



North Tyneside Council

Finance Sub Committee

Monday, 5 July 2021

Tuesday, 13 July 2021 Chamber - Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

Agenda Item	Page
<p>1. Apologies for Absence</p> <p>To receive any apologies for absence.</p>	
<p>2. Appointment of Substitute Members</p> <p>To be notified of the appointment of any Substitute Members.</p>	
<p>3. Declarations of Interest and Notification of any Dispensations Granted</p> <p>You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.</p> <p>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.</p> <p>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.</p>	
<p>4. Minutes</p> <p>To confirm the minutes of the meeting held on 9 February 2021.</p>	5 - 10

Members of the public are welcome to attend this meeting and receive information about it. However, in order to enable the meeting to be held in a Covid-secure manner, places for members of the public are limited. Please email democraticsupport@northtyneside.gov.uk or call 0191 643 5318 if you wish to attend or require further information.

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Agenda Item	Page
<p>5. Poverty Intervention Fund Update</p> <p>To receive a report that provides an update on the use and spend of the Poverty Intervention Fund.</p>	11 - 16
<p>6. Welfare Reform - Financial update</p> <p>To receive an update on the schemes that provide financial support to residents.</p>	17 - 22
<p>7. 2020/21 Financial Management Report to 31 January 2021</p> <p>To receive the Financial Management report that reflected the financial position as at 31 January 2021.</p>	23 - 104
<p>8. Exclusion Resolution</p> <p>The Sub-Committee is requested to pass the following resolution:</p> <p>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.</p>	
<p>9. Business and Technical Partnerships Risks</p> <p>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.</p>	105 - 120

Circulation overleaf ...

Members of the Finance Sub Committee

Councillor Debbie Cox (Chair)
Councillor Cath Davis
Councillor Paul Richardson
Councillor Judith Wallace

Councillor Naomi Craven (Deputy Chair)
Councillor Bruce Pickard
Councillor Willie Samuel

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Finance Sub Committee

Tuesday, 9 February 2021

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

In attendance: Councillors R Glindon

F50/20 Appointment of Substitute Members

There were no substitute members appointed.

F51/20 Declarations of Interest and Notification of any Dispensations Granted

There were no declarations of interest reported.

F52/20 Minutes of 17 November 2020

Resolved that the minutes of the meeting held on 17 November 2020 be confirmed.

F53/20 Welfare Reform - Financial update

The Sub-committee considered a update report on the three schemes that provide financial support to our residents, that were implemented or revised in April 2013 onwards because of on-going welfare reform, as well as an update on Universal Credit.

Discretionary Housing Payment Fund

The Discretionary Housing Payment (DHP) fund, administered by Local Authorities on behalf of the Department for Work and Pensions (DWP) with the aim at being a temporary payment, which provides support, just at the right time, to people in financial difficulties who have a shortfall between their rent and Housing Benefit (or Universal Credit including the housing element).

The position of spend against the grant as at 25 January 2021 showed a level of unallocated funding stood at £296,533.

Spend against DHP fund slowed in the first half of the year at the local authority and other landlords did not pursue tenants in arrears during the first Covid-19 lockdown, however, since arrears letters had been issued tenants have engaged and DHP was increasing.

Local Council Tax Support Scheme

The maximum amount of support provided for working age claimants for the financial year

2020/2021 is 85% of the claimants Council Tax liability. Pensionable age claimants continue to receive up to 100% support.

Demand on the scheme had increased from April to August where the caseload peaked at 17,755 and since then had declined to 17,501 claimants (7,573 pensionable age and 9,928 working age). The cost of the scheme stood at £15,360,394 which is just less than in November's update.

Local Welfare Provision

There had been 1,920 applications for Local Welfare Support in comparison to the 1,368 at same period last year.

All applications were offered a full screening, advice and information including signposting to partner organisations where appropriate.

Spend for the period in respect of immediate practical support amounted to £10,998. This was in addition to the annual grant to the Food Bank of £26,500.

There was still funding with North East First Credit Union that allows the Authority to refer people with poor credit history who would be seen as higher risk customers, the opportunity to access reasonably priced loans.

This was a one off funding; customers are charged interest which goes back into the fund to be used by other customers, where four people had taken up loans for household goods.

For applicants who were not provided funded by the authority immediate practical support, a summary of the assistance available was provided.

Hardship fund

As part of the response to COVID-19, the Authority received £2,024,000 for the Hardship Fund from Central Government for households that would struggle to meet Council Tax Payments. All working age claimants received up to £150 from the hardship fund, which meant around 58% had no Council Tax liability for 2020/21 to pay and many only had to pay a small amount.

The remaining Hardship Grant had been used to support other Council Tax payers who were not in receipt of the £150 but had been impacted Covid-19, it was also being used by Welfare Provision to support people and to support financially vulnerable housing tenants who were not entitled to a Discretionary Housing Payment.

A member praised officers for the speed in distributing the support funding to those most in most in need.

Universal Credit

Universal Credit (UC) replaced 5 state benefits, the number of people claiming Universal Credit had increased significantly by just over 8400, which amounted to a 78% increase against the figure in February 2020.

Positive steps taking place to support claimants saw DWP initially deploying staff from other departments to process claims but as the months have progressed and recruited over 800 staff for a new Universal Credit Service Centre to manage the additional claims, as well as 20 new Work Coaches and 2 additional Employment Advisors to support claimants.

Job Centre Plus Offices have remained open for those that are unable to access support digitally/via telephony opening times are currently 10-2 (temporary for current lockdown).

Housing Department Update

The impact of UC continues to be felt by the housing department and they now have 4,324 tenants on UC as at 25th January 2021. 3,141 (72.64%) of these are in arrears although it is worth noting that 64.5% of those on UC were already in arrears when they moved onto UC. The average arrears for those on UC was £599.90 (this has reduced since last quarter despite the impact of COVID-9) compared to an average arrears of £563.78 for all tenants and £335.27 for those not on UC. Other housing providers are also advising of significant arrears with tenants in receipt of UC.

COVID-19 had a large impact on housing tenants with 1,113 of tenants reporting that they had been adversely impacted. This had contributed to the significant increase in the number of tenants claiming UC, with an additional 1,416 UC cases being recorded since 16th March 2020.

Agreed that the Welfare Reform – Financial update be noted.

F54/20 2020/21 Financial Management Report to 30 September 2020

The Sub-committee received the 2020/21 Financial Management Report to 30 September 2020. A further updated report was on the agenda and it was suggested that the report be noted.

Agreed that the 2020/21 Financial Management Report to 30 September 2020 be noted.

F55/20 2020/21 Financial Management Report to 30 November 2020

The Senior Manager Financial Strategy and Planning presented the 2020/21 Financial Management report to 30 November 2020.

The report was the fourth monitoring report of the 2020/21 financial position and provided the second indication of the potential revenue and capital position of the Authority at 31 March 2021.

North Tyneside Council had felt the ongoing impact of the Covid-19 pandemic. It was noted that when considering 'business as usual' the Council was performing favourably in comparison with previous financial years.

The forecasted overall pressure was estimated at £1.510m against the approved budget, which included forecasted pressure of £0.127m on normal activities and £1.383m relating to the impact of Covid-19. The Authority continued to face financial pressures across areas of

Social Care and demand-led services.

The Authority had received four payments of the Local Authority support Grant funding from Government totalling £16.369m with £0.755m allocated due to Covid-19 pressures arising in March 2020.

The report included details of additional grants received by the Authority since the budget was set and provided the position of the 2020/21 Schools budgets, planning for 2021/22, Schools funding and the forecast outturn for the Housing Revenue Account at 30 November 2020.

The report also included details of the variations and reprofiling of the 2020/21 Investment Plan and an update on Treasury Management.

A Member sought clarification to when covid-19 grant were recorded and was confirmed that grants were recorded on receipt.

A member asked that if no further grants were received from Central Government and at the year end the authority still had a deficit how would the use of reserves be needed to balance the budget. The Head of Resources responded stating that the Authority would capture eligible expenditure against all grants possible but the ultimately any deficit would fall to the use of reserves.

A member asked and clarification was given to the role of Internal Audit in the use of received grants.

A member asked for clarification to the additional cost in bereavement costs. In response the increase was due to two elements of cost in body storage and additional technology to enable socially distanced funeral services.

A member asked for clarification and received an explanation to the understanding of the term under-borrowing.

Agreed that the 2020/21 Financial Management report to 30 November 2020 be noted.

F56/20 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 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.

F57/20 Business and Technical Partnerships Risks

The Sub-committee considered the report that set out monitoring to the management and mitigation of high (red) risks contained within the Operational Risk Register.

Agreed that the Technical Partnership Risks report be noted.

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Meeting: Finance Sub-Committee
Date: 13 July 2021
Title: Poverty Intervention Fund Update

Author: Jacqueline Laughton **Tel:** 643 5724
Vicki Nixon **Tel:** 643 8215
Service: Corporate Strategy
Ward affected: All

1. Report Purpose and Background

- 1.1 As requested by the Sub-Committee at its meeting on 9 February 2021, this report provides an update on the use and spend of the Poverty Intervention Fund.
- 1.2 The purpose of the Fund as agreed by Cabinet on 29 June 2020 is to help to alleviate the impact of poverty on families and individuals across North Tyneside with particular emphasis on children, by providing support to those who need it. Cabinet agreed the following policy objectives for the Fund
- to address the financial impacts of poverty by targeting support to areas where people are struggling to make ends meet to be able to afford the basics or where they are having to go without certain things which others take for granted.
 - to address the social impacts of poverty by targeting support so that people can play a full role in society and for activities which will have a positive impact
 - to address the health impacts of poverty by targeting support on relevant areas such as risk-taking behaviour and mental health and well-being
- 1.3 On 21 September 2020, Cabinet agreed the approach for the delivery of the Fund. The delivery of the Fund is overseen by a Steering Group comprised of 1 elected member per ward (with appropriate arrangements for mixed wards) and also to include engagement with the Young Mayor/Youth and relevant external organisations.
- 1.4 On 21 September 2020, Cabinet also agreed the first priorities and initiatives for the Fund as proposed by the Steering Group. These were to deliver the Fund in a phased approach with the first phase focussed on four priorities
- for children – focusing on the key impact which living in poverty has in relation to their experience at school
 - for older people – focusing on the key impact of not taking up full benefit entitlement

- for families with children – focusing on the key impact of not being able to afford the essentials of clothing for school and food during school holidays (where they do not have access to free school meals)

1.5 In line with these agreed priorities, the Fund has financed the following initiatives in the 2020/21 financial year. An update on progress of each is set out in section 3 of the report

- Poverty Proofing the School Day (for children)
- benefit advice and support for older residents (for older people)
- school appropriate clothing (for families with children)
- holiday food (for families with children)
- Food for older residents (for older people)

1.6 An update is also included in this report on the additional support that has been provided through the COVID Winter Grant which was introduced as part of the Government's package of support due to COVID-19. The Winter Grant payment is an additional payment which was made to school aged children on free school meals and has supported the delivery of the aims of the Poverty Intervention Fund to address the needs of families with children.

1.7 Information is also provided on the Holiday Activity Fund (HAF) which has also been introduced as part of the Government's package of support due to Covid-19 and again has supported the delivery of the aims of the Poverty Intervention Fund

2. Recommendations

2.1 The finance Sub Committee is asked to note the content of this report.

3. Update on Progress

3.1 Appendix A provides an overview of the allocation of funding within the PIF and spend to date. Set out below is an overview of the current progress with each of the PIF initiatives and the related work with the additional Government grant funding provided to the Authority – the COVID Winter Grant and the Holiday Activity Fund. Unallocated funding from 2020-21 will be carried forward into 2021-22 as per the budget proposals agreed by Council.

Poverty Proofing the School Day

3.2 £172,755 was allocated from the Poverty Intervention Fund for this initiative in order to address the impacts of poverty felt by children and young people at school. The poverty proofing programme has been run by Children North East since 2011 and has been successfully previously delivered in a few schools in the borough (funded directly by schools) Delivered through schools, the programme seeks to better understand what poverty looks like from a child and young person's perspective. Each school involved is fully supported to be able to put in place an action plan to alleviate this in the school setting and to reduce the stigma and discrimination faced by children who live in poverty. Funding the programme through the Poverty

Intervention Fund means that every school in the borough is able to take part and there is a consistent experience for our children and young people.

- 3.3 Success outcomes for the programme include more equity of experience, opportunity and learning outcomes for pupils who live in poverty. It also leads to positive outcomes for parents, schools, and teachers. Where the programme has already been implemented in schools there are improved rates of attendance and attainment for disadvantaged pupils as well as a direct impact by reducing the cost of the school experience for pupils and their families, thereby alleviating some of the pressures on parents in poverty. Where the programme has been delivered there have also been improvements in relation to mental health and wellbeing amongst children and young people. Schools have implemented actions such as free musical instrument tuition for all pupils, supplying bus passes, alternatives to non-uniform days for fund-raising, not sending debt letters home with pupils and challenging staff over whether asking pupils to write about their holidays or presents was appropriate. However, one of the biggest impacts for schools is a cultural shift. One school told evaluators that previously, they had done things without 'necessarily being aware of what the impact on disadvantaged pupils would be', but that after the programme, they 'now consider the impact first'.
- 3.4 By making the initiative borough wide, it takes into account the fact that in North Tyneside whilst there are certain parts of the borough which are more deprived than others, there are also children living in poverty in the more affluent areas. This approach gives the same opportunity to all children and young people across the borough regardless of where they live.
- 3.5 The programme, delivered by Children North East, was due to start in the Autumn of 2020 and a working group has been set up with the Council's School Improvement Service to oversee delivery. Information was sent to schools and initial discussions were held. Due to pressures on school in relation to the pandemic, the timing of the programme had to be moved back to 2021. Children North East has adapted the programme so that it can be delivered in a Covid Secure way. Four schools have now started on the programme with another four lined up to follow. This programme will now run through from now and all of the 2021/22 academic year to ensure that no school is disadvantaged due to the impact of COVID.

Benefit take-up campaign and support for older residents

- 3.6 £100,000 was allocated from the Poverty Intervention Fund for a benefit take up campaign and support for older residents. This is to address the issue that impacts of living in poverty for some individuals and families is compounded by people not taking up their full entitlement to benefits. This is recognised in particular for older people (and especially for older people with disabilities) who often struggle to navigate the often-complex system of benefits and allowances or for whom, the digital nature of benefits administration and claiming processes are not always easy to access..
- 3.7 Delivered through Age UK and Citizens Advice, this initiative includes raising awareness and providing information to people of what benefit support is available through proactive communications and marketing activity. It also includes advice

workers to work directly with older people to understand their potential entitlement to benefit as well as supporting them to make a claim.

- 3.8 Table 1 below shows the breakdown of spend for this initiative

Table 1

	Amount of funding
CAB provision of advice	£45,000
AgeUK provision of advice	£45,000
AgeUK Marketing and communication	£10,000

School appropriate clothing

- 3.9 £253,845 has been allocated from the Poverty Intervention Fund to support families with the costs of school clothing – uniform, coats and shoes. Families with children who are living in poverty often struggle to be able to afford the regular costs for school uniforms, shoes or winter coats and that this can contribute significantly to the key impacts of poverty. This can be a particular issue where schools require their own branded items of clothing to be worn as part of their uniform policy. Part of the funding was used to provide £45 directly to families for every pupil in receipt of free school meals due to low income. This is being provided through a locally managed scheme where vouchers) are provided for parents and carers to be able to purchase the clothing for school. Vouchers of £20 per pupil have been provided for use at the eight school uniform suppliers across the borough (for branded uniform items) and vouchers of £25 per pupil have been provided for use in supermarkets which supply school clothing. This provides both flexibility and choice for families but also ensures that the funding is directly provided for clothing as much as possible.
- 3.10 Additional access to school clothing over and above the £45 per pupil has also been provided for families in need via the Community School Clothing Scheme. This is able to be accessed through schools and we have been working closely with schools to identify those in need.

