income Pressures £m	Total Covid Pressures £m	Description
HRA – Workforce	1.546	0.000	1.546	Costs of carrying unproductive staff resource and related support costs during downtime, for staff delivering HRA-related work
HRA – Workforce	0.019	0.000	0.019	Overtime staffing costs for Community Protection team to assist the Police in carrying out additional checks across the borough
Total	1.660	0.069	1.729	

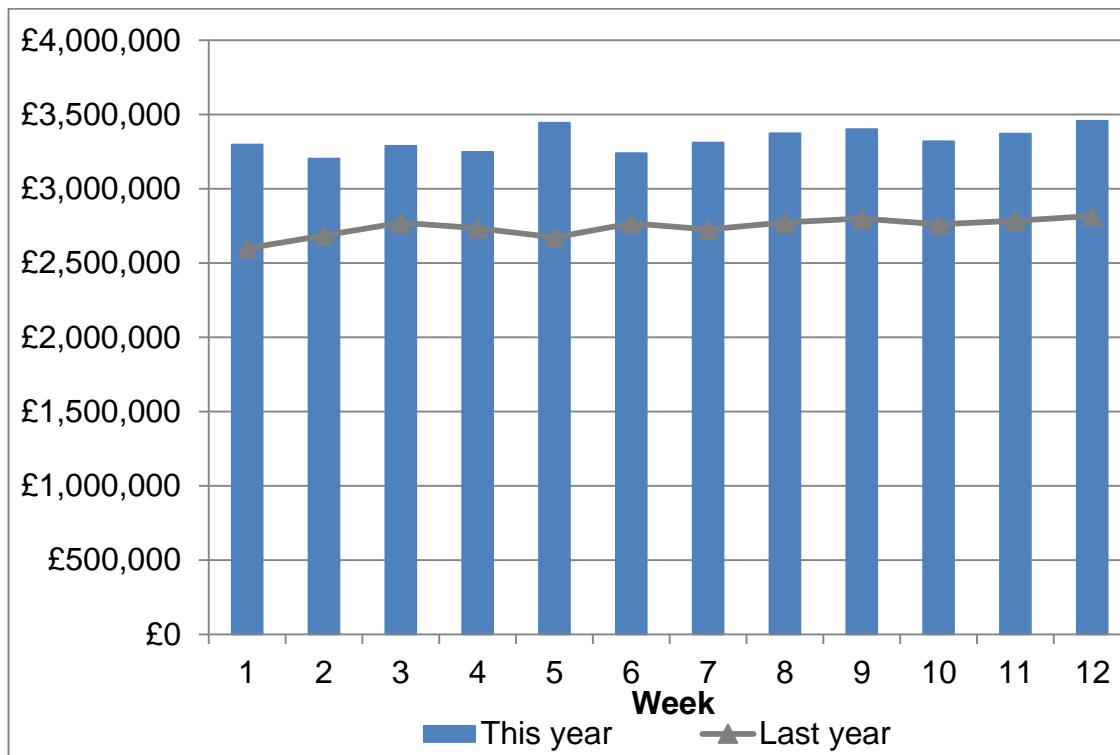
7.5 Rental income is currently performing on target, with the number of empty homes for the first two months of the year broadly in-line with the budget assumptions. There was a slight rise in the number of empty homes early in the period due to the suspension of works resulting from Covid-19 restrictions, but these works have now recommenced, and work is being accelerated. Therefore, the current rental forecasts could improve as the year progresses. However, some of this improved position may be offset by the continuing impact of Universal Credit and the potential of an increase in the bad debt provision along with increased Council Tax void costs due to the initial rise in empty properties if the budgeted empty property assumptions are not maintained for the remainder of 2020/21; all of which will be closely monitored throughout the year.

7.6 It is anticipated that savings in management costs will be realised due to delays in recruitment to several vacancies as a result of the Covid-19 pandemic. The recruitment of these vacancies could result in further savings if posts are recruited internally within the HRA. There are also forecasted savings, once Covid-19 costs have been removed, within Repairs. This represents the impact of Covid-19 and the fact that most areas of the in-house construction service have been stood down during the initial months of 2020/21 and as a result have not been incurring costs for materials.

Rent Arrears

7.7 The impact of rent arrears has risen in the first two months of 2020/21 as compared to 2019/20. Chart 6 below shows the value of rent arrears in 2020/21 compared to the same period in 2019/20. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. For the past two years there has been a pressure on the bad debt provision (the prior 15 years had seen no such pressure), which was mainly in relation to changes caused by Universal Credit.