Holiday food

- 3.11 £200,000 of the Poverty Intervention Fund was allocated to provide support for families to meet the costs of food during school holidays. During the October 2020 half term school holiday, we carried out a market engagement exercise to trial several ways to provide holiday food to children. The trial saw 5 providers delivering food and activities to children on free school meals. Through this, over 1,700 meals were delivered either face to face or remotely through hamper provision. The total cost of this activity was £6,646.
- 3.12 In November 2020, the government announced the COVID Winter Grant which was to support those most in need by providing support over the winter to children and households who are experiencing, or at risk of experiencing, poverty, where they are impacted by the ongoing public health emergency and where alternative sources of assistance may be unavailable. By using this funding for holiday food, we were able to redirect the remainder of the amount originally allocated for this

purpose in the Poverty Intervention Fund to extend the school clothing scheme and also to provide funding for food for older people over winter.

Winter food for older people

- 3.13 By redistributing the funding originally allocated for holiday food (which had been provided elsewhere through the COVID Winter Grant, £96, 681 was available from the PIF to support the provision of hot food for older people. This began over the Christmas period and will continue until end March 2021.
- 3.14 This funding has enabled 8 voluntary and community sector projects to deliver over 8,000 hot meals so far. Residents have benefitted from extra contact and support from projects delivering food, so this initiative has also contributed to a reduction in social isolation amongst older people through the lockdown period.

4. Impact of COVID Grants on the PIF

- 4.1 The £170 million COVID Winter Grant Scheme was made available in early December 2020 for support costs of food, energy, water bills (including sewerage) and other essentials. North Tyneside Council was allocated £644,988 and this was able to be used instead of the PIF to support families with children in receipt of free school meals. £60 was allocated per child and the funding was provided to families at Christmas. It is intended to cover the holiday periods for the rest of the financial year. This equated to £15 per week for the two weeks at Christmas, February half term and the first week of the Easter break. Recently this grant was extended to cover the second week of Easter so a further £15 has been provide for all eligible children.
- 4.2 Government recently announced additional funding to local authorities to provide for holiday activities via the Holiday Activity Fund. North Tyneside's allocation of this fund is £788k. This holiday provision is for children who are entitled to benefits-related free school meals. Work is currently underway to develop the model for the delivery of school holiday activities across North Tyneside in line with the criteria for the Government funding. This will also contribute to addressing the policy priorities identified for the PIF.

5. Background Information

The following background documents have been used in the compilation of this report and are available from

- [Poverty Intervention Fund Cabinet Paper June 2020](#)
- [Poverty Intervention Fund Cabinet Paper September 2020](#)

APPENDIX A

Initiative	Funding Allocated	Comments
Benefits Take up Campaign and Support	100k	
Holiday food	200k* original allocation but only £6,646 spend	£6,646 spend prior to additional funding from Government. £193,362 reallocated to school appropriate clothing initiative and food for older people as set out below
Poverty Proofing the School Day	£172,755	
School appropriate clothing	£253,845 original allocation plus £96, 677	This amount was allocated based on the number of children eligible for free school meals. At the time of allocation this was 5,641 children but this has since risen to 6,625 children
Food for older people	£96,677	
Total	£726,600	
Remaining funds	£273,400	Balance to be carried forward to 2021/22 as per the budget agreed by Council

Meeting: Finance Sub-Committee

Date: 13 July 2021

Title: Welfare Reform - Financial update on

- Discretionary Housing Payments Fund
- Local Council Tax Support Scheme
- Local Welfare Provision Scheme
- Universal Credit

Authors: Tracy Hunter

Tel: 0191 643 7228

Service: Finance Service

Wards affected: All

1. Purpose of the Report

1.1 This report provides a further update on the three schemes that provide financial support to our residents that were implemented or revised in April 2013 onwards because of on-going welfare reform, as well as an update on Universal Credit. The three schemes are:

- Discretionary Housing Payment Fund,
- Local Council Tax Support Scheme, and
- Local Welfare Provision Scheme.

1.2 An update is also included on the additional support that has been provided through the Government's package of support to help working age claimants of Council Tax Support through the pandemic.

2. Recommendations

2.1 Finance Sub Committee are asked to note the content of this report.

3. Detail

Discretionary Housing Payment Fund

3.01 Discretionary Housing Payments (DHP) are administered by local authorities on behalf of the Department for Work and Pensions (DWP). It is aimed at being a temporary payment, which provides support, just at the right time, to people in financial difficulties who have a shortfall between their rent and Housing Benefit (or Universal Credit including the housing element) or require help with moving costs to more affordable accommodation, including rent in advance and deposits. It provides time to

allow a claimant the financial support they need to deal with, seek help, and put in place arrangements to improve their difficult financial circumstances. It is promoted well so partners are aware of this support and can identify quickly those that need it.

- 3.02 In 2020/21 we received £558,563 DHP funding and spend against this fund had been slow in the first half of the year as the local authority and other landlords did not pursue tenants in arrears, so tenants did not seek help through the DHP fund. Since arrears have been pursued later in the year, we started to see an increase in claims as more targeted work with tenants in need was undertaken by our housing teams and other registered providers. We streamlined processes to make claiming and backdating simpler, so claims were dealt with quickly.
- 3.03 Funding in 2021/22 is being managed differently by DWP and we have only been awarded part of our grant (£309,105) initially and they will advise what the remaining grant we will receive in late September based on demand and caseload. The caveat is that the overall grant will be around 20% to 30% less than in 2020/21. This makes long term decision making difficult until we know what the final grant will be.

End of year financial position for 2020/21

- 3.04 The housing team have worked very closely with the Benefits Team since the last report and customers who had fallen behind with their rent were supported to apply and those where their DHP claim had lapsed were also supported to make renewal claims. The end of year data shows that 768 applicants received a payment and virtually all of the grant was spent with less than 1% (£4,772) being returned to DWP.

DHP financial details for the current financial year 2021/2022

- 3.05 Table 1 and details below show final position against the grant for 2021/22.

Table 1 – DHP Spend to date

	Amount of grant
Initial payment- DWP funding only	£309,105
Total spend and committed	£207,891
Funding unallocated	£101,214

- 3.06 Claimants
- 230 claimants made a successful claim, of these 2 claimants have custody of children and 5 claimants are living in adapted property.
- 3.07 Requested reviews
- Since April 2021 there have been 5 reviews carried out with 1 changed in favour of the customer.

Local Council Tax Support Scheme

- 3.08 The Council Tax Support Scheme is a means tested support which helps those on low income pay their Council Tax. Working age can receive up to 85% of their Council Tax liability and pensionable age claimants continue to receive up to 100% support.
- 3.09 The demand on the scheme was very different in 2020/21 and instead of seeing a reduction we saw an increase in claims from 17,172 at the end of March 2020 to 17,543 at the end of March 2021. This was a 7% in working age claims although we did see a reduction in pensionable age claims. The cost for the scheme was £15,394,568.
- 3.10 Going into 2021/22 the caseload has changed slightly, and the overall caseload is now 17,441 (9,996 working age claimants and 7,445 pensionable age claimants), the cost of the scheme has increased and now stands at £15,757,160.

Hardship fund

- 3.11 As part of the Governments response to supporting people during the pandemic it provided a hardship grant in 2020/21 of £2,024,000 with the direction that the majority would be used to provide up to £150.00 for each working age Council Tax Support recipient, this ensured that 58% had no liability to pay for 2020/21. In addition a further grant in 2021/22 allowed the authority to take the same approach to support working age claimants and similar numbers also have a no liability to pay in 2021/22.

Local Welfare Provision

Statistics for the period 1st April 2020 to 1st April 2021

- 3.12 There have been 2,803 applications for Local Welfare Support. For comparison in 19/20 there were 2,075 applications and in 18/19 there were 1,607.
- 3.13 All 2,803 applications were offered a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.
- 3.14 There were 1,219 crisis applications eligible for further practical support. This included applicants receiving food, utility support, baby items or baby food, essential household items, travel costs or clothing. In 19/20 this was 519 and 18/19 450.
- 3.15 Spend for the period in respect of immediate practical support amounted to £12,722. In 19/20 this was £11,304 and 18/19 £9,543.
- 3.16 Of the applicants who were not provided funded by the authority immediate practical support, a summary of some of the assistance is as follows:
- Referrals to Whitley Bay Food Bank
 - Liaison to resolve benefit issues with Department for Work and Pensions
 - Referrals to a supported housing provider

- Referrals to Citizens Advice
- Liaison with HMRC for Child Tax Credits
- Working with other community support groups
- Liaison with their bank utility provider or employer
- Referral to other Children's Service support
- Support from the Salvation Army with vouchers (to be used in their shops mainly for clothing) – this has not been available during this quarter
- Referral to community resources for clothing or furniture items

Statistics for the period 4th April 21 to 31st May 21

- 3.17 There have been 483 applications for Local Welfare Support
- 3.18 All 483 applications were offered a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.
- 3.19 There were 339 crisis applications eligible for further practical support. This included applicants receiving food, utility support, baby items or baby food, essential household items, travel costs or clothing.
- 3.20 Spend for the period in respect of immediate practical support amounted to £2,872. This is in addition to the annual grant to the Food Bank of £40,500 which was paid in this quarter.
- 3.21 Of the applicants who were not provided funded by the authority immediate practical support, a summary of some of the assistance is as follows:
- Referrals to Whitley Bay Food Bank
 - Liaison to resolve benefit issues with Department for Work and Pensions
 - Referrals to a supported housing provider
 - Referrals to Citizens Advice
 - Liaison with HMRC for Child Tax Credits
 - Working with other community support groups
 - Liaison with their bank utility provider or employer
 - Referral to other Children's Service support
 - Support from the Salvation Army with vouchers (to be used in their shops mainly for clothing) – this has not been available during this quarter
 - Referral to community resources for clothing or furniture items
- 3.22 There is still funding with North East First Credit Union which allows the Authority to refer people with poor credit history who would be seen as higher risk customers, the opportunity to access reasonably priced loans. This was a one-off funding; customers are charged interest which goes back into the fund to be used by other customers. The credit union are now able to take applications online which has made the process simpler and much quicker for customers who are in crisis.

Covid 19 update

- 3.23 There has continued to be additional grants over the period to support applicants with financial difficulties caused by the impact of Covid 19 and this has allowed an increase in the support provided.
- 3.24 In addition, the team have assessed and processed discretionary applications for support with Track and Trace Payments, this includes the changes to scheme for parents with children who have been told to self-isolate by their schools and the parent incurs a loss of earnings.

Universal Credit

- 3.25 Universal Credit (UC) replaces 5 state benefits unless the customer meets certain criteria and would still qualify for a legacy benefit. The five legacy benefits it replaces are:
- Housing Benefit (HB)
 - Income Support (IS)
 - Job Seekers Allowance Income Based (JSA)(IB)
 - Employment and Support Allowance Income Related (ESA)(IR)
 - Tax Credits (Child Tax Credits and Working Tax Credits) (CTC), (WTC)
- 3.26 The number of people claiming Universal Credit is still high with most recent data showing 19,401 claiming in North Tyneside compared to 10,758 in February 2020.
- 3.27 DWP have worked tirelessly to manage the large numbers of claims made throughout the pandemic initially deploying staff from other departments to process claims and recruiting large numbers of staff to create a new Universal Credit Service Centre. Additional Work Coaches and Employment Advisors were employed to support people through these difficult times. Job Centre Plus offices have remained open throughout for those that are unable to access support digitally or by telephone.
- 3.28 Throughout the pandemic Work Coaches have supported claimants in their job search including identifying any other needs and signposting to appropriate organisations. This included referrals to support for mental health, domestic abuse, addictions, budgeting/financial issues, homelessness, skills needs, and digital capability. Youth Work Coaches have been introduced in all JCP's to provide specialist support to 18-24 year olds as this age group has been impacted significantly (many having been employed in the retail, hospitality and leisure industry). Job Finding Support, Restart Programme, Work & Health targeted support and Restart Programme have all been introduced to target a range of support to claimants with varying needs. The DWP flexible Support Fund, funded local provision to help support certain groups where gaps in skills have been identified for example ex-offenders, autism, learning disabilities & Workplace Anxiety. There are also Sector Based Work Placements available which provide training with an interview guarantee for jobs on completion.
- 3.29 To support people who are serving their period of notice DWP have specialist support in place through their Rapid Response Service (RRS). This allows employees to access:

- information, advice and guidance
- non-vocational training to move a person closer to employment
- help to assess transferable skills in relation to the local labour market by conducting a Skills Transfer Analysis
- vocational training to address skills needs
- support to help overcome barriers to getting a job or starting self-employment
- help to meet discretionary costs e.g.; travel to training course expenses.

3.30 Whilst there have been large increases in unemployment there have been some positives around new employment opportunities across many sectors including jobs created within the Civil Service and NHS.

Housing Department Update

3.31 The impact of UC continues to be felt by our housing department and they now have 4,658 tenants on UC as at 20th June 2021. 3,333 (73.26%) of these are in arrears although it is worth noting that 66.07% of those on UC were already in arrears when they moved onto UC. The average arrears for those on UC is £549.75 (this has reduced since last quarter despite the impact of COVID-19) compared to an average arrears of £515.61 for all tenants and £271.22 for those not on UC. Other housing providers are also advising of significant arrears with tenants in receipt of UC.

3.32 COVID-19 has had a large impact on housing tenants with 1,248 of current tenants reporting that they have been adversely impacted. This has contributed to the significant increase in the number of tenants claiming UC. In total 756 tenants on UC have informed us that they have been impacted by COVID-19.

3.33 COVID-19 has also had a significant impact on the arrears level of those who are claiming UC (despite the amount UC claimants receive increasing as a result of the pandemic). Since 16th March 2020 arrears of those in receipt of UC have increased by £515,962; a proportion of this increase (£329,026 is due to arrears accrued by new UC claimants before they transitioned to UC being added to the total.

4. Background Information

The following background documents have been used in the compilation of this report and are available from

- [Housing Benefit Circular S4/2021 Details of the Government contribution towards DHP for local authorities for the financial year 2021/22](#)
- [Discretionary Housing Payment Policy 2021/22](#)

Finance Sub-committee 13 July 2021

Cabinet Report 6 April 2021

2020/21 Financial Management Report to 31 January 2021

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North Tyneside Council

Report to Cabinet

6 April 2021

Title: 2020/21 Financial Management Report to 31 January 2021

Portfolios:	Elected Mayor	Cabinet Member:	Norma Redfearn
	Finance and Resources		Councillor Ray Glindon
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 fifth 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 latest 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. However, when “business as usual” is considered services are performing favourably when compared to this stage in previous financial years. The forecast overall pressure is estimated at £3.041m against the approved net budget. This is made up of forecasted pressures of £0.053m on normal activities and £2.988m relating to the impact of Covid-19. The Authority continues to face financial pressures across areas of Social Care and demand-led services that have been reported over a number of years.

This report necessarily reflects these known pressures the Services will be required to manage during the approach to year end . 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.

The financial impact of the pandemic continues to have a significant effect on the projected 2020/21 outturn position. The report sets out details of grant funding received during the year in respect of direct support for additional costs and loss of income as a result of the pandemic, but also the grants and associated costs of new burdens and responsibilities the authority has been required to undertake as part of the response to the pandemic.

Considering the anticipated financial impact of Covid-19, the report provides a view of the Council Tax and Business Rates position, with an 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 January 2021.

The update on the 2020/21 Investment Plan sets out delivery so far this year, along with details of variations and reprofiling of the Investment Plan which are presented to Cabinet for approval as well as an update on Treasury Management and the cash flow position.

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 January 2021 (Annex sections 1, 5, 6 and 7);
- (b) approves the receipt of £4.930m new revenue grants (as outlined in Annex section 3);
- (c) notes the Authority's Investment Plan spend of £33.536m to 31 January 2021 and the financing of the Plan to the end of the year (Annex Section 8); and
- (d) approves variations of £0.853m and reprogramming of £8.299m 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 11 December 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 fifth monitoring report presented to Members on the Authority's 2020/21 financial position. It provides an indication of the expected revenue and capital financial position of the Authority as at 31 March 2021. The reported position is expected to 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 £3.622m of savings to be achieved (£0.805m relating to 2020/21).

The forecast overall pressure is estimated at £3.041m against the approved net budget. This is made up of forecasted pressures of £0.053m on normal activities and £2.988m relating to the impact of Covid-19. This is after a forecasted transfer to reserves of a £13.527m surplus relating to Section 31 grants. An additional £1.841m is also forecast to be transferred to reserves relating to growth received from the North of Tyne Combined Authority following the Authority's participation in a business rates pool in 2019/20. At this stage it is anticipated that this funding will be held in reserve to support businesses and residents from the impact of Covid-19 during 2021/22 and in future years.

The £0.053m pressure in the services is driven mainly by Health, Education, Care & Safeguarding reflecting the continued pressures in Children's Services of £5.647m and Adult Services of £0.756m. This is before inclusion of the contingency based budgets, which are held and reported with Central Items, that were created by Cabinet as part of the 2018/19 budget setting process to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection is £4.942m of pressures in Corporate Parenting and Placements, £1.454m in Wellbeing and Assessment and £0.962m 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 still anticipated that the Authority will deliver a balanced position for normal activities by the end of 2020/21.

The financial impact of the pandemic continues to have a significant effect on the projected 2020/21 outturn position. The Authority has received four payments of Local Authority Support Grant funding from the Government (total of £16.369m), of which £0.733m was allocated due to Covid-19 pressures arising in March 2020.

On 2 July 2020, the Government also announced support will be provided in relation to pressures on sales, fees and charges. The Authority has now received its initial payment, covering the period April 2020 – July 2020, to the value of £2.463m and has submitted the second claim covering August 2020 – November 2020 to a value of £1.786m. This second amount has not yet been received but is included in the forecasted position reported. The Cabinet Member for Finance and Resources is being kept up to date with the impact of all grant funding relating to Covid-19 and any further grant funding will be reported to Cabinet in the next report.

The impact of pressures arising from Covid-19 in 2020/21 are forecasted to be significant and the January 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-19, it is expected the reported position will change over the remaining months to year end 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-19 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.

Further measures were outlined by the Chancellor in his Spending Review announced on 25 November 2020. Further details of these measures can be found in the 2021-2025 Financial Planning and Budget Process: Cabinet's Initial Budget proposals report presented to Cabinet on 30 November 2020.

With regards to the impact of Covid-19, the main drivers behind the £2.988m shortfall are also within Health, Education, Care and Safeguarding where £14.586m is for increased costs to the Authority of supporting the market (£7.600m), impact on savings targets (£1.626m), increased costs for children in care (£1.708m), costs associated with rapid testing (£1.058m), lost income within School Improvement (£0.625m), Public Health (£0.597m), additional demand (£0.494m), additional staffing costs, PPE, and supplies and services within Integrated Services (£0.643m) and other miscellaneous losses (£0.235m).

Significant Covid-19 related pressures exist in Environment, Housing and Leisure, (£7.844m) due to loss of income in areas such as Sport & Leisure and Highways & Transport and in Commissioning & Asset Management through income lost within Catering (£4.768m).

1.5.3 New Revenue Grants

The following revenue grants have been received during December 2020 and January 2021:

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Commissioning and Asset Management	Education and Skills Funding Agency	National Tutoring Programme Academic Mentors – Churchill College	Funding to support an academic mentor as part of the National Tutoring Programme	0.017
Commissioning and Asset Management	Department for Education	Additional Funding for Home to School Transport (second half of Autumn term)	To provide additional journeys while social distancing is required	0.074
Commissioning and Asset Management	Department for Education	Free School Meals Supplementary Grant	Provides funding for schools to help them meet the extra costs of providing free school meals until lagged funding catches up	0.502
Commissioning and Asset Management	Ministry of Housing, Communities and Local Government	Clinically Extremely Vulnerable Individuals Advised to Shield Tranche 2	To support the activities and outcomes outlined in the Shielding Framework	0.136
Health Education Care & Safeguarding	Culture Bridge North East	North Tyneside Cultural Education Programme – Cultural Social Prescribing	To connect children and young people with art and cultural opportunities	0.025
Environment Housing and Leisure	The Reading Agency	Reading Friend Project	Commitment to end loneliness and support mental health through reading	0.009
Central Items	Department of Health and Social Care	Covid-19 Infection Control Grant Round 2	To support adult social care providers to reduce the rate of transmission	2.207

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Central Items	Department for Education	Schools Catch Up Premium – Spring Term	To provide assistance to local authorities for their maintained schools and for pupils that local authorities place in independent settings to catch up on lost learning due to Covid-19	0.719
Central Items	Department for Education	Covid-19 Schools Fund – Tranche 3	To support schools facing additional costs as a result of Covid-19	0.122
Central Items	Department for Transport	Funding for Travel Demand Management	To support the Authority with travel demand management activities linked to Covid-19 regulations	0.030
Central Items	North of Tyne Combined Authority	Armed Forces Grant Funding – Supporting Homeless Veterans	To provide emergency and temporary support services for veterans	0.030
Central Items	Department of Health and Social Care	Adult Social Care Rapid Testing Fund	To support rapid testing of staff in care homes, to support visiting professionals and safe close contact visiting	0.543
Central Items	Department of Health and Social Care	Adult Social Care Workforce Capacity Fund	To provide additional capacity in the social care workforce	0.516
Total				4.930

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 was £6.689m. These budgets were revised, mainly following discussions with schools showing deficit balances, to an expected deficit of £6.755m. After the second monitoring period of the year, this position was forecast to be £2.900m, a total improvement of £3.855m against the budget plan and an improvement of £2.777m since the first monitoring period. 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.

Cabinet will recall that the High Needs Block ended 2019/20 with a pressure of £4.542m. The forecast of the budget position for 2020/21 indicates an anticipated in-year pressure of £3.809m reflecting a further rise in demand for special school places.

1.5.5 Housing Revenue Account (HRA)

The HRA is forecast to have year-end balances at 31 March 2021 of £4.911m, assuming that all identified Covid-19 related PPE costs and General Fund-related services delivered through the HRA are covered. These balances are £0.092m lower than budget which was set at £5.003m. The lower than forecast balances relate to a combination of factors: firstly, there were higher opening balances being brought forward due to the impact of the previous year's financial performance (£0.211m); this was off-set by an in-year overspend against budget of £0.303m, again due to a number of factors: an additional in-year contribution to the PFI Reserve of £0.350m to mitigate the risks attached to delegated use of reserves decisions, a range of Covid-related costs mainly across the in-house Construction service that are not eligible to be set against Government grants (totalling £1.624m), which when set against an underspend in business-as-usual costs result in a forecast overspend of £0.973m against the Repairs budget. This has been mainly offset by increased forecast rent and service charge income (£0.841m) and forecast vacancy savings of (£0.179m) due to delays in vacant posts being filled.

Universal Credit was fully implemented across North Tyneside on 2 May 2018. At 31 January 2021, there were 3,241 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.831m. This is up by 667 and £0.621m from the beginning of the year when there were 2,574 tenants on UC with arrears of £2.210m, and up from the end of November when there were 3,199 tenants on Universal Credit (increase of 42 tenants) with related arrears of £2.683m (increase of £0.148m). A team is working proactively with tenants to minimise arrears and 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 £257.918m (£68.816m 2020/21) and is detailed in table 38 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.

Regular monthly monitoring of the Investment Plan has resulted in proposals for reprogramming of £8.299m in 2020/21 and variations of £7.189m across the life of the plan, of which more details are set out in Section 8 of the Annex to this report. The revised Investment Plan stands at £61.370m for 2020/21 and to the end of January 2021 spend of £33.536m had been incurred which represents 54.65% of the revised plan.

1.5.7 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 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.

Option 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 January 2021
Appendix 1: 2020 – 2025 Investment Plan

1.9 Contact officers:

Janice Gillespie – Corporate Finance matters – Tel. (0191) 643 5701
Claire Emmerson – Corporate Finance and School matters – Tel. (0191) 643 8109
David Dunford – General Fund and Collection Fund matters – Tel. (0191) 643 7027
Cathy Davison – Investment Plan matters – Tel. (0191) 643 5727
Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052
Amar Hassan – Treasury Management matters – Tel. (0191) 643 5747

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&MId=238&Ver=4> (Agenda reports pack - Appendix D(i))
- (c) Reserves and Balances Policy
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=136&MId=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%20Tyneside%20Performance%20Report%20Cover%20March%202020.pdf>
- (e) Quarter 2 Efficiency Savings Programme Report
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=138&MId=525&Ver=4>

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 13 July 2021.

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 ☒
 - Head of Service ☒
 - Mayor/Cabinet Member(s) ☒
 - Chief Finance Officer ☒
 - Monitoring Officer ☒
 - Head of Corporate Strategy ☒
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2020/21 Financial Management Report Annex

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SECTION 1 – EXECUTIVE SUMMARY

General Fund Summary

- 1.1 This report is the fifth 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 fifth 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.
- 1.2 The Authority's approved net revenue budget of £161.361m is forecast to outturn with a pressure of £3.041m. The budget includes £0.805m of savings as agreed at Council on 20 February 2020. Table 1 in paragraph 1.8 below sets out the variation summary across the General Fund.
- 1.3 After receipt of grant funding of £26.721m, there remains a pressure of £2.988m in the General Fund in relation to Covid-19; this represents an increase of £1.605m since November, highlighting the impact of the extended lockdown period. In addition, there is a pressure of £0.053m relating to normal business activities, an improvement of £0.074m since November, a position which compares favourably with this stage of recent financial years.
- 1.4 The Authority has also received and/or been notified of further sources of government funding related to Covid-19 since the last report. Further details of these can be found in section 3 of this annex. The Cabinet Member for Finance and Resources will be kept up to date with the impact of the grant funding.
- 1.5 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. Work is also underway to understand the longer-term financial implication and what that means for the longer-term financial plan.

Housing Revenue Account

- 1.6 The Authority had previously identified a risk relating to compensation payments for water rates billing in relation to council house tenants, following a court decision against Southwark Council in 2016. In October 2020 the Court of Appeal upheld the High Court ruling in favour of the council tenant, which has potential financial consequences for all social landlords with similar water rate agreements.
- 1.7 The Authority has already amended contracts and procedures from 1 April 2017 to prevent ongoing claims and is reviewing the potential impact of liabilities prior to this amendment.

1.8 Table: 1 2020/21 General Fund Revenue Forecast Outturn as at 31 January 2021

Services	Budget	Forecast Jan	Variance Jan	Variance Nov	Variance Change since Nov		Of which - Covid-19	Of which - Business as Usual	Business as Usual Nov Variance	Business as Usual Change since Nov
	£m	£m	£m	£m	£m		£m	£m	£m	£m
Health, Education, Care and Safeguarding	71.542	92.531	20.989	19.636	1.353		14.586	6.403	6.529	(0.126)
Commissioning and Asset Management	7.429	12.495	5.066	3.765	1.301		4.768	0.298	0.361	(0.063)
Environment, Housing and Leisure	43.460	51.117	7.657	7.952	(0.295)		7.844	(0.187)	(0.256)	0.069
Regeneration and Economic Development	1.392	1.617	0.225	0.247	(0.022)		0.055	0.170	0.192	(0.022)
Corporate Strategy	0.701	0.787	0.086	0.182	(0.096)		0.149	(0.063)	0.089	(0.152)
Chief Executive's Office	(0.078)	(0.169)	(0.091)	(0.069)	(0.022)		0.000	(0.091)	(0.069)	(0.022)
Resources	2.877	4.206	1.329	1.203	0.126		1.202	0.127	0.051	0.076
Law and Governance	0.133	0.626	0.493	0.487	0.006		0.273	0.220	0.265	(0.045)
Central Items	13.892	(18.821)	(32.713)	(31.893)	(0.820)		(25.889)	(6.824)	(7.035)	0.211
Support Services	20.013	20.013	0.000	0.000	0.000		0.000	0.000	0.000	0.000
Total Authority	161.361	164.402	3.041	1.510	1.531		2.988	0.053	0.127	(0.074)

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 £1.471m 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 £3.622m.

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

2.5 **Table 3: Efficiency Savings by Service at January 2021**

Service	2020/21 Target £m	Projected Delivery £m	Management Actions £m	Still to Achieve £m
HECS	3.069	1.067	0.350	1.652
Commissioning & Asset Management	0.249	0.167	0.000	0.082
Environment Housing & Leisure	0.125	0.125	0.000	0.000
Central Items	0.179	0.179	0.000	0.000
TOTAL	3.622	1.538	0.350	1.734

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 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 £1.652m, with £1.417m achieved to date, made up of £1.682m of savings already identified and forecast to be achieved relating to Sector Led Improvement income, public health contracts, school improvement, NHS income and family gateway and the reversal of the one-year only Troubled Families saving (£0.265m) was been built into the base budget. An in-year saving of £0.350m has been identified through management actions of retaining vacancies of which £0.220m has been identified since the November report.
- 2.8 This service has been significantly impacted by the Covid-19 pandemic and due to the level of response required through each phase as the Pandemic unfolded. A proportion of the savings involve income generation via third parties. Other service delivery-based savings have been impacted due to capacity issues where placements have had to be maintained due to delays in court proceedings or the type of placement not changing as previously planned due to Covid-19 restrictions. 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 support grants.
- 2.9 Whilst the project delivery figure is an improvement of £0.225m compared to the value reported to Cabinet in the November position, there is still a large balance to be achieved. Finance Officers continue to attend meetings with senior managers and the Head of Service across adult and children's services and individual managers have assigned responsibilities to review existing schemes for deliverability and to identify alternative proposals and this activity will continue into 2021/22.

Commissioning and Asset Management

- 2.10 Within Commissioning and Asset Management in the November report, the only savings target forecasted to be partially met related to the target for an increase in school meals fees of £0.082m of which £0.014m was assumed as not likely to be achieved. Due to the further school closures in the last quarter of the year, this target is now assumed not to be achievable. The value of £0.082m has been adjusted out of the service's position and has been shown within Central Items as Covid-19 related costs. All other targets have been achieved.

SECTION 3 – NEW REVENUE GRANTS

- 3.1 New revenue grants have been received or notified since the previous report at November until the publishing date for this report.