7.8 **Chart 6: Rent Arrears in Weeks 1-12 (April-June) 2020/21 compared to 2019/20**

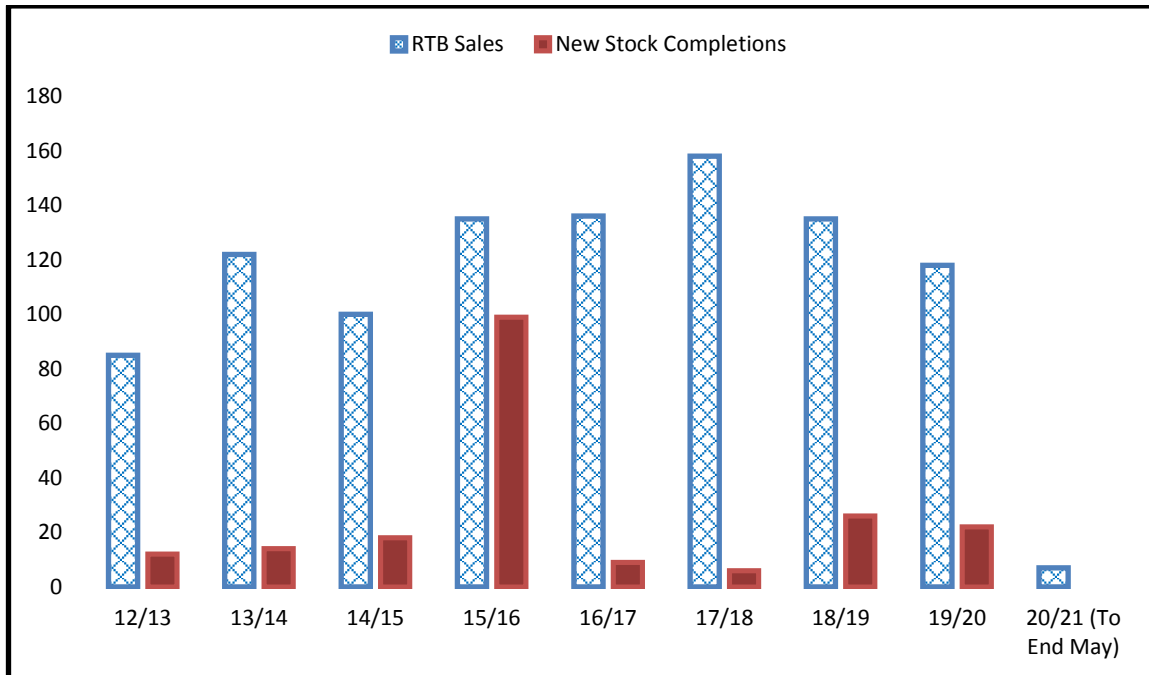


7.9 Universal Credit was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. At 30 March 2020, there were 3,417 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.033m. At 1 June 2020 there were 3,926 tenants on Universal Credit (increase of 509 tenants) with related arrears of £2.444m (increase of £0.411m).

Right to Buy (RTB) Trends

7.10 The impact of RTB is critical to long-term planning for the HRA. Prior to the introduction of self-financing in 2012, average RTB sales had dropped to around 25 per annum, mainly due to the capped discount (£0.022m) which had remained static as property values had increased, making RTB less attractive financially to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £0.075m and then subsequently annual inflation was added to the maximum. Chart 7 below shows the trend in RTB sales since that time.

7.11 Chart 7: Yearly RTB Sales v New Stock Additions



SECTION 8 - INVESTMENT PLAN

Review of Investment Plan - Position Statement

- 8.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers will continue to plan the delivery of those key projects included within the 2020/21 Investment Plan and regularly review the impact of Covid-19. It is unlikely that we will be able to deliver all of the planned works within 2020/21 safely, however it is too early to predict the full impact of the pandemic at this point. Further planning in relation to the delivery of all projects that make up the 2020/21 programme of works will continue; further updates will be provided over the coming weeks and months.

Some of the key highlights of the Investment Plan due to be delivered during 2020/21 are summarised below:

Affordable Homes New Build and Conversion Works

- 8.2 There are currently 3 affordable home projects that will progress during 2020/21, these include:
- The construction of 3 new affordable homes at Edwin Grove, Howdon;
 - The construction of 12 new affordable homes on the former site of the Cedars, North Shields;
 - The construction of 9 new affordable homes on the former site of Bawtry Court, Battlehill; and,
 - In addition to the above projects that will be complete in year there will be a number of other schemes progressed through the design, planning and procurement process during 2020/21 that will subsequently complete in future financial years.

Work will commence on these projects when it is safe to do so following the recent suspension of work due to Covid-19. Revised completion dates will then be produced.

Housing Investment Work

- 8.3 The Housing Capital delivery programme will see the following works delivered across the borough during 2020/21:
- Kitchens and bathrooms to 541 homes;
 - Heating upgrades to 600 homes;
 - Electrical upgrades to 50 homes;
 - Boundary improvements to 1,035 homes;
 - Roof replacements to 334 homes;
 - External Brickwork Repairs to 245 homes;
 - External refurbishment works to 9 non-traditional homes;
 - Damp Proof Course restoration works to 18 homes;
 - Footpath repairs throughout the borough; and,
 - Fire door replacement to 344 flats within communal blocks.

Work will commence on these projects when it is safe to do so following the recent suspension of work due to Covid-19. A revised delivery plan will be produced to outline the impact of the delay.

Education Investment Works

- 8.4 Delivery of the priority condition related projects across the school estate as part of the Schools Condition Investment Programme

Asset Investment works

- 8.5 Delivery of the priority condition related projects across the asset property estate as part of the Asset Condition Investment Programme

Highways and Infrastructure Works

- 8.6 The main Highways & Infrastructure works include:
- Delivery of the LTP, including the annual resurfacing programme and integrated transport projects. Larger projects will include the construction phase of the Pier Road stabilisation scheme and the demolition of Borough Road Bridge;
 - Delivery of the Additional Highway Maintenance Programme including footway improvements in line with the Mayor's priorities; and,
 - Construction of the Southern Promenade sea wall scheme.

Regeneration Works

- 8.7 Regeneration Works for 2020/21 include:
- Swans – the next phase consists of:
 - CFI Phase 2 – completion of works; and,
 - Sale of the Swans site.
 - North Shields – a grant from Historic England for the North Shields Heritage Action Zone scheme for Northumberland Square and Howard Street. The scheme will have a total project value of £1.900m;

Variations to the 2020-2025 Investment Plan

- 8.8 Variations of £4.271m to the Investment Plan and reprogramming of £9.659m have been identified and are included in tables 36 and 37 below. Further details are provided in paragraph 8.9:

8.8.1 **Table 36: 2020 - 2025 Investment Plan changes identified**

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	Total £m
Approved Investment Plan – Council 3 February 2020	67.307	50.773	41.303	84.937	244.320
Previously Approved Reprogramming/Variations					
2019/20 Monitoring	8.866	4.000	0.000	0.000	12.866
2019/20 Outturn	6.751	0.000	0.000	0.000	6.751
Approved Investment Plan	82.924	54.773	41.303	84.937	263.937
Apr/May 20 Monitoring Variations	0.831	2.823	0.345	0.272	4.271
Reprogramming	(9.659)	9.266	0.393	0.000	0.000
Total Variations	(8.828)	12.089	0.738	0.272	4.271
Revised Investment Plan	74.096	66.862	42.041	85.209	268.208

8.9 Details of the variations and reprogramming are shown below:

- (a) **New Project: Rising Sun Sports Ground £0.022m** – The Investment Programme Board (IPB) have approved the use of Section 106 funding to deliver improvements to outdoor sports and recreation ground facilities at Rising Sun Sports Ground;
- (b) **DV068 Southern Promenade £0.100m** – The Environment Agency have awarded an additional £0.100m grant in aid towards the cost of construction to the Southern Promenade Wall works;
- (c) **DV073 Ambition for North Tyneside £0.900m** - Historic England High Street Heritage Action Zone funding of up to £0.900m has been awarded to partially fund a project within the Northumberland Square Conservation Area in North Shields. The project will repurpose this area of the town centre, providing opportunities for building owners to reinstate historic features of their properties by way of a third party grant scheme, bring vacant properties into use, reinvigorate the public realm and Northumberland Square and provide opportunity to enhance the housing development at Northumberland Square;
- (d) **ED075 Devolved Formula £0.007m Variation and £0.500m reprogramming** – The variation of £0.007m is to reflect the actual grant awarded by the Department for Education (DfE) for 2020/21. Reprogramming of £0.500m has been reported at this stage. Work with schools is continuing to identify key school led projects for delivery by the end of the 2020/21 financial year;
- (e) **ED120 Basic Need £1.901m 2021/22** – The annual grant determination letter was received on 29 May 2020 with an allocation of £1.901m for 2021/21. This grant is to support the capital requirement for providing new pupil places by expanding existing maintained schools;