Table 4: Grants Received or Notified since the November Monitoring Report

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Commissioning and Asset Management	Education and Skills Funding Agency	National Tutoring Programme Academic Mentors – Churchill College	Funding to support an academic mentor as part of the National Tutoring Programme	0.017
Commissioning and Asset Management	Department for Education	Additional Funding for Home to School Transport (second half of Autumn term)	To provide additional journeys while social distancing is required	0.074
Commissioning and Asset Management	Department for Education	Free School Meals Supplementary Grant	Provides funding for schools to help them meet the extra costs of providing free school meals until lagged funding catches up	0.502
Commissioning and Asset Management	Ministry of Housing, Communities and Local Government	Clinically Extremely Vulnerable Individuals Advised to Shield Tranche 2	To support the activities and outcomes outlined in the Shielding Framework	0.136
Health Education Care & Safeguarding	Culture Bridge North East	North Tyneside Cultural Education Programme – Cultural Social Prescribing	To connect children and young people with art and cultural opportunities	0.025
Environment Housing and Leisure	The Reading Agency	Reading Friend Project	Commitment to end loneliness and support mental health through reading	0.009

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Central Items	Department of Health and Social Care	Covid-19 Infection Control Grant Round 2	To support adult social care providers to reduce the rate of transmission	2.207
Central Items	Department for Education	Schools Catch Up Premium – Spring Term	To provide assistance to local authorities for their maintained schools and for pupils that local authorities place in independent settings to catch up on lost learning due to Covid-19	0.719
Central Items	Department for Education	Covid-19 Schools Fund – Tranche 3	To support schools facing additional costs as a result of Covid-19	0.122
Central Items	Department for Transport	Funding for Travel Demand Management	To support the Authority with travel demand management activities linked to Covid-19 regulations	0.030
Central Items	North of Tyne Combined Authority	Armed Forces Grant Funding – Supporting Homeless Veterans	To provide emergency and temporary support services for veterans	0.030
Central Items	Department of Health and Social Care	Adult Social Care Rapid Testing Fund	To support rapid testing of staff in care homes, to support visiting professionals and safe close contact visiting	0.543
Central Items	Department of Health and Social Care	Adult Social Care Workforce Capacity Fund	To provide additional capacity in the social care workforce	0.516
Total				4.930

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. Challenge sessions for quarters one to three have taken place 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 a forecast pressure of £6.403m at January which is an improvement of £0.126m compared to the forecast variance of £6.529m reported in November. The improved variance relates mainly to children's services with the largest improvement being within the Integrated Disability and Additional Needs service. This position is after adjusting for a total of £14.586m of Covid-19 related cost and income pressures which are now shown within Central Items. In November, a total of £13.107m of Covid-19 related cost pressures were forecasted. The increased Covid-19 cost forecast relates mainly to the expenditure associated with making payments from the Adult Social Care Rapid Testing Fund (£0.543m) and the Workforce Capacity Fund (£0.516m) to support care homes and other care providers within the Borough; income from grants in respect of these items is shown in 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 £0.735m. 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 Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Mainly Wellbeing & Assessment	0.000	0.017	0.017	0.110	Lost client contributions
Mainly Wellbeing & Assessment	0.494	0.000	0.494	0.494	Net care package costs relating to Covid (net of pooled fund contributions)

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Mainly Wellbeing & Assessment	7.600	0.000	7.600	7.195	Supporting the care market (including Infection Control Grant payments rounds 1 and 2)
Mainly Wellbeing & Assessment	1.058	0.000	1.058	0.000	Costs associated with the ASC Rapid Testing and Workforce Capacity Grant
Mainly Integrated Services	0.643	0.000	0.643	0.346	Additional staff costs, supplies and services incl. PPE, costs associated with the Emergency Assistance Grant
Across the Service	0.700	0.000	0.700	0.920	Savings targets at significant risk of non-delivery due to Covid-19 issues
Adults Total	10.495	0.017	10.512	9.065	
Employment & Skills	0.022	0.042	0.064	0.060	Lost course fee income and equipment costs
School Improvement	0.000	0.625	0.625	0.830	Lost income from the Langdale Centre, High Borrans and school development work
Mainly Corporate Parenting & Placements	1.708	0.000	1.708	1.496	Increased costs for children in care
Integrated Disability and Additional Needs	0.000	0.051	0.051	0.051	Lost SLA income for summer term
Across the Service	0.926	0.000	0.926	0.957	Savings targets at significant risk of non-delivery due to Covid-19 issues
Adoptions	0.103	0.000	0.103	0.051	Costs relating to adoptions
Children's Total	2.759	0.718	3.477	3.445	
Public Health	0.597	0.000	0.597	0.597	Measures to prevent infection and promote compliance with local and national regulations
Total	13.851	0.735	14.586	13.107	

- 4.2.4 The financial impact of the Covid-19 crisis began in the last month of 2019/20 and continued throughout 2020/21. Under Government guidance which applied from 19 March 2020, the costs of packages for residents who have been discharged from hospital (whether they have tested positive for Covid-19 or not) and any increased costs of packages which prevented admissions to hospital have been charged into a new pooled fund of £1.300bn nationally. These costs were met by contributions from the Government paid via the North Tyneside Clinical Commissioning Group (NTCCG). The end date for these arrangements, was 31 August 2020. At this date there were 332 clients with services commenced under these Covid rules who needed to be assessed to establish their ongoing needs. At the end of January 2021 all of these clients had been reassessed and the costs of these clients, from the point of reassessment are shown within Adult Services cost centres as business as usual.
- 4.2.5 When the Government announced the ending of the first phase of funding arrangements relating to hospital discharges, they announced a second phase which was implemented from 1 September 2020. Under these arrangements, residents discharged from hospital who require social care services are entitled to up to six weeks of free care where the costs of these services are charged into a pooled fund to be met by contributions from the Government claimed via the NTCCG. These clients are reassessed during this six-week period once their ongoing needs have settled and can be more clearly identified. At the point of reassessment and the establishment of a longer-term service, the responsibility for the costs of the services returns to the Authority and the client is financially assessed to establish any client contributions. This second phase of funding arrangements is planned to be in place for any care package which commences by 31 March 2021. To the end of January 2021, 689 clients were supported through these arrangements.
- 4.2.6 There is a net cost of care packages shown against Covid cost centres after contributions from the pooled fund of £0.494m which relates mainly to care packages resulting from Covid but which did not meet the criteria of charging to the pooled fund.
- 4.2.7 The forecasted costs of supporting the care market is estimated to be £7.600m (November, £7.195m) 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. This includes the Infection Control Grant Round 1 amount of £2.205m and Round 2 of £2.207m. The income for the grant is held within Central Items. All providers with operational services funded by the Authority 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 and grants 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 and it is an increase in forecasts for this area of spend which explains the movement in costs since November. There are operational cost pressures for in-house services totalling £0.643m of which £0.194m 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. This also includes expenditure relating to an Emergency Assistance Grant to support residents with food and other essential supplies.

- 4.2.8 A loss of income within School Improvement of £0.625m 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 in addition to SLA income within Integrated Disability and Additional Needs of £0.051m relating to Educational Psychology.
- 4.2.9 A total of £1.708m of additional 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. This has increased since the November report due to the further lockdown period. A fee premium of 5% has been forecasted against all externally provided care for the full financial year.
- 4.2.10 An amount of £0.597m has been included in Public Health relating to a range of measures designed to prevent the spread of Covid-19 including additional Environmental Health capacity, Communications capacity and costs relating to the establishment and maintenance of Local Support Hubs. These costs are met by the Track and Trace Grant.
- 4.2.11 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 4.2.13 to 4.2.40.
- 4.2.12 **Table 6: Forecast Variation for HECS at January 2021**

	Budget £m	Forecast Jan £m	Variance Jan £m	Of which- Covid- 19 related £m	Of which- Business as Usual £m	Business as Usual Variance Jan £m	Business as Usual Change Since Nov £m
Corporate Parenting & Placements	16.952	23.994	7.042	2.100	4.942	4.862	0.080
RHELAC Service	0.008	0.008	0.000	0.000	0.000	0.000	0.000
Child Protection, Independent Assurance and Review	0.695	0.721	0.026	0.000	0.026	0.022	0.004

	Budget £m	Forecast Jan £m	Variance Jan £m	Of which- Covid- 19 related £m	Of which- Business as Usual £m	Business as Usual Variance Jan £m	Business as Usual Change Since Nov £m
Early Help & Vulnerable Families	1.150	1.056	(0.094)	0.122	(0.216)	(0.187)	(0.029)
Employment & Skills	0.591	0.628	0.037	0.064	(0.027)	(0.042)	0.015
Integrated Disability & Additional Needs Service	2.366	3.791	1.425	0.463	0.962	1.135	(0.173)
School Improvement	0.145	0.730	0.585	0.625	(0.040)	(0.029)	(0.011)
Regional Adoption Agency	0.000	0.103	0.103	0.103	0.000	0.000	0.000
Children's Services Sub-total	21.907	31.031	9.124	3.477	5.647	5.761	(0.114)
Wellbeing, Governance & Transformation	2.305	2.334	0.029	0.000	0.029	0.040	(0.011)
Disability & Mental Health	32.082	33.419	1.337	1.553	(0.216)	(0.131)	(0.085)
Wellbeing & Assessment	11.875	22.184	10.309	8.855	1.454	1.311	0.143
Integrated Services	2.844	2.428	(0.416)	0.104	(0.520)	(0.465)	(0.055)
Business Assurance	0.288	0.297	0.009	0.000	0.009	0.013	(0.004)
Adult Services Sub-total	49.394	60.662	11.268	10.512	0.756	0.768	(0.012)
Public Health	0.241	0.838	0.597	0.597	0.000	0.000	0.000
Total HECS	71.542	92.531	20.989	14.586	6.403	6.529	(0.126)

Main budget pressures across HECS

- 4.2.13 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 varied funding arrangements, pressures and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage. This pressure has become more acute with the operational impact of Covid-19 on care homes and issues around high vacancy levels in a small number of homes within the Borough. Dialogue continues with care home providers

around appropriate fee rates. Negotiations also continue around ensuring appropriate levels of funding contributions from the NHS for clients with health needs as the NTCCG themselves face continuing budget constraints.

- 4.2.14 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. There are pressures within the Integrated Disability and Additional Needs service due to increasing numbers of children with complex needs. 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

- 4.2.15 In Adult Services, there is a forecasted pressure of £0.756m which represents a £0.012m improvement on the November budget position.
- 4.2.16 There are on-going pressures in third party payments for care provision which is £4.028m above budget levels. There are also smaller pressures relating to premises costs, £0.165m and supplies and services, £0.165m. These are partially offset by increased client contributions and contributions from the NHS (£2.870m). There is an underspend against transport budgets of (£0.129m) and within staffing budgets of (£0.603m). The demand pressures were foreseen by Cabinet and a £1.800m contingency base budget was set up, which is currently held centrally.
- 4.2.17 Pressures within external payments for care provision total £4.028m 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	Jan £m	Nov £m
Residential and Nursing Care	2.344	2.217
Homecare and Extra Care	1.595	1.390
Other Community-Based Care	0.089	0.033
Total	4.028	3.640

Residential and Nursing Care

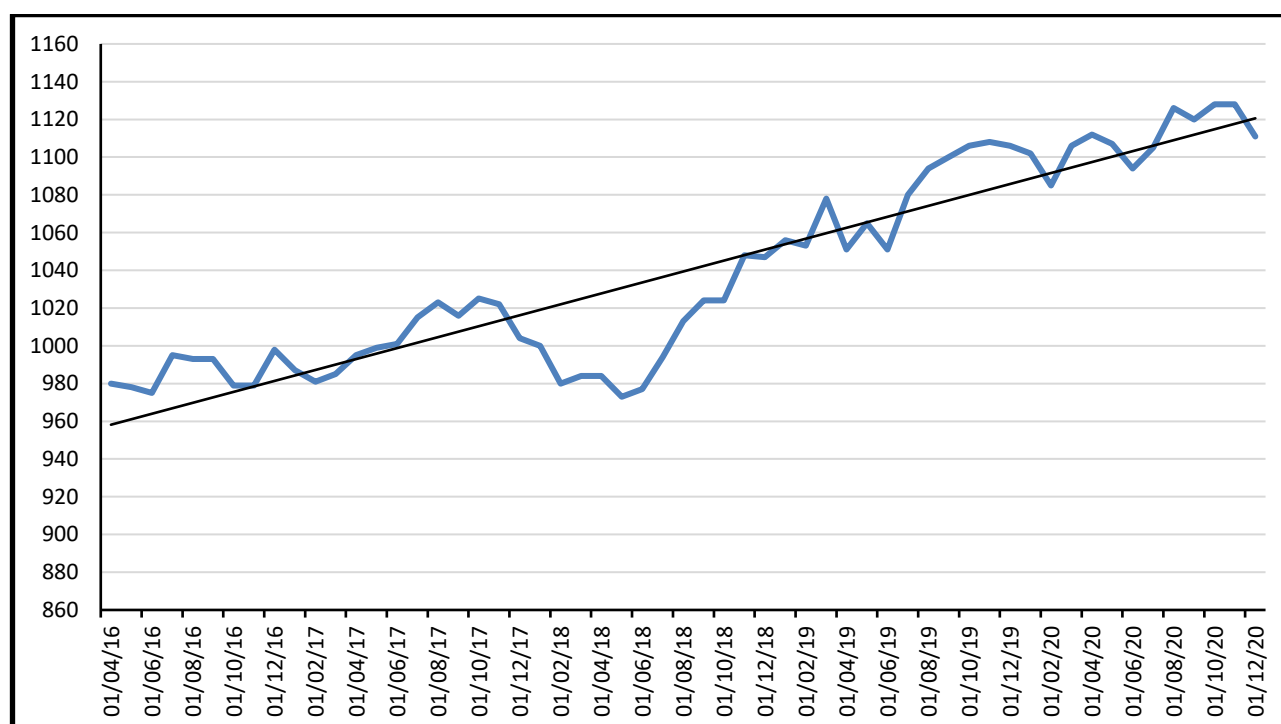
- 4.2.18 In relation to Residential and Nursing Care, an increase in short-term placements in the later part of 2018/19 saw numbers of placements overall rise to 1,066 by the end of that financial year. Internal processes to monitor the use of short-term placements were strengthened and numbers of placements 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.

4.2.19 The Covid-19 pandemic initially had a significant impact on the numbers in residential and nursing care with a reduction due to a higher than normal level of deaths and a slower rate of new admissions to care however, numbers increased over the summer. Since the September level of 1,070 there has been a rise in October to 1,125 followed by a fall in November to 1,099 and remaining fairly steady in January at 1095. There is an increase in variance to £2.344m as shown in Table 7 above resulting from clients continuing to transfer back to Adult Social Care 'business as usual' from the CCG recharging arrangements brought in under Covid-19 to facilitate rapid hospital discharges.

4.2.20 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

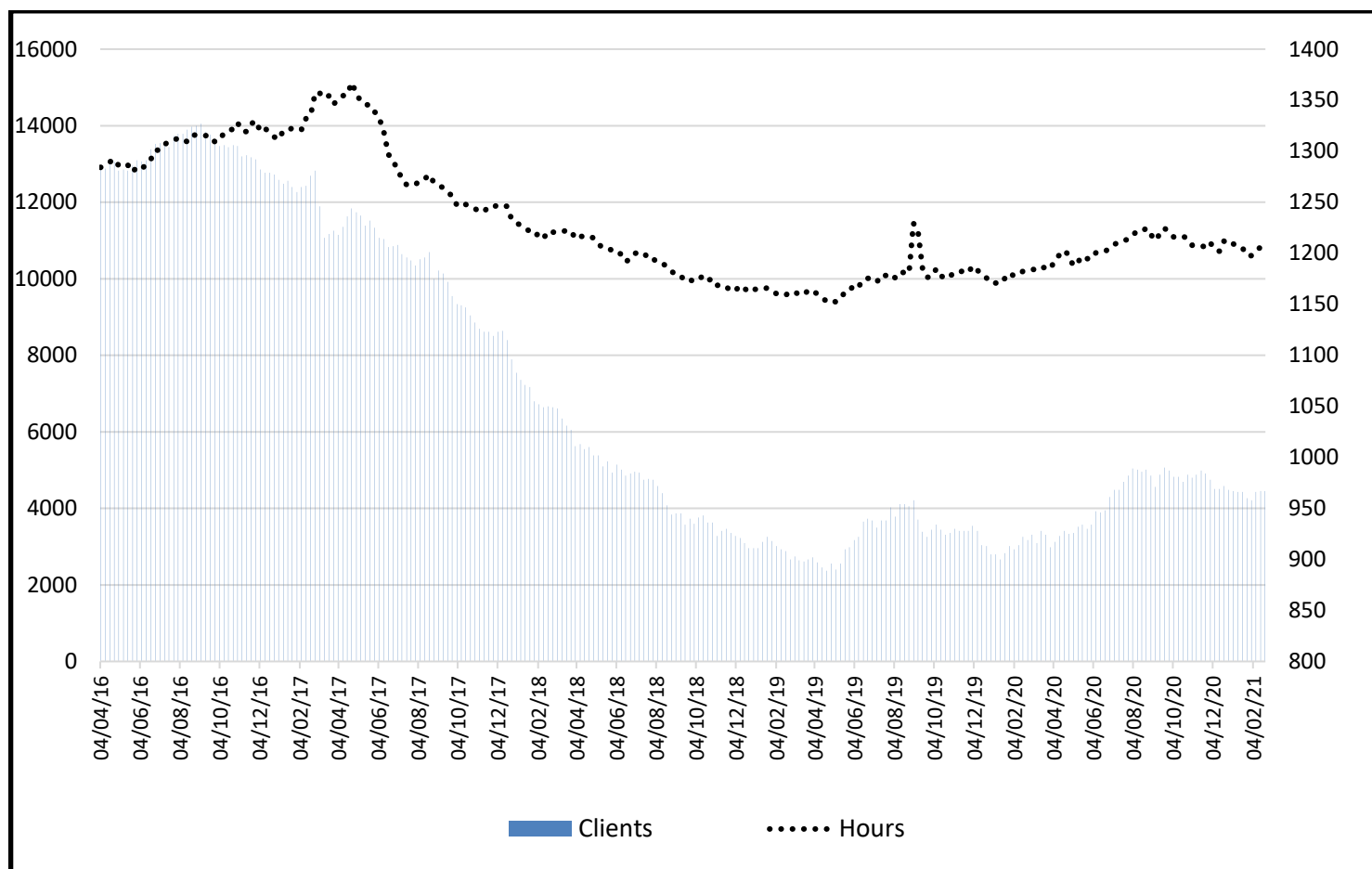


Homecare and Extra Care

4.2.21 Cabinet will recall from the 2019/20 Outturn Report that the number of clients rose by 3% during 2019/20 and the number of hours delivered increased by 8.3%. The trend during the initial months of 2020/21 has been fairly volatile with an increase in the number of clients and hours delivered as shown in Chart 2 below. The upward trend in hours delivered continued in August and September but has reduced in October and November by 154 hours per week and has been holding fairly steady during December and January. There has been an increase in the overall pressure for homecare due to additional payments owed to providers relating to the early months of the Pandemic when average payments were made to support cashflow. Further work continues with a number of providers who

received average payments over the levels of services actually provided to establish whether any payments should be reclaimed.

4.2.22 Chart 2: Trends in Homecare/Extra Care Services



4.2.23 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

4.2.24 There is a forecasted pressure in NTCCG contributions for shared care of £0.926m 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 £0.542m. Contributions from clients and associated income are forecasted to be significantly above budget with a surplus of £2.328m, partially offsetting the pressures within payments for externally provided care.

Staffing

- 4.2.25 There is an improved staffing position since the previous report with an underspend of £0.603m (November, underspend of £0.479) due to ongoing vacancies across several teams. The service continues to actively recruit. This in year saving is partially mitigating the delivery of savings targets of £0.350m.

Premises

- 4.2.26 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

- 4.2.27 In Children's Services the £5.647m forecast position (down from £5.761m in November) relates mainly to demand pressures of £4.942m in Corporate Parenting and Placements and £0.962m 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 a contingency based budget of £2.616m was created, currently held centrally. This position excludes Covid-19 related pressures of £3.477m which have been transferred to Central Items.

Corporate Parenting and Placements

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

Table 8: Analysis of Pressures in Corporate Parenting and Placements

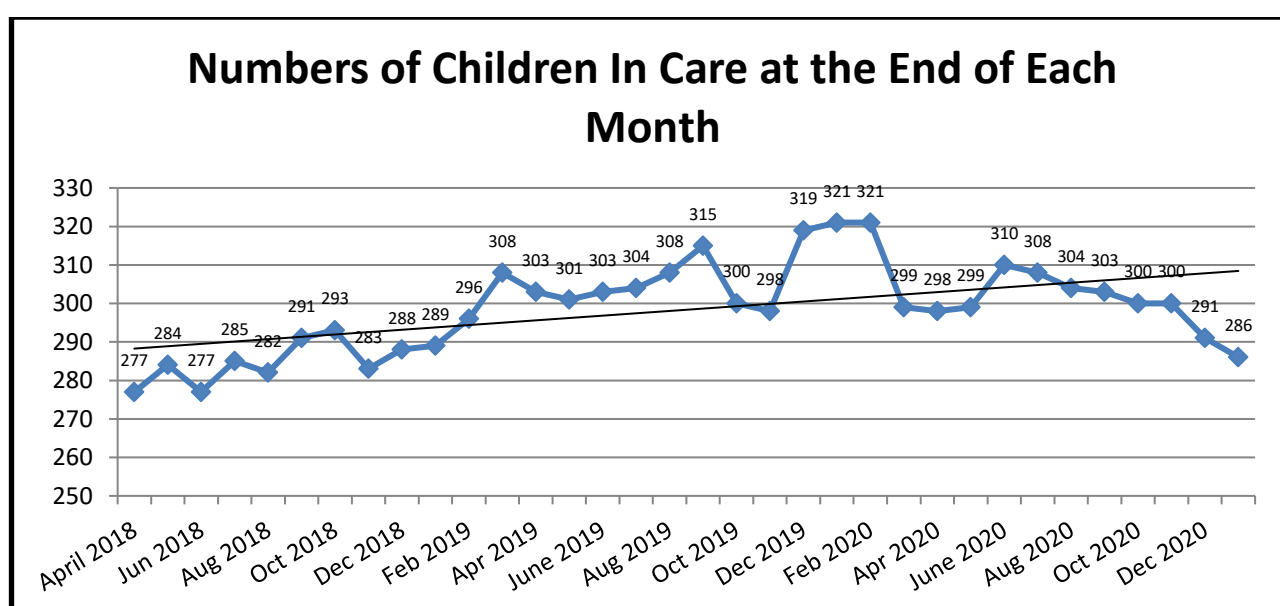
Type of Service	Budget 2020/21 £m	Variance Jan £m	Variance Nov £m	Change Since Nov £m
Care provision – children in care	9.448	2.901	2.829	0.072
Care provision – other children	3.247	0.891	0.803	0.088
Management & Legal Fees	(0.348)	0.475	0.454	0.021
Social Work	4.559	0.671	0.771	(0.100)
Safeguarding Operations	0.046	0.004	0.005	(0.001)
Total	16.952	4.942	4.862	0.080

4.2.29 The forecast has been developed based on the children in care as at the end of January 2021. The number in care at the end of January 2021 was 286, a net decrease of 14 since the November report with 22 children being discharged from care in total since the end of November. It should be noted however, that the Authority will continue to incur costs for many of these children through for example, supported accommodation or Special Guardianship arrangements.

Care Provision – Children in Care

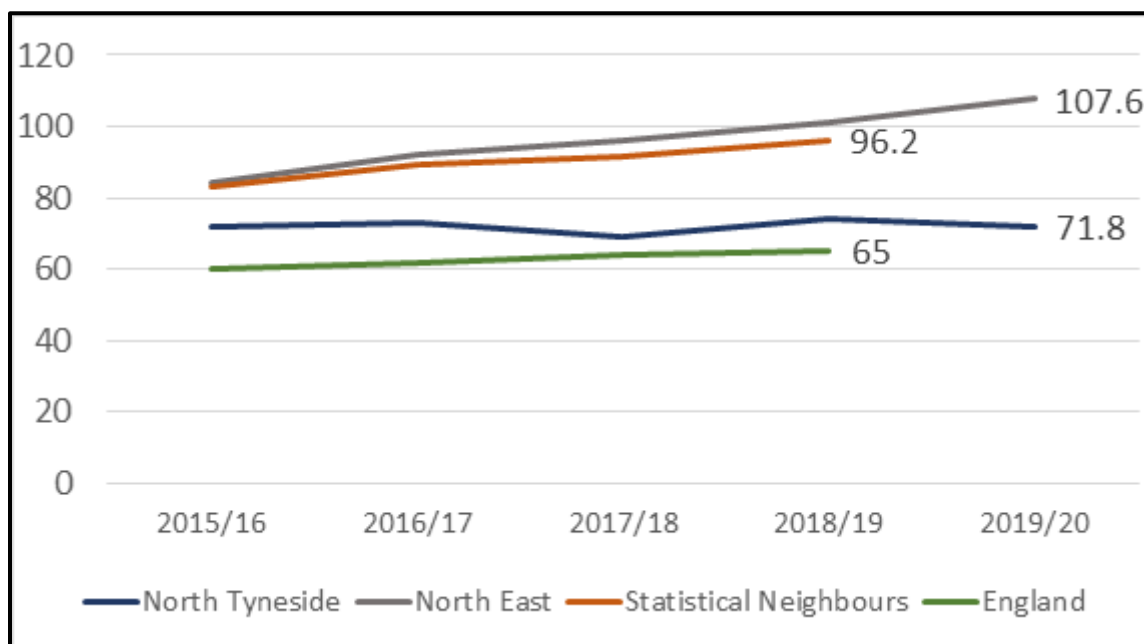
4.2.30 Over recent years, there has been an increase nationally in demand for children's residential placements but with no corresponding increase in government-funded provision. In North Tyneside over the last few years the overall number of children in care has mirrored the increases being felt nationally.

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



4.2.32 The rate of children in care per 10,000 is stable when compared to national and regional averages. The most recent available national comparators from 2019/20, as demonstrated by Chart 4 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.

4.2.33 **Chart 4: Comparative Performance in Rates of Children in Care per 10,000 Children under 18**



4.2.34 Despite a reduction in the number of children in care in December and January, the increased forecast in January is explained by the increased overall number of forecasted bed nights. There has been a reduction in bed nights within in house fostering which is a less costly service (reduced by 2,418 nights) and an increase in more costly service types principally Supported Accommodation (increased by 816 nights), external residential (increased by 280 nights). The number of children in care can be volatile and costs for individual children can be very high. There is a concern that there may be future spikes in numbers of children in care as the economic effects of the Covid-19 crisis continues to impact on families. Details of the movement in forecasted bed days by type of service is shown at Table 9.

4.2.35 Residential placements continue to be costly with a current average annual cost of £0.302m 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

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

Placement Type	Jan Var £m	Average Annual cost £m	2020/21 Forecast Bed Nights Jan	2020/21 Forecast Bed Nights Nov	2019/20 Bed Nights	Placement Mix as at Jan	No. of children Jan 21	No. of children Nov 20
External Residential Care	1.033	0.302	7,907	7,627	8,649	7%	24	27
External Fostering	0.039	0.039	12,060	12,266	11,184	11%	28	29
In-House Fostering Service	0.461	0.026	69,849	72,267	76,731	64%	181	198
External Supported Accommodation	1.238	0.153	6,054	5,951	4,349	3%	15	15
Other*	0.130	various	12,530	11,714	11,709	12%	38	31
Total	2.901		108,400	109,825	112,622	100%	286	300

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

Care Provision – Children not in care

- 4.2.37 The pressure of £0.891m (November variance, £0.803m) relating to care provision for children not in the care system results predominantly from 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 based budget of £2.616m established in 2018/19 was, in part, intended to mitigate against these costs.

Management and Legal Fees

- 4.2.38 This area has a forecast pressure of £0.475m (November, pressure of £0.454m). 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

- 4.2.39 Within the overall pressure of £4.942m for Corporate Parenting and Placements, there are staffing pressures of £0.671m, a reduction of £0.100m from £0.730m November as a result of leavers not forecasted to be replaced before March. 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 enable manageable caseloads (£0.234m) and as a result of market supplement payments to support the recruitment and retention of social workers. There is also a pressure of £0.050m relating to apprentice posts.

There are currently no agency staff in place however, a result of the increase in the number of children with a Child Protection Plan during Covid-19, caseloads for social workers have shown an increasingly high number which is above the national average although this is beginning to reduce.

Integrated Disability and Additional Needs (IDANS)

- 4.2.40 IDANS is forecasting a pressure of £0.962m which is an improvement of £0.173m from the November position of £1.135m. Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs) leading to a pressure in short break spend of £0.418m. Within North Tyneside, the number of children with an EHCP has risen from 1,102 in January 2018 to in excess of 1,800. There are also pressures relating to operational staffing costs within in-house residential services of £0.131m and associated unachieved health income target of £0.100m. There are also forecast staffing pressures of £0.228m 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 improvement is due to a reduced staffing forecasts for the Statutory Assessment and Review team who assess and arrange education for children with additional needs and increased CCG income. 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 £0.298m (November, pressure of £0.361m) as set out in Table 11. This is after adjusting for forecast pressures of £4.768m relating to the impact of Covid-19 on the service set out in Table 10.
- 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 (C&AM)**

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Catering	1.517	3.329	4.846	3.701	Lost school meals income and hospitality income and costs of providing additional free school meals services, costs of perishable stock disposal
Catering/Property	(1.555)	0.000	(1.555)	(1.570)	Savings in provisions and utilities due to non-delivery of services
Cleaning	0.242	0.000	0.242	0.207	Additional hours of cleaning and associated equipment and materials directly related to Covid-19
Other income	0.000	0.123	0.123	0.129	Lost income for parking charges at Quadrant, Procurement rebates and school absence penalty notices
Home to school Transport	0.371	0.000	0.371	0.366	Additional costs of transport under infection control

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Volunteer Scheme	0.346	0.000	0.346	0.229	Supporting residents by additional foodbank support for the full financial year and support arrangements for Extremely Clinically Vulnerable residents
Property	0.300	0.000	0.300	0.300	Costs in relation to public buildings and worksites
Property Services	0.008	0.087	0.095	0.042	Potential rental income reductions
Total	1.229	3.539	4.768	3.404	

- 4.3.4 In relation to paid school meals, there is an increased income loss due to the national guidelines relating to the extended closure of schools, now forecasted income loss of £2.259m. This is based on actual levels of income received to December 2020 and forecasted forward at minimal levels. Remaining Catering income losses of £0.625m relate to staff restaurants and civic catering which are forecasted as a total loss for the whole financial year as staff facilities remain closed. A non-fee-paying income loss is now forecasted as £0.445m. A pressure of £0.756m is forecasted for the costs of packed lunches over and above grant funding for free school meals as this form of provision is more costly than normal operations with further additional costs of £0.320m relating to disposable packaging and cutlery. There is also a pressure of £0.145m relating to a loss of perishable food stock. These pressures are reduced by a saving in provisions of £1.522m. Savings of £0.033m in electricity costs have also been included.
- 4.3.5 Additional cost pressures of £0.242m for cleaning have been identified for the full financial year. These relate to anticipated additional cleaning within schools that will be required as a result of Covid-19 for the period to March 2021 plus costs of new cleaning machinery and equipment and additional cleaning materials (£0.087m).
- 4.3.6 Anticipated losses of car parking income at Quadrant are forecasted to be £0.060m and relate to the full financial year. Salary sacrifice arrangements for staff parking are currently suspended. A loss of income of £0.043m is forecasted in relation to school non-attendance penalty notices for the full year and an

amount of £0.020m in rebates relating to procurement arrangements is also affected.

4.3.7 Additional costs of £0.371m in relation to Home to School Transport have been forecasted with a need to provide more single journeys to allow for social distancing in line with guidelines. Pupils within the same 'bubble' can travel together however modelling of required journeys indicates additional costs of £0.016m per week for 23 weeks.

4.3.8 Additional forecasted pressures in relation to Property relate to an amount of £0.300m identified as the forecasted cost of making all council buildings Covid-19 compliant. A further amount of £0.087m has been identified as lost rental income resulting from Covid-19 related closures with £0.008m of NNDR costs relating to empty properties.