- (f) **ED132 School Capital Allocation £0.009m credit** - The variation of £0.009m credit is to reflect the actual grant awarded by the DfE for 2020/21;
- (g) **ED189 School Nursey Capital Fund £0.130m credit** – Percy Main Primary School Governing Body have made the decision not to progress with the project at their school. The DfE, on 11 June 2020, acknowledged the school’s decision and will now remove the school from their open projects list;
- (h) **EV034 Local Transport Plan £0.206m** – Gateway 2 for the use of Section 106 funding has been approved by IPB. It is proposed to deliver these over an 18-month period in financial years 2020/21 (£0.116m) and 2021/22 (£0.090m);
- (i) **EV055 Surface Water Improvements £0.095m** - The Environment Agency have awarded a £0.095m grant in aid for the Sea Banks Sea Wall (Tynemouth) appraisal;
- (j) **EV076 Operational Depot Accommodation £0.756m variation (£0.205m 2020/21 & £0.551m 2021/22) and £0.551m reprogramming** – Additional European Regional Development Fund (ERDF) grant has been awarded to finance the Killingworth Sustainable Retrofit Project. As the project is 50% match funded by the Authority, this element has been reprogrammed to 2021/22 to reflect the expected delivery of ERDF element of the works;
- (k) **New Scheme: eCargo Bike £0.076m** – The Authority has been awarded £0.076m from the Energy Savings Trust to provide eCargo bikes. The eCargo bike scheme will predominantly provide bikes for use as pool bikes to a combination of large organisations, including the local authority, and the police force;
- (l) **New Scheme: Transforming Cities Tranche 2 £0.200m** – The North East was allocated a devolved funding ‘pot’ from which the region can deliver sustainable transport schemes. Three schemes in North Tyneside formed part of the finalised programme. At this stage it is proposed to draw down an initial proportion of the funding relating to each scheme. This will allow scheme development work to proceed and make it possible to obtain firmer costs in relation to aspects of the schemes;
- (m) **HS051 Private Sector Empty Homes £0.786m reprogramming** – The reported reprogramming is required to reflect the ongoing priorities over the next three years;
- (n) **HS004 Disabled Facilities Grant £0.147m variation (2021/22) and £0.634m reprogramming** – The variation is to reflect the actual budget allocation announced for 2020/21. This has been allocated to 2021/22 and because of the reduced delivery time available due to Covid-19 the team will be unable to deliver the full allocation in year and therefore £0.634m is reprogrammed to 2021/22;
- (o) **HS015 HRA Refurbishment /Decent Homes Improvements £4.857m reprogramming** - It is unlikely, due to the impact of Covid-19, that all of the

planned works will be delivered within 2020/21 safely, therefore £4.857m works are being reprogrammed to 2021/22;

- (p) **HS017 HRA Disabled Adaptations £0.171m reprogramming** - Works orders are raised in line with the completion of Occupational Therapists Assessments with only urgent and some minor adaptations being completed due to the impact of Covid-19. Further planning in relation to the delivery of the larger adaptations continue therefore reprogramming of £0.171m is required; and,
- (q) **HS044 HRA New Build £2.160m reprogramming** –The agreed projects are at various stages and there is a delivery programme detailing the timelines for each project. Unfortunately, this programme has been impacted by Covid-19 so most of the work has been suspended. There is a review of the current position around Covid-19 and the projects will re-start when it is safe to do so.

8.10 The impact of the changes detailed above on capital financing is shown in table 37 below.

8.10.1 **Table 37: Impact of variations on Capital financing**

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	Total £m
Approved Investment Plan	82.924	54.773	41.303	84.937	263.937
Council Contribution	(1.337)	0.944	0.393	0	0
Grants and Contributions	(0.303)	3.957	0.345	0.272	4.271
HRA Capital Receipts	(2.855)	1.145	(0.855)	0	(2.565)
HRA Revenue Contribution	(2.732)	4.442	0.855	0	2.565
HRA Major Repairs Reserve	(1.601)	1.601	0	0	0
Total Financing Variations	(8.828)	12.089	0.738	0.272	4.271
Revised Investment Plan	74.096	66.862	42.041	85.209	268.208

Capital Receipts – General Fund

8.11 General Fund Capital Receipts brought forward at 1 April 2020 were £1.773m. The capital receipts requirement for 2020/21, approved by Council on 3 February 2020, was £0.423m (2020-25 £1.100m). To date £nil capital receipts have been received in 2020/21. The receipts position is shown in table 38 below.