4.3.9 **Table 11: Commissioning and Asset Management (C&AM) Forecast Variation**

	Budget £m	Forecast Jan £m	Variance Jan £m	Of which – Covid- 19 £m	Of which – Business as usual £m	Variance Nov £m	Business as Usual Change since Nov £m
School Funding & Statutory Staff Costs	4.689	4.630	(0.059)	0.000	(0.059)	(0.053)	(0.006)
Commissioning Service	0.406	0.363	(0.043)	0.000	(0.043)	(0.033)	(0.010)
Facilities & Fair Access	0.637	5.261	4.624	4.120	0.504	0.521	(0.017)
Community & Voluntary Sector Liaison	0.441	0.607	0.166	0.209	(0.043)	(0.043)	0.000
Strategic Property & Investment	1.746	2.010	0.264	0.300	(0.036)	(0.036)	0.000
High Needs Special Educational Needs	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Property	(0.643)	(0.581)	0.062	0.062	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.161	0.161	0.000	0.000	0.000	0.000	0.000
Procurement	(0.008)	0.044	0.052	0.077	(0.025)	0.005	(0.030)
Total C&AM	7.429	12.495	5.066	4.768	0.298	0.361	(0.063)

- 4.3.10 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing forecast pressures of £0.504m (November, pressure of £0.521m) which are largely unchanged from the 2019/20 outturn. The pressures are across Catering and Cleaning (£0.008m) and Home to School Transport (£0.475m) 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).
- 4.3.11 The Home to School Transport pressures relate to the increase in children with complex needs attending special schools and has increased by £0.075m since November. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant (see paragraphs 6.4 to 6.7 for more details). National supplier relief guidelines have been followed and transport contractors were paid at usual rates during the initial lockdown period when schools were closed however, only the costs of anticipated additional routes to comply with social distancing have been included as Covid-19 costs. 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.
- 4.3.12 C&AM contains the Property element of the Capita North Tyneside Technical Partnership. Whilst, the Partnership is projecting to deliver a balanced managed budget by year-end, it is currently working on proposals to manage pressures linked to the Property Business Cases of £1.039m.

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

- 4.4.1 EHL is forecasting a saving of £0.187m against the £43.460m budget, as set out in Table 13 below. This position is after transferring centrally a further £0.346m savings relating to the latest Covid lockdown. The position includes a planned £0.671m 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 closures and operation of a reduced service within its sports and leisure facilities and libraries. The following Covid-19 related financial impacts have been identified within EHL as outlined in Table 12 for 2020/21. These amounts have been transferred to Central Items to be set against the Covid-19 related grants received by the Authority. In total £0.628m Covid-19 savings have been identified to reduce the impact of the Covid-19 losses, leaving a net Covid-19 loss relating to EHL of £7.844m.
- 4.4.3 EHL carried out a full review of forecast spend in December, following the announcement of further lockdowns. This work identified further savings to offset the costs of Covid-19 but also increased the impact of lost income for EHL service areas.

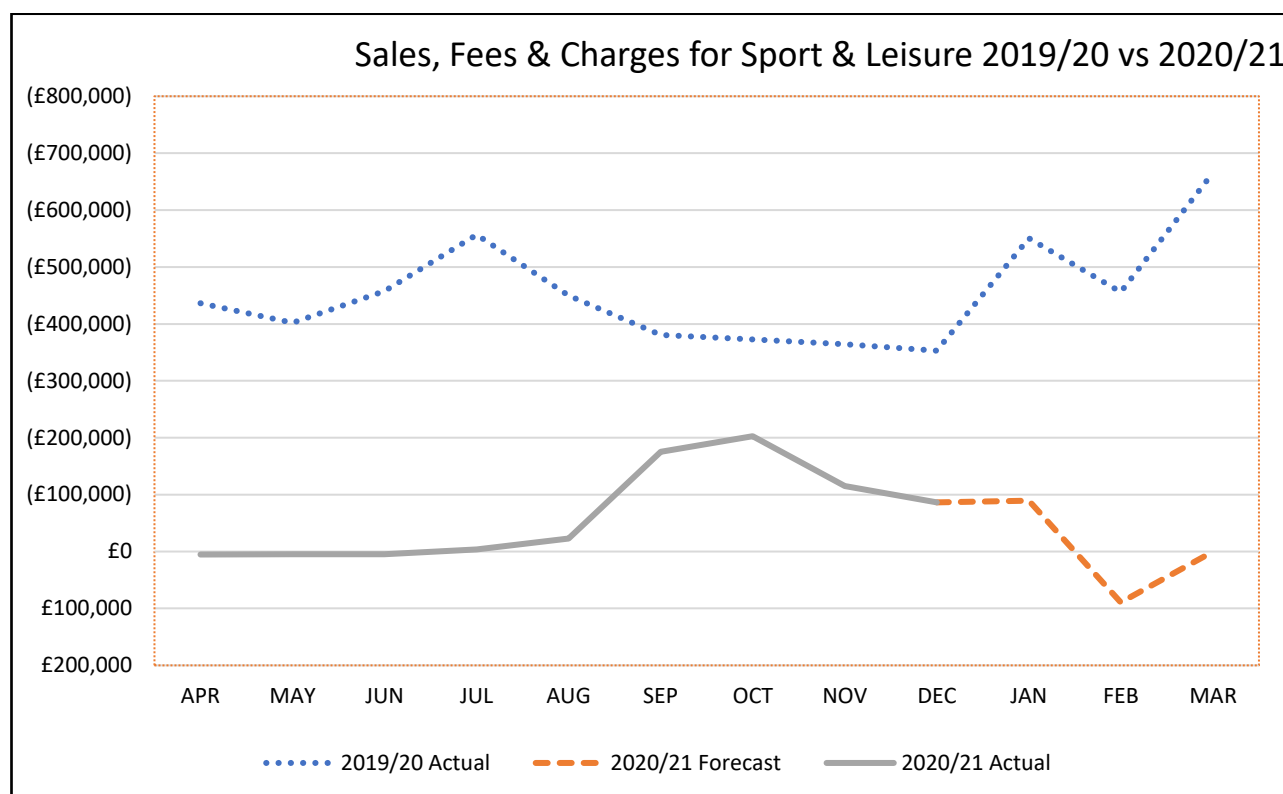
4.4.4 Table 12: Forecast Impact of Covid-19 on EHL for 2020/21 at January

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Sports & Leisure	0.068	5.081	5.149	5.046	Lost income due to closure, then reduced capacity of facilities and take up of activities upon reopening. Some additional staffing cost to cover Covid related absences in leisure centres and additional cleaning supplies.
Sports & Leisure	(0.063)	0.000	(0.063)	(0.063)	Reduction in utility costs at leisure centres due to closures.
Sports & Leisure	(0.218)	0.000	(0.218)	(0.180)	Reduction in Active North Tyneside activities due to Covid restrictions. Vacancy in Active North Tyneside team not filled at this time.
Environmental Services	0.200	0.172	0.372	0.358	Additional costs and lost income from café closures
					Covid-19 signage
					Additional PPE costs and staffing
					Increased bereavement costs.
EHL General	0.249	0.000	0.249	0.249	PPE costs across numerous services
Security & Community Safety	0.062	0.000	0.062	0.000	Outbreak control work
Waste Management	0.548	0.000	0.548	0.130	Suez Management Fees for health and safety marshalling costs Increased supply costs
Cultural Services	0.135	0.274	0.409	0.347	Mouth of Tyne Festival (fees paid to acts, etc.)
					Lost income in libraries
					Loss of rental income in buildings
					Reduced building control fees
Planning and Development	0.000	0.047	0.047	0.123	Reduction in planning applications
					Taxi licencing activities Enforcement Marshalls cost of additional regulatory equipment
Environmental and Regulatory Services	0.109	0.172	0.281	0.276	Impact on car parking fees

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Highways and Transport	0.000	1.284	1.284	1.867	Lost income on engineering fees, streetworks, road permits, etc Additional bed and breakfast costs to prevent homelessness
Homelessness Additional Costs	0.065	0.000	0.065	0.050	Costs to counter increased anti-social behaviour
Street-lighting PFI	0.005	0.000	0.005	0.005	Mouth of Tyne Festival (fees paid to acts, etc.)
TOTAL EHL	1.160	7.030	8.190	8.208	TOTAL BEFORE NEW SAVINGS
Sport & Leisure	(0.062)	0.000	(0.062)	0.000	Staffing savings due to latest lockdown, e.g. due to using existing staff to reduce the need for additional casual staff
Cultural Services	(0.010)	0.000	(0.010)	0.000	
Waste Management	(0.056)	0.000	(0.056)	0.000	
Local Environmental Services	(0.079)	0.000	(0.079)	0.000	
Sport & Leisure	(0.088)	0.000	(0.088)	0.000	Utility savings due to latest lockdown
Cultural Services	(0.029)	0.000	(0.029)	0.000	
Waste Management	(0.022)	0.000	(0.022)	0.000	
TOTAL EHL	0.814	7.030	7.844	8.208	

4.4.5 The impact of the Covid-19 pandemic on EHL is mainly in relation to lost income. £7.030m of the £7.844m total 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 and again from January, lost income is based on known closures and uses prior year income generation patterns to provide an estimated value. August to October reflects reduced operations and thereafter a high-level impact assessment of ongoing income has been made based on expected operating levels.

4.4.6 Chart 5: Sales, Fees & Charges from Leisure Centres 2019/20 vs 2020/21



4.4.7 The costs have been offset by savings due to the period of lockdown totalling £0.628m. These savings relate to reductions in Active North Tyneside activities due to Covid restrictions and are a result of vacancies in the Active North Tyneside team not filled at this time and reductions in utility costs at various buildings due to closures. This leaves a net Covid-19 impact for EHL of £7.844m.

4.4.8 The overall movement in business as usual forecasts since the last transfer centrally is due to services leads identifying savings as Covid related.

4.4.9 Details of the variance for individual service areas are found in paragraphs 4.4.11 to 4.4.27.

4.4.10 Table 13: Forecast Variation in Environment Housing & Leisure

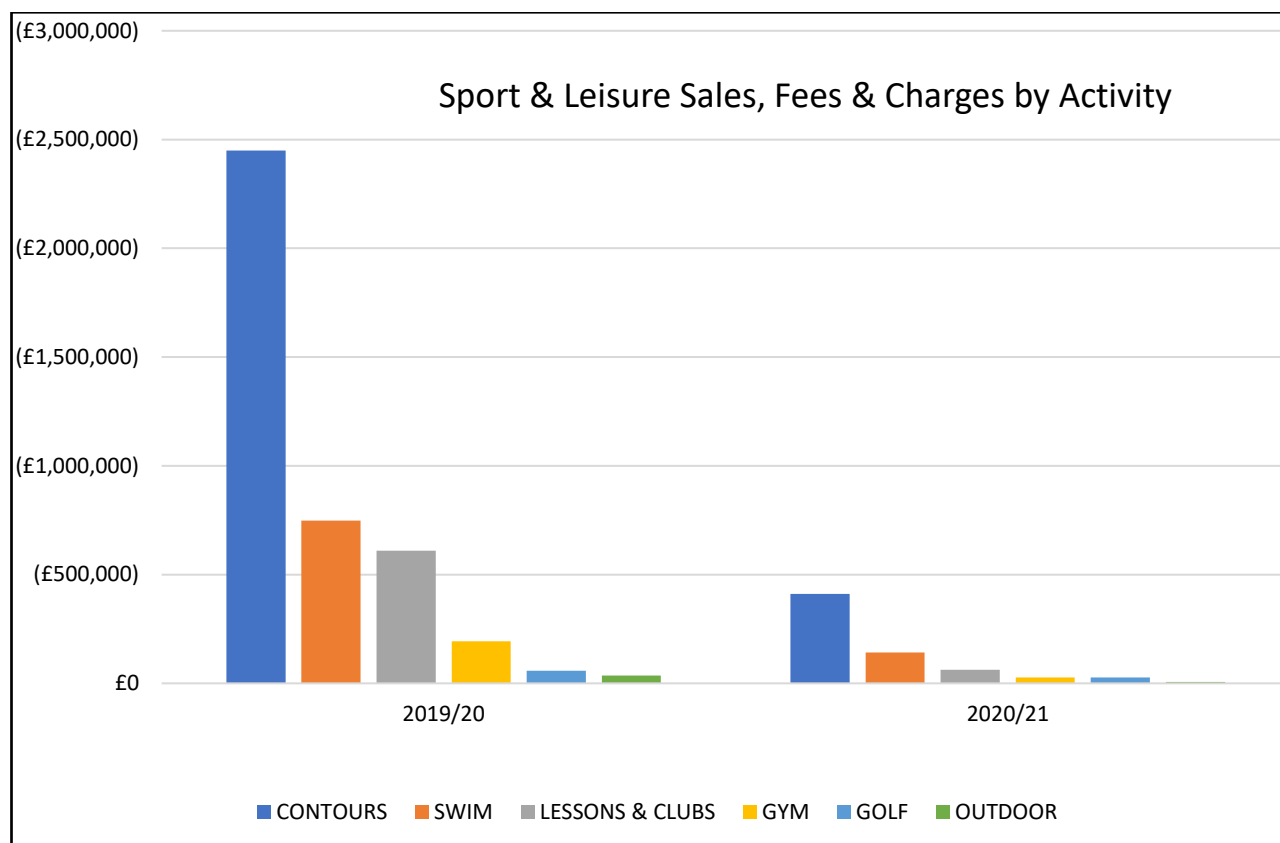
	Budget £m	Forecast Jan £m	Variance Jan £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Nov £m	BAU Change Since Nov £m
Sport & Leisure	2.975	7.792	4.817	4.717	0.100	0.084	0.016
Cultural Services	6.917	7.317	0.400	0.371	0.029	0.096	(0.067)
Security & Community Safety	0.342	0.399	0.057	0.062	(0.005)	(0.004)	(0.001)

	Budget £m	Forecast Jan £m	Variance Jan £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Nov £m	BAU Change Since Nov £m
Fleet Management	1.103	1.061	(0.042)	0.000	(0.042)	(0.020)	(0.022)
Waste and Recycling Disposal	7.587	8.079	0.492	0.546	(0.054)	(0.085)	0.031
Waste Management	3.975	3.914	(0.061)	(0.054)	(0.007)	(0.034)	0.027
Local Environmental Services	7.479	7.627	0.148	0.271	(0.123)	(0.222)	0.099
Head of Service and Resilience	0.245	0.477	0.232	0.249	(0.017)	(0.003)	(0.014)
Street Lighting PFI	4.323	4.328	0.005	0.005	0.000	0.000	0.000
Consumer Protection & Building Control	1.012	1.271	0.259	0.281	(0.022)	(0.022)	0.000
Transport and Highways	6.416	7.678	1.262	1.284	(0.022)	(0.022)	0.000
Planning	0.257	0.299	0.042	0.047	(0.005)	(0.005)	0.000
General Fund Housing	0.829	0.875	0.046	0.065	(0.019)	(0.019)	0.000
Total	43.460	51.117	7.657	7.844	(0.187)	(0.256)	0.069

Sport and Leisure

- 4.4.11 Sport and Leisure is predicting a net pressure of £0.100m. This position is after a transfer to Central Items of £5.081m lost income and £0.068m additional expenditure due to Covid-19. This is offset by £0.432m savings resulting from a reduction in Active North Tyneside activities (due to Covid restrictions), vacancies across the team not being filled at this time, additional employee savings due to the latest lockdown and a reduction in utility and PFI costs at leisure centres due to closures.
- 4.4.12 The BAU position is due to reduced income when open offset against reduced operational costs.
- 4.4.13 The Covid-19 impact on lost income has been increased due to the closure of services in January, as can be seen in Chart 5 above. Other budgeted costs have previously been reported as reduced or been offset by expected savings from being closed. Sport & Leisure income streams continue to be closely managed, with monthly updates of income across the multiple streams, as seen in Chart 6.

4.4.14 Chart 6: Impact of Income Across Main Sport & Leisure Activities



Cultural Services

- 4.4.15 Cultural Services within North Tyneside are predicting a forecast pressure of £0.029m, which is net of Covid-19 related forecast transfers of £0.347m. The movement from the last reported position of £0.096m in November is mainly due to reviewing the spend on operational costs.
- 4.4.16 Cultural Services has identified additional Covid-19 savings of £0.039m due to staff and utility savings. This leaves reduced historical pressures around energy and rates, plus cost pressures associated with The Playhouse theatre and various events including the postponement of the 2020 Mouth of the Tyne Festival. These additional costs have been partially mitigated with the savings on book spend and other operational costs. These pressures will continue to be assessed by Cultural Services as the year progresses, continuing to take account of the Pandemic's impact as well as operational requirements.

Security and Community Safety

- 4.4.17 Cabinet will recall Security and Community Safety was reviewed and realigned to increase its overall viability. The remaining variance is due to small operational savings against the revised budget.

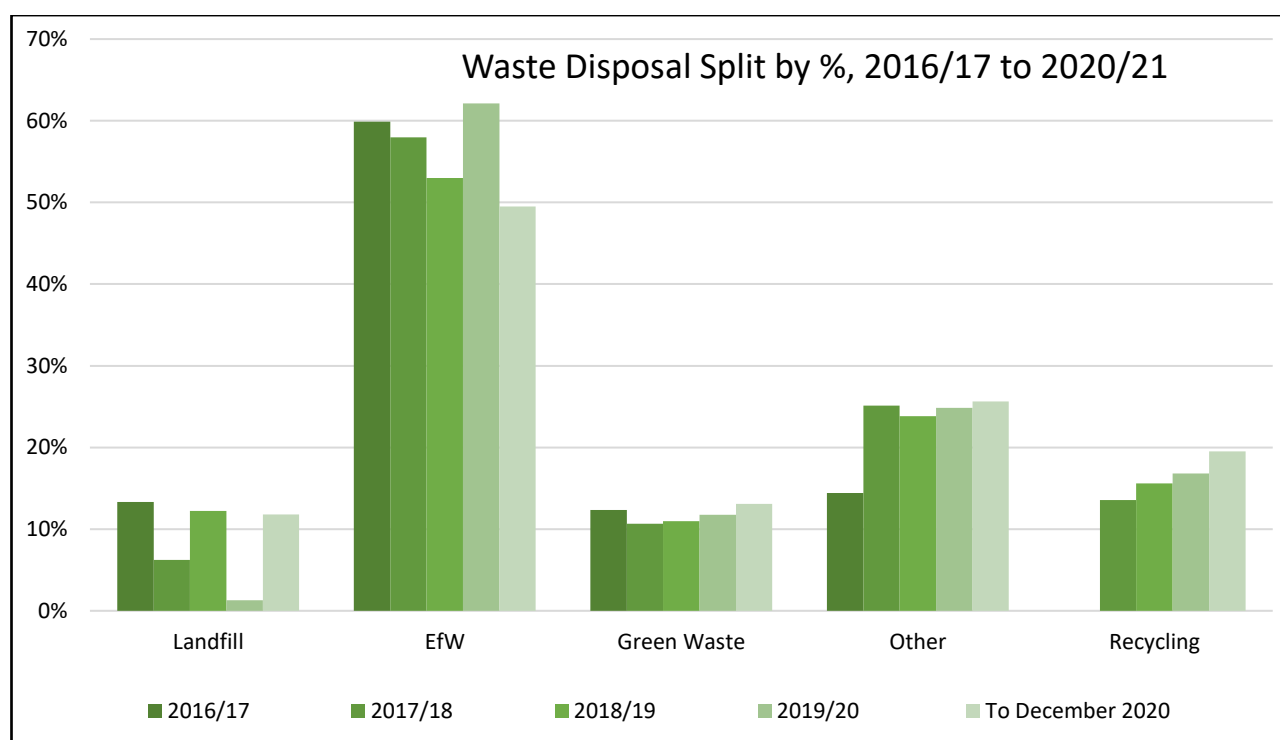
Fleet Management

- 4.4.18 Fleet Management is now forecasting an improved saving of £0.042m, moving from the previously reported £0.020m saving, with further reductions in operational costs.

Waste Management including Recycling and Disposal

- 4.4.19 Waste Management is showing a £0.061m saving, worse by £0.058m since the last Cabinet report but fully mitigating operational pressures of £0.011m. As reported in previous Cabinet reports, vacancy savings are identified associated with waste strategy work, including savings identified as pandemic-related. The Waste Strategy vacancy savings have been partially off-set by costs incurred by the use of third party technical advisory support on the waste Disposal Contract, in addition to waste campaign work being stepped-up to encourage more recycling during the Covid-19 Pandemic.
- 4.4.20 Waste and Recycling Disposal has previously reported additional costs of landfill are being offset by savings in other methods of disposal. At December the changing cost volume profile shown in Chart 7 below now reflects an increased cost across types of disposal, with these increased supply costs now flagged as Covid-19 impact. This has increased the Covid-19 related cost impact for Waste and Recycling from £0.130m to £0.548m.

4.4.21 **Chart 7: Waste Disposal Volume Comparison 16/17 to 20/21 (at December)**



Local Environmental Services

- 4.4.22 Local Environmental Services is forecasting a saving of £0.123m. In part this is due to staffing vacancies, with the remaining business as usual savings are due to

a reduction in capital financing costs charged to revenue for the cremator replacement of £0.050m.

- 4.4.23 Local Environmental Services have identified the estimated gross cost impact of Covid-19 as £0.372m, which mainly relates to lost income in park cafes, additional costs of staffing (e.g. wardens), signage and PPE and our Authority's contribution towards the region's temporary body storage units in addition to installing a webcast and video/music tribute at Whitley Bay Crematorium. This is slightly mitigated by the £0.079m savings identified by management as Covid-related, due to using existing Authority staff rather than employing casual staff to carry out duties.

Street Lighting PFI

- 4.4.24 The street-lighting PFI contract balances to budget due to a planned £0.671m draw-down from reserves, as planned in previous years. Historical energy cost pressures have been mitigated where possible, reducing the value of the reserve draw-down.

Consumer Protection & Building Control

- 4.4.25 This area is forecasting Covid-19 related costs of £0.281m, mainly for increased enforcement costs (including the costs of Covid Marshalls) and the impact on taxi licencing income. Transferring these costs centrally against the grant funding received leaves an expected small staffing saving of £0.022m.

Transport & Highways

- 4.4.26 This area is forecasting Covid-19 related lost income from car parks, reduced engineering fees, streetworks fees and road permit income of £1.284m. Previously reported income losses on car parks are expected to be further impacted by the January lockdown. Transferring out these costs to the Covid-19 central cost centres leaves a small forecast operating saving of £0.022m.

General Fund Housing

- 4.4.27 The planning service is expecting to carry £0.065m Covid-19 related costs due to increased costs of homelessness, though transferring these costs centrally will leave a small saving of £0.019m.

4.5 Regeneration and Economic Development (RED)

- 4.5.1 Regeneration and Economic Development (RED) is forecasting a pressure of £0.170m at January 2021, an improvement of £0.022m since November, as shown in Table 15 below. This is after moving the expected Covid-19 impact of £0.055m (Table 14) into Central Items in relation to lost income at Swan Hunters.

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

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Regeneration	0.000	0.055	0.055	0.055	Lost rental income at Swan Hunters

4.5.3 As previously reported to Cabinet, the budget variances in RED result mainly from a forecasted inability to achieve staff capitalisation & recharge income targets and income generation shortfalls at both Swans-related sites, plus changes to the service structure.

4.5.4 Whilst the sale of the Swans site just before Christmas will improve the budgeted position moving into 2021/22, a fire on the site just before the sale has had an impact which is reflected in the worsening position for Regeneration.

4.5.5 Two new management roles have been added to the structure of the team to enhance capacity and ensure the Council's objectives around regeneration and inclusive economic growth are delivered. Whilst these posts are expected to be self-financing once fully established, the revised Resources & Performance position now reflects the costs of bringing these posts in. These costs are being offset by increased service savings in Business & Enterprise.

4.5.6 Table 15: Forecast Variation for Regeneration and Economic Development

Service Area	Budget £m	Forecast Jan £m	Variance Jan £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance Nov £m	BAU Change £m
Business & Enterprise	0.751	0.630	(0.121)	0.000	(0.121)	(0.012)	(0.109)
Regeneration	0.438	0.667	0.229	0.055	0.174	0.143	0.031
Resources & Performance	0.203	0.320	0.117	0.000	0.117	0.061	0.056
Total	1.392	1.617	0.225	0.055	0.170	0.192	(0.022)

4.5.7 Recharging staff to capital projects has become an issue for the service due to the change in mix of regeneration projects in the capital plan. A working group lead by RED and C&AM senior management is reviewing the capital plan with the intention of optimising recharging practices across the whole Authority and mitigating any pressures in 2021/22.

4.6 Corporate Strategy

4.6.1 Corporate Strategy is forecasting a saving of £0.063m as set out in Table 17 below, after transferring out Covid-19 related costs totalling £0.149m (Table 16).

4.6.2 The improved position mainly reflects costs which are being now funded from grants specific to the Pandemic, which have been agreed since the last Cabinet reported position.

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

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Marketing	0.050	0.020	0.070	0.080	Marketing income lost & Staff Time Recharged
	0.013	0.000	0.013	0.012	Production of Covid-19 leaflets and guidance
Policy, Performance & Research	0.066	0.000	0.066	0.001	SMAP report, Staff Time Recharged & performance reporting on impact of Covid-19
Total	0.129	0.020	0.149	0.093	

4.6.4 The remaining BAU variances in the service are due to shortfalls against income targets, plus some staffing pressures across the service being offset by increased funding for pandemic related activities and operational savings.

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

Service Area	Budget £m	Forecast Jan £m	Variance Jan £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance Nov £m	BAU Change Since Nov £m
Children's Participation & Advocacy	0.258	0.232	(0.026)	0.000	(0.026)	(0.012)	(0.014)
Corporate Strategy Management	0.006	0.169	0.163	0.000	0.163	0.159	0.004
Elected Mayor & Executive Support	0.018	0.014	(0.004)	0.000	(0.004)	(0.003)	(0.001)
Marketing	0.289	0.260	(0.029)	0.083	(0.112)	(0.049)	(0.063)
Policy Performance and Research	0.130	0.112	(0.018)	0.066	(0.084)	(0.006)	(0.078)
Total	0.701	0.787	0.086	0.149	(0.063)	0.089	(0.152)

4.7 **Resources and Chief Executive Office**

4.7.1 The forecast pressure of £0.036m within Resources and Chief Executive Office, is after an adjustment of £1.202m for Covid-19 revenue costs (Table 18). In addition, the service has identified £0.200m of capital Covid-19 costs due to

purchase of IT equipment. The service budget pressures, as set out in Table 19 below, mainly relate to increased operational pressures in Finance (Revenues & Benefits), mitigated by savings in the Chief Executive's office.

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

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Corporate ICT	0.153	0.000	0.153	0.103	Purchase of IT equipment
Corporate HR	0.005	0.000	0.005	0.005	Additional resource to support HR for Covid-19 issues
Corporate Finance (Benefits)	0.076	0.000	0.076	0.076	Additional costs of homelessness
Corporate Finance (Revenues)	0.000	0.968	0.968	0.968	Lost enforcement income due to courts being closed
Total	0.234	0.968	1.202	1.152	

4.7.3 Table 19: Forecast Variation Resources

Service Area	Budget £m	Forecast Jan £m	Variance Jan £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance Nov £m	BAU Change Since Nov £m
ICT	2.851	3.018	0.167	0.153	0.014	0.007	0.007
Finance	0.013	1.155	1.142	1.044	0.098	(0.050)	0.148
HR & Organisational Development	0.013	0.033	0.020	0.005	0.015	0.094	(0.079)
Chief Executive	(0.078)	(0.169)	(0.091)	0.000	(0.091)	(0.069)	(0.022)
Total	2.799	4.037	1.238	1.202	0.036	(0.018)	0.054

4.7.4 Previous Cabinet reports have identified the main areas impacting the finance area forecast are within Revenues & Benefits.

4.7.5 Within the Finance service, Revenues & Benefits is showing an overall pressure of £0.077m, which is made up of these factors:

- Enforcement cost and income are no longer showing a pressure of due to lost enforcement income as it has been identified that the pressure is in relation to Covid-19, with this now being forecast in the central Covid-19 cost centre;
- Bank Charges are expected to be £0.030m over budget due to increased costs;

- Overpayments income is forecasting a pressure of £0.214m. Improvement since the last report is due to the restarting of overpayment recovery during this period and also work has been started to review current claimants. The number of overpayments generated during the lockdown periods was extremely low as there were reduced changes in circumstances and moves. There have been less fluctuations in wages as people either in employment or on fixed furlough amounts.
- Subsidy is showing a surplus of £0.113m. The improvement since the last report is due mainly to the changes in the LHA level for the year which has increased the amount of overall benefit that is repaid to the authority from DWP.
- Bad debt showing a surplus of £0.053m. The Bad Debt position has got worse since the last report, which is partly due to the start-up of debt passing to PDP and some debt returning since it was suspended earlier in the year. Also, the previous forecasted position extrapolated a worsening position in overpayments which has now been removed as it is not proving to be the case.

4.7.6 Previous Cabinet reports have identified staffing pressures as the main areas impacting the forecast for Human Resources & Organisational Development, though these have been corrected by realignments which is the reason for the movement since the last Cabinet report.

4.7.7 The Chief Executive's office is showing a saving of £0.091m. The saving is due to an underspend on staffing of £0.014m and reduced spend on supplies and services of £0.077m.

4.8 **Law and Governance**

4.8.1 Law and Governance is forecasting a net pressure of £0.220m, an improvement of £0.045m since the November report. The pressure reported is after transfer of £0.273m identified Covid-19 costs and income losses net of £0.120m Covid-19 related savings (see Table 20).

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

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
Customer, Governance and Registration	0.000	0.170	0.170	0.170	Registrars – estimated reduced income due to reduction in numbers of weddings / civil ceremonies / citizenship ceremonies / duplicate certificate requests during the period April - July 2020

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
	0.000	0.025	0.025	0.025	Registrars – estimated reduced income due to reduction in numbers of weddings venue usage during the period April - July 2020
Legal Services	0.000	0.070	0.070	0.070	Legal Services (Non Contract) estimated reduction in income due to lower property/business transactions
Information Governance	0.000	0.077	0.077	0.092	Land Charges estimated reduction in income due to lower property transactions in conjunction with market forces
North Tyneside Coroner	0.051	0.000	0.051	0.000	Additional costs of body storage at regional centre
Democratic and Electoral Services	(0.120)	0.000	(0.120)	(0.120)	Election Expenses - Expenditure underspend forecast due to no elections taking place
Total	(0.069)	0.342	0.273	0.237	

4.8.3 Cabinet will recall from previous reports that the main pressures in Law & Governance relate to legal staffing pressures and additional coroner costs, plus there are smaller pressures within Customer, Governance and Registration relating to a forecast shortfall against income targets not related to Covid-19. These are partially mitigated by net operational savings across all parts of the service.

4.8.4 Table 21: Forecast Variation for Law and Governance

Service Area	Budget (£m)	Current Forecast (£m)	Variance (£m)	Of Which Covid-19 (£m)	Of Which BAU (£m)	Last Cabinet Report (£m)	Movement £m
Customer, Governance and Registration	(0.071)	0.132	0.203	0.195	0.008	0.040	(0.032)
Democratic and Electoral Services	(0.044)	(0.185)	(0.141)	(0.120)	(0.021)	(0.032)	0.011
Information Governance	0.059	0.073	0.014	0.077	(0.063)	(0.054)	(0.009)
Legal Services	(0.105)	0.175	0.280	0.070	0.210	0.216	(0.006)
North Tyneside Coroner	0.294	0.431	0.137	0.051	0.086	0.095	(0.009)
Total	0.133	0.626	0.493	0.273	0.220	0.265	(0.045)

4.8.5 The £0.045m improvement from the previous reported position is mainly due to an increased forecast in income in Customer, Governance and Registration.