8.11.1 Table 38: Capital Receipt Requirement – General Fund

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	2020-25 Total £m
Requirement reported to February 2020 Council	0.423	0.423	0.254	0	1.100
Receipts Brought Forward	(1.773)	(1.350)	(0.927)	(0.673)	(1.773)
Total Receipts received 2020/21	0	0	0	0	0
Receipts used to repay capital loans	0	0	0	0	0
Net Useable Receipts	0	0	0	0	0
Surplus Receipts	(1.350)	(0.927)	(0.673)	(0.673)	(0.673)

Capital receipts – Housing Revenue Account

8.12 Housing Capital Receipts brought forward at 1 April 2020 were £8.313m. The housing receipts are committed against projects included in the 2020-2025 Investment Plan. The approved Capital Receipt requirement for 2020/21 was £3.117m. This, together with the reprogramming and variations reported to Cabinet, gives a revised requirement of £0.429m. To date, receipts of £0.493m have been received in 2020/21 of which £nil has been pooled as part of the quarterly returns to Central Government. In total, subject to future pooling, this leaves a surplus balance of £8.377m to be carried forward to fund future years.

8.12.1 Table 39: Capital Receipt Requirement - Housing Revenue Account

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	2020-25 £m
Requirement reported to February 2020 Council	3.117	3.329	2.970	6.990	16.406
Reprogramming 2019/20 Outturn	0.167	0.000	0.000	0.000	0.167
Reprogramming 2020/21	(2.000)	2.000	0.000	0.000	0.000
Variation 2020/21	(0.855)	(0.855)	(0.855)	0.000	(2.565)
Revised Requirement	0.429	4.474	2.115	6.990	14.008
Receipts Brought Forward	(8.313)	(8.377)	(3.903)	(1.788)	(8.313)
Receipts Received 2020/21	(0.493)	0.000	0.000	0.000	(0.493)
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
(Surplus)/ Balance To be generated to fund future years (subject to further pooling)	(8.377)	(3.903)	(1.788)	5.202	5.202

The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2020/21.

Investment Plan Monitoring Position to 31 May 2020

8.13 Actual expenditure for 2020/21 in the General Ledger was £1.286m; 1.74% of the total revised Investment Plan at 31 May 2020. This is after adjusting for £0.963m of accruals relating to 2019/20 expenditure.

8.13.1 Table 40: Total Investment Plan Budget & Expenditure to 31 May 2020

	2020/21 Revised Investment Plan £m	Actual Spend to 31 May 2020 £m	Spend as % of revised Investment Plan %
General Fund	52.754	1.209	2.29%
Housing	21.342	0.077	0.36%
TOTAL	74.096	1.286	1.74%

SECTION 9 – TREASURY MANAGEMENT & CASH POSITION

Current Cash Position

9.1 The Authority's current cash balance as at the end of May 2020 is £13.600m, with £40.000m invested externally with other UK Local Authorities. As per the Treasury Management Investment Strategy, the maximum period in which the Authority can invest with other Local Authorities is 12 months. Of the investments as at 31 May 2020, the maximum investment maturity date is 26 October 2020.

9.2 Table 41: Investment Position as at 31/05/2020

Counterparty	Type	Amount (£m)	Maturity
DMO	Term	13.600	1 June 2020
Lloyds Bank	Call	0.000	n/a
Inter – LA	Fixed	40.000	26 October 2020*

**This is the last maturity of this tranche.*

9.3 Short-term cash investment rates are amongst all-time lows and an opportunity has been taken to maximise investment returns by investing longer and locking in investment returns by undertaking forward dated transactions. As a result, the Authority has locked in £0.145m in interest income to be received by year end.

9.4 The approach of maintaining low cash balances has been part of the strategy for a number of years and has generated substantial savings year on year. The government's Debt Management Office (DMO) and other deposit investment rates are currently paying 0.01%, taking into account CHAPS transfers fees and principal invested, it can cost the Authority to invest surplus cash. Therefore, the Authority is investing longer to reduce transactional costs as well as maximise returns. The temporary borrowing market is currently very liquid with significant cash available at very low rates. A summary of rates available is shown in table 42 below. PWLB rates also continue to remain low due to the low Gilt yields, which they are tracked against.

9.5 Table 42: Summary of Borrowing Levels

Temporary Market		PWLB	
Tenor	Level	Tenor	Level
1 week	0.10%	2 years	1.98%
1 month	0.10%	5 years	1.98%
3 months	0.15%	10 years	2.21%
6 months	0.25%	20 years	2.64%
9 months	0.30%	30 years	2.65%
12 months	0.45%	50 years	2.48%

**Please note these levels are from 29/06/2020*

9.6 Any shortfalls in cashflow are covered by in year temporary borrowing, which is a quick and cost-effective method of cash management in the current situation.

Borrowing Position

9.7 Table 43 shows the Authority's current debt position, with total borrowing maturing in 2020/21 of £64.470m.

Table 43: Current Debt Position

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	398.443	20.000	68.610	487.053
Debt Maturing 2020/21	1.000	10.000	53.470	64.470

**£10.000m LOBO has a call date in 2020/21 and subject to agreement between the Authority and the lender, the LOBO can be repaid. It is unlikely that the lender will call due to the current spread on interest rates vs Bank of England base rate.*

Covid-19 Impact on Cash

9.8 The impact of Covid-19 on cashflow for the Authority has resulted in several large grants being front loaded to the Authority. In March 2020, the Authority drew down £25.000m of PWLB to bolster the Authority's cash position, de-risk our borrowing requirement and take advantage of historically low levels in PWLB, and by doing so has contributed to the surplus cash balance. Whilst a proportion of this is currently invested out for a fixed term, the Authority is currently carrying a cash surplus balance. However, it is anticipated this surplus will unwind as Covid-19 restrictions are reduced. Projected reduced revenue streams, increased costs and repayment of outstanding debt is forecast to utilise cash balances within the year. It is therefore prudent to assume the Authority will be in a deficit cash position to the amount of the projected budget pressure.

The Authority is under-borrowed to the value of £57.655m as at 31 March 2020, and whilst the Authority cannot borrow to fund this revenue pressure however, it can look to utilise reserves, unwind its under-borrowed position and externalise borrowing.

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	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
General Fund						
Maintaining Our Assets						
BS026 Asset Planned Maintenance						
Council Contribution	1,691	1,500	1,500	1,500	1,500	7,691
Football Foundation Grant	17	0	0	0	0	17
Section 106	12	0	0	0	0	12
Contribution from Reserves (Insurance)	367	0	0	0	0	367
Contribution from Reserves (Leisure)	251	0	0	0	0	251
BS026 Asset Planned Maintenance Total	2,338	1,500	1,500	1,500	1,500	8,338
BS029 Wallsend Customer First Centre						
Council Contribution	488	0	0	0	0	488
Public Health England	384	0	0	0	0	384
Northumbria Violence Reduction Unit Intervene	76	0	0	0	0	76
BS029 Wallsend Customer First Centre Total	948	0	0	0	0	948
CO076 Lockey Park Environmental and Play Improvements						
Section 106	23	0	0	0	0	23
CO076 Lockey Park Environmental and Play Improvements Total	23	0	0	0	0	23
CO080 Burradon Recreation Ground						
Council Contribution	336	0	0	0	0	336
Section 106	171	0	0	0	0	171
CO080 Burradon Recreation Ground Total	507	0	0	0	0	507
CO082 Sport and Leisure Facility Improvements						
Contribution from Reserves (Leisure)	80	0	0	0	0	80
CO082 Sport and Leisure Facility Improvements Total	80	0	0	0	0	80
CO083 Whitley Bay Crematoria						
Council Contribution	1,541	0	0	0	0	1,541
CO083 Whitley Bay Crematoria Total	1,541	0	0	0	0	1,541
Coxxx Rising Sun Sports Ground						
Section 106	22	0	0	0	0	22
Coxxx Rising Sun Sports Ground Total	22	0	0	0	0	22
ED075 Devolved Formula Capital						
Education Funding Agency (Devolved)	1,463	1,079	579	579	579	4,279
Education Funding Agency (30 Hours)	60	0	0	0	0	60
ED075 Devolved Formula Capital Total	1,523	1,079	579	579	579	4,339
ED120 Basic Need						
Education Funding Agency (Basic Need)	277	2,014	113	113	113	2,630
ED120 Basic Need Total	277	2,014	113	113	113	2,630
ED132 School Capital Allocation						
Education Funding Agency (SCA)	3,535	3,534	3,534	3,534	3,534	17,671
ED132 School Capital Allocation Total	3,535	3,534	3,534	3,534	3,534	17,671
ED186 Backworth Park Primary						
Council Contribution	-800	0	0	0	0	-800
Section 106	800	0	0	0	0	800
ED186 Backworth Park Primary Total	0	0	0	0	0	0
EV034 Local Transport Plan						
Dept for Transport LTP ITA	958	958	958	958	958	4,790
Dept for Transport LTP Maint	2,427	2,000	2,000	2,000	2,000	10,427
Section 106	296	90	0	0	0	386
EV034 Local Transport Plan Total	3,681	3,048	2,958	2,958	2,958	15,603
EV055 Surface Water Improvements						
Environment Agency Grant	364	0	0	0	0	364
NWL Contribution	40	0	0	0	0	40
EV055 Surface Water Improvements Total	404	0	0	0	0	404
EV056 Additional Highways Maintenance						
Council Contribution	2,101	2,000	2,000	2,000	2,000	10,101
EV056 Additional Highways Maintenance Total	2,101	2,000	2,000	2,000	2,000	10,101
EV069 Vehicle Replacement						
Council Contribution	895	1,274	762	1,248	0	4,179
EV069 Vehicle Replacement Total	895	1,274	762	1,248	0	4,179

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Gen Maintaining Our Assets						
ITO20 ICT Strategy						
Council Contribution	1,102	1,000	1,000	1,000	1,000	5,102
ITO20 ICT Strategy Total	1,102	1,000	1,000	1,000	1,000	5,102
Maintaining Our Assets Total	18,977	15,449	12,446	12,932	11,684	71,488
Corporate						
EV076 Operational Depot Accommodation Review						
Council Contribution	3,909	551	0	0	0	4,460
ERDF	2,089	551	0	0	0	2,640
EV076 Operational Depot Accommodation Review Total	5,998	1,102	0	0	0	7,100
GEN03 Contingencies						
Council Contribution	5,276	500	500	500	500	7,276
GEN03 Contingencies Total	5,276	500	500	500	500	7,276
Corporate Total	11,274	1,602	500	500	500	14,376
Education						
ED189 School Nursery Capital Fund						
Education Funding Agency (Devolved)	25	0	0	0	0	25
Education Funding Agency (SNCF)	77	0	0	0	0	77
ED189 School Nursery Capital Fund Total	102	0	0	0	0	102
Education Total	102	0	0	0	0	102
Housing General Fund						
DV064 Council Property Investment						
Council Contribution	1,738	0	0	0	0	1,738
DV064 Council Property Investment Total	1,738	0	0	0	0	1,738
HS004 Disabled Facilities Grant						
Better Care Fund	810	2,281	0	0	0	3,091
HS004 Disabled Facilities Grant Total	810	2,281	0	0	0	3,091
HS051 Private Sector Empty Homes						
Council Contribution	106	393	393	0	0	892
Homes & Communities Grant	258	0	0	0	0	258
HS051 Private Sector Empty Homes Total	364	393	393	0	0	1,150
Housing General Fund Total	2,912	2,674	393	0	0	5,979
Investments						
DV066 Investment in North Tyneside Trading Co						
Council Contribution	4,008	0	0	0	0	4,008
Section 106	620	0	0	0	0	620
DV066 Investment in North Tyneside Trading Co Total	4,628	0	0	0	0	4,628
Investments Total	4,628	0	0	0	0	4,628
Regeneration						
CO079 Playsites 2019/20						
Section 106	50	0	0	0	0	50
CO079 Playsites 2019/20 Total	50	0	0	0	0	50
DV054 Spanish City Dome						
Council Contribution	2	0	0	0	0	2
DV054 Spanish City Dome Total	2	0	0	0	0	2
DV058 Swan Hunters Redevelopment						
Council Contribution	232	0	0	0	0	232
DV058 Swan Hunters Redevelopment Total	232	0	0	0	0	232
DV067 Northern Promenade						
Council Contribution	340	0	0	0	0	340
DV067 Northern Promenade Total	340	0	0	0	0	340
DV068 Southern Promenade						
Environment Agency Grant	626	0	0	0	0	626
DV068 Southern Promenade Total	626	0	0	0	0	626
DV072 Royal Quays Enterprise Park						
Council Contribution	2,500	7,800	0	0	0	10,300
DV072 Royal Quays Enterprise Park Total	2,500	7,800	0	0	0	10,300

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Ger Rege DV073 Ambition for North Tyneside						
Council Contribution	1,000	1,000	1,000	1,500	2,000	6,500
Capital Receipts	423	423	254	0	0	1,100
Revenue Contribution	577	577	746	500	0	2,400
Historic England - Heritage Action Zone	149	134	345	272	0	900
DV073 Ambition for North Tyneside Total	2,149	2,134	2,345	2,272	2,000	10,900
EV084 A189 Improvements Haddricks Mill to West Moor						
DFT National Productivity Fund	302	0	0	0	0	302
Section 278	1,554	0	0	0	0	1,554
EV084 A189 Improvements Haddricks Mill to West Moor Total	1,856	0	0	0	0	1,856
EV087 Air Quality Early Measures Fund						
Transforming Cities Fund	7	0	0	0	0	7
EV087 Air Quality Early Measures Fund Total	7	0	0	0	0	7
EV088 Tyne View Terrace Cycleway						
Transforming Cities Fund	8	0	0	0	0	8
EV088 Tyne View Terrace Cycleway Total	8	0	0	0	0	8
EV090 S278 Avant Homes at Killingworth Village						
Section 278	66	0	0	0	0	66
EV090 S278 Avant Homes at Killingworth Village Total	66	0	0	0	0	66
Evxxx Transforming Cities Tranche 2						
Transforming Cities Fund	200	0	0	0	0	200
Evxxx Transforming Cities Tranche 2 Total	200	0	0	0	0	200
GEN12 Local Infrastructure						
Council Contribution	176	100	100	100	100	576
GEN12 Local Infrastructure Total	176	100	100	100	100	576
HS052 Killingworth Moor Infrastructure						
Housing Infrastructure Fund	6,000	4,000	0	0	0	10,000
HS052 Killingworth Moor Infrastructure Total	6,000	4,000	0	0	0	10,000
Regeneration Total	14,212	14,034	2,445	2,372	2,100	35,163
Climate Emergency						
EV083 Street Lighting LED						
Council Contribution	500	0	0	0	0	500
EV083 Street Lighting LED Total	500	0	0	0	0	500
EV091 Other Initiatives Climate Change						
Council Contribution	73	74	0	0	0	147
EV091 Other Initiatives Climate Change Total	73	74	0	0	0	147
Evxxx E-Cargo Bikes						
DFT E-Cargo Grant	76	0	0	0	0	76
Evxxx E-Cargo Bikes Total	76	0	0	0	0	76
Climate Emergency Total	649	74	0	0	0	723
General Fund Total	52,754	33,833	15,784	15,804	14,284	132,459
HRA						
Housing						
HS015 Refurbishment / Decent Homes Improvements						
See HRA Financing	16,588	24,778	20,183	21,003	21,491	104,043
HS015 Refurbishment / Decent Homes Improvements Total	16,588	24,778	20,183	21,003	21,491	104,043
HS017 Disabled Adaptations						
See HRA Financing	880	1,233	1,072	1,083	1,094	5,362
HS017 Disabled Adaptations Total	880	1,233	1,072	1,083	1,094	5,362
HS039 ICT Infrastructure Works						
See HRA Financing	192	108	109	109	110	628
HS039 ICT Infrastructure Works Total	192	108	109	109	110	628
HS041 Housing PFI						
See HRA Financing	154	0	0	0	0	154
HS041 Housing PFI Total	154	0	0	0	0	154
HS044 HRA New Build						
See HRA Financing	3,528	6,910	4,893	5,040	5,191	25,562
HS044 HRA New Build Total	3,528	6,910	4,893	5,040	5,191	25,562

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
HR/ Housing						
HS050 Construction Options Project						
See HRA Financing	0	0	0	0	0	0
HS050 Construction Options Project Total	0	0	0	0	0	0
Housing Total	21,342	33,029	26,257	27,235	27,886	135,749
HRA Total	21,342	33,029	26,257	27,235	27,886	135,749
Total £000	74,096	66,862	42,041	43,039	42,170	268,208

Investment Plan Financing

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
General Fund						
Council Contribution	27,214	16,192	7,255	7,848	7,100	65,609
Council Contribution - Capital Receipts	423	423	254	0	0	1,100
Grants & Contributions	23,842	16,641	7,529	7,456	7,184	62,652
Revenue Contribution	577	577	746	500	0	2,400
Contribution from Reserves	698	0	0	0	0	698
General Fund Total	52,754	33,833	15,784	15,804	14,284	132,459
HRA Financing						
HRA Capital Receipts	429	4,474	2,115	3,922	3,068	14,008
HRA Revenue Contribution	6,883	13,679	10,403	9,093	10,100	50,158
HRA MRR	12,826	14,876	13,739	14,220	14,718	70,379
HRA House Building Fund Reserve	1,204	0	0	0	0	1,204
HRA PFI Reserve	0	0	0	0	0	0
HRA Financing Total	21,342	33,029	26,257	27,235	27,886	135,749
Total£000	74,096	66,862	42,041	43,039	42,170	268,208