4.9 **Central Items**

4.9.1 The January 2021 business as usual forecast for Central Items is a surplus of £6.824m, an adverse movement of £0.211m from the November report. This position is after the following forecasted transfers to reserves;

- a £13.527m transfer relating to a surplus S31 balance generated following additional payments being received from Government as compensation for the increased Retail and nursery reliefs offered to Business Rates in response to the Covid-19 pandemic. The surplus on S31 will be used to partially offset the Collection Fund deficit that will be carried into 2021/22 as a result of the additional reliefs being offered to rate payers. Further details can be found in Section 5; and,
- And a transfer of £1.841m relating to pooled growth funding from the North of Tyne Combined Authority.

4.9.2 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 Local Authority Support Grant. Total pressures of £28.876m have been identified across the rest of the General Fund as shown in Table 22 below.

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

Service	Total Forecasted Covid-19 Pressure £m
Health, Education, Care and Safeguarding	14.586
Commissioning and Asset Management	4.768
Environment, Housing and Leisure	7.844
Regeneration and Economic Development	0.055
Corporate Strategy	0.149
Chief Executive's Office	0.000
Resources	1.202
Law and Governance	0.273
Total Covid-19 pressures transferred to Central Items	28.877
Covid-19 Pressure within Central Items – bad debts	0.300
Covid-19 Pressure within Central Items – items normally recharged to General Fund from HRA	0.388
Covid-19 Pressure within Central Items - PPE	0.144
Total Covid-19 pressures recorded	29.709
Allocation of Local Authority Support Grant and specific grants (see table 23)	(26.721)
Central Items Covid-19 Pressure	2.988

4.9.4 The total of grants available to offset Covid pressures is £26.721m as broken down in Table 23 below. This value is being applied against the forecast pressures leaving an amount of £2.988m over and above current grant funding. This compares with a gap of £1.383m at November. This pressure is being partially offset by underspends within Central Items outlined in paragraph 4.9.7 below. Table 24 summarises the position within Central Items.

4.9.5 **Table 23: Grants Forecasted to Offset Covid Pressures in 2020/21**

Grant	£m
Local Authority Support Grant – Tranche 1 balance carried forward into 2020/21	6.089
Local Authority Support Grant – Tranche 2	5.709
Local Authority Support Grant – Tranche 3	1.777
Local Authority Support Grant – Tranche 4	2.061
Test Track and Trace Grant	0.591
Infection Control Fund Round 1	2.205
Infection Control Fund Round 2	2.207
Clinically Extremely Vulnerable	0.142
Home to School Transport	0.185
Sales Fees and Charges – April to July (Received)	2.463
Sales Fees and Charges – August to November (Submitted)	1.786
Covid-19 Compliance	0.108
Emergency Assistance	0.239
Re-opening the High Street Fund	0.100
Workforce Capacity Fund	0.516
ASC Rapid Testing Fund	0.543
Total	26.721

4.9.6 Table 24: Outturn Variation Central Budgets and Contingencies

	Budget £m	Forecast Jan £m	Variance Jan £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance Nov £m	Change in BAU since Nov £m
Corporate & Democratic Core	1.704	1.714	0.010	0.000	0.010	(0.014)	0.024
Other Central Items	12.188	(35.903)	(48.091)	(25.889)	(22.202)	(21.581)	(0.621)
Central Items Sub Total	13.892	(34.189)	(48.081)	(25.889)	(22.192)	(21.595)	(0.597)
S31 – Transfer to Reserves	0.000	13.527	13.527	0.000	13.527	12.719	0.808
NoTCA Pooled Growth – Transfer to Reserves	0.000	1.841	1.841	0.000	1.841	1.841	0.000
Total Central Items	13.892	(18.821)	(32.713)	(25.889)	(6.824)	(7.035)	0.211

4.9.7 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 £4.416m held for adult and children's social care. 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 £2.359m 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 and there is a forecasted procurement rebate of £0.227m. An additional £1.841m receipt for the Authority's share of the growth element from the 2019/20 Business Rates pool has been included. This income has been forecast to move to reserve at year end. A further benefit relates to increased interest received of £0.128m due to higher than anticipated cash balances. These benefits are partially offset by increases in provisions for the potential settlement of Office 365 (£0.100m), delapidations in respect of properties at Camden House and Pow Dene (£0.150m) and Bad Debts (£0.150m).

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 2021/22 and medium-term financial planning.
- 5.2 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 Authority 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 Authority of £48.460m.

Council Tax

- 5.3 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.
- 5.4 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 0.45% reduction by December 2020 and 0.40% drop by January 2021) and increase in LCTS. Recovery action was restarted, although with a softer approach in August so this position is expected to improve. Table 25 below shows the position of the key statistics through the last seven financial years leading up 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 January 2021, following the impact of Covid-19, the tax base figure is 61,576 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 5.5 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.
- 5.5 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 January position in 2020/21, where the Authority has had an additional 363 claims overall, with working age caseload increasing by 619 as pensionable age claims reduced over the year; further increases in claims are 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 Jan
No of Domestic Properties	95,059	95,563	96,243	96,752	97,698	98,626	99,558	99,407	99,899
Council Tax Base	53,034	55,400	56,424	56,948	58,202	59,048	60,167	61,870	61,576
Net Collectable Debit £m	81.404	82.842	84.868	89.961	97.737	104.048	110.511	114.558	113.905
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 Jan	9,991	7,544	17,535

- 5.6 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.
- 5.7 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. A hardship discount

has been paid to over 12,000 LCTS recipients with other vulnerable residents also receiving support from this grant at a cost to date of £1.700m.

- 5.8 The guidance from Government states that any new claimants that are awarded LCTS during 2020/21 should also be entitled to up to £150 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.
- 5.9 The Authority has allocated £0.100m to Housing to support tenants who are in financial difficulties and require support. Forecasts at this stage suggest that approximately £0.300m 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

- 5.10 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 January 2021, the Authority had made payments to 2,849 (94.53%) of the eligible businesses, totalling £32.825m.
- 5.11 Two further discretionary reliefs were introduced, as a response to Covid-19, for Retail Discount and Nursery Discount. At the end of January 2021, these reliefs totalled £27.983m and £0.219m respectively for North Tyneside.
- 5.12 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	Jan Forecast £m	Difference £m
S31 Grant	(4.916)	(18.444)	(13.528)

- 5.13 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 currently very difficult 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 nets 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.

5.14 **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	60.564	1.209	1.092
Offices	30.803	12.425	11.197
Industrial	35.600	14.291	12.870
Hospitality	1.733	0.014	0.012
Club/Community/Sports	5.042	1.166	1.054
Others	16.369	4.769	4.292
Total	150.111	33.874	30.517

5.15 **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

- 5.16 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)	(13.528)
North Tyneside Projected Deficit	14.561
Additional Deficit	1.033

SECTION 6 - SCHOOLS FINANCE

Update on the Overall School Position from Second Monitoring

- 6.1 Cabinet will recall that in 2019/20 school balances at year end were £0.165m which was an improvement of £4.826m against the initial forecast deficit balance of £4.661m. The first monitoring of 2020/21 finally reported a £5.677m deficit against a budgeted deficit of £6.755m, which was an improvement against budget of £1.078m. The monitoring position improved by £0.057m over the initial forecast as schools updated queries and issues following the monitoring process.
- 6.2 The second budget monitoring for the 2020/21 financial year has recently been completed for the majority of schools. Revised forecasts have been submitted by schools across all school phases (as shown in table 31 below). Based on the information provided to date by schools the forecast deficit for 2020/21 is now estimated to be £2.900m, which is an improvement since the first monitoring of £2.777m. This also reflects an overall improvement against budget of £3.855m.
- 6.3 Cabinet will recall that in 2019/20 school balances at year end were £0.165m which was an improvement of £4.826m against the initial forecast deficit balance of £4.661m. The first monitoring of 2020/21 reported a £5.677m deficit against a budgeted deficit of £6.755m, which was an improvement against budget of £1.078m.
- 6.4 The second budget monitoring for the 2020/21 financial year has recently been completed for the majority of schools. Revised forecasts have been submitted by schools across all school phases (as shown in table 31 below). Based on the information provided to date by schools the forecast deficit for 2020/21 is now estimated to be £2.900m, which is an improvement since the first monitoring of £2.777m. This also reflects an overall improvement against budget of £3.855m.

6.5 **Table 31: Second Monitoring Results for Schools - 2020/21**

Phase	Outturn 2019/20 £m	Budget Plan 2020/21 £m	Monitoring 1 2020/21 £m	Monitoring 2 2020/21 £m	Variance To Budget £m
Nursery	0.127	0.053	0.086	0.099	0.046
First	0.746	0.665	0.619	0.910	0.245
Primary	3.497	2.271	2.692	3.232	0.961
Middle	0.437	0.276	0.338	0.523	0.247
Secondary	(5.549)	(9.679)	(9.765)	(8.056)	1.623
Special / PRU	0.907	(0.341)	0.353	0.392	0.733
Total	0.165	(6.755)	(5.677)	(2.900)	3.855

- 6.6 The change in forecast is despite the impact of Covid-19 on schools and shows that most schools are managing to control the impact of the pandemic with reduced costs of their current opening situations. There are some schools which have struggled with the additional costs of Covid.

6.7 The improvement in forecast outturns for schools includes one additional school which is now forecasting unauthorised deficits over £5,000 in 2020/21. This school is currently showing a forecast that is £0.028m worse than budget at the second monitoring, as shown in table 32 below.

6.8 **Table 32: Emerging Deficit Schools in 2020/21**

School	Budget Plan 2020/21 £m	Monitoring 1 2020/21 £m	Monitoring 2 2020/21 £m	Variance To Budget £m
Burradon Primary	0.003	(0.006)	(0.025)	(0.028)

6.9 There were twelve schools requiring a Licenced Deficit Agreement in 2020/21 with deficits identified at budget setting and their current forecasted positions are shown in Table 33 below. Eight of these schools were in deficit in 2019/20, with two identified as structural deficits. Of the twelve schools eleven are showing improvements reflecting plans put in place to mitigate their deficit position. There has been an overall improvement of £1.229m against budget and a favourable movement of £0.876m since the first monitoring. The schools still showing adverse variances are working to mitigate the causes of further unforeseen pressures.

6.10 **Table 33: Existing Deficit Schools in 2020/21**

School	Budget Plan 2020/21 £m	Monitoring 1 2020/21 £m	Monitoring 2 2020/21 £m	Variance To Budget £m
Benton Dene Primary	(0.022)	(0.010)	0.018	0.040
Forest Hall Primary	(0.014)	(0.015)	(0.005)	0.009
Greenfields Primary	(0.120)	(0.178)	(0.181)	(0.061)
Holystone Primary	(0.032)	0.020	0.010	0.042
Ivy Road Primary	(0.300)	(0.243)	(0.211)	0.089
St Mary's R C Primary N/S	(0.033)	(0.039)	(0.001)	0.032
Marden Bridge Middle	(0.067)	(0.042)	0.032	0.099
Marden High	(0.494)	(0.475)	(0.074)	0.420
Norham High	(3.193)	(3.189)	(3.141)	0.052
Longbenton High	(2.610)	(2.610)	(2.510)	0.100
Monkseaton High	(5.164)	(5.090)	(4.958)	0.206
Beacon Hill	(0.773)	(0.598)	(0.572)	0.201
TOTAL	(12.822)	(12.469)	(11.593)	1.229

6.11 Additional governance arrangements and monitoring meetings have been put in place with the twelve deficit schools. School Improvement, HR and Finance officers will continue to meet with Head Teachers and Governing Body representatives for all schools in deficit to monitor the specific requirements of each individual school's deficit and recovery plans to support bringing them back into balance.

High Needs Block

- 6.12 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 in line with the national and regional picture and Members will be aware of the high level of interest in special needs provision and associated funding issues in the national media.
- 6.13 The forecast pressure on High Needs has increased since the previous report to Cabinet in November 2020. The anticipated in-year pressure of £3.809m (November, £3.457m) reflects a rise in demand for special school places within the Authority and a general increase in complexity of children supported in special schools and within mainstream schools. A breakdown of the in-year pressure is shown in Table 34 below.
- 6.14 **Table 34: Breakdown of High Needs in Year Pressures at January 2021**

Provision	Budget	Forecast	Variance	Comment	Variance Nov
	£m	£m	£m		£m
Special schools and PRU	12.797	14.851	2.054	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder	1.866
ARPs/Top ups	3.655	4.598	0.943	Pressures in pre 16 top ups e.g. Norham ARP. Melrose transfer to Southlands represents change	0.991
Out of Borough	2.515	3.242	0.727	Increased number of children placed outside North Tyneside Schools	0.565
Commissioned services	3.956	4.041	0.085	Additional staff and commissioned service	0.035
Subtotal	22.923	26.732	3.809		3.457
2019/20 b/f			4.542		4.542
Subtotal			8.351		7.999

SECTION 7 - HOUSING REVENUE ACCOUNT

Forecast Outturn

7.1 The forecast set out in Table 35 below is based on the results to January 2021. Currently the HRA is forecasting a pressure of £1.244m against budget including the impact of all identified HRA and in-house construction service-related Covid-19 costs and a £0.303m pressure, after excluding those Covid-19 costs which are rechargeable to the general fund and eligible to be set against government Covid grants. Throughout the year costs will be monitored closely across all areas, but with additional focus on Rent Arrears and the related impact on the bad debt provision, rental income, Council Tax voids and staffing vacancies, which could lead to further changes in the forecast position.

7.2 **Table 35: Forecast Variance Housing Revenue Account**

	Budget £m	Current Forecast £m	Current Variance £m	Last cabinet report £m
HRA Management Costs	10.226	10.047	(0.179)	(0.110)
HRA Repairs	12.247	14.161	1.914	1.673
HRA – Capital Charges	13.832	13.832	0.000	0.000
HRA – PFI Contract Costs	9.690	10.040	0.350	0.250
HRA – Capital Financing	23.296	23.296	0.000	0.000
HRA Other Costs	1.340	1.340	0.000	0.000
HRA – Other Income	(7.743)	(7.743)	0.000	0.000
HRA - Rental Income	(60.299)	(61.140)	(0.841)	(0.555)
Total including all Covid-19 pressures	2.589	3.833	1.244	1.258
HRA Covid-19 pressures mitigated	0.000	(0.941)	(0.941)	(0.999)
Total after HRA Covid-19 pressures mitigated	2.589	2.892	0.303	0.259

7.3 The total Covid-19 costs attributed to the HRA and in-house construction service is £2.545m, which is a combination of unproductive workforce costs resulting from restrictions during lockdown (£1.504m), the costs of procuring and distributing PPE locally and regionally (£0.666m), and in addition unproductive time in relation to works the in-house construction service would have delivered to the General Fund but for lockdown (£0.356m). The level of identified Covid-19 pressures has remained fairly consistent at circa £2.500m. Indications are that only the PPE-related costs and the general-fund related costs can be considered as eligible to be covered by government covid grant (£0.941m).

7.4 **Table 36: Forecast Impact of Covid-19 on HRA for 2020/21**

Service Area	Covid Cost Impact Jan £m	Covid Income Impact Jan £m	Total Covid Impact Jan £m	Total Covid Impact Nov £m	Description
HRA – PPE	0.101	0.000	0.101	0.082	HRA PPE and Staff involved in procuring, receiving, packaging and delivering PPE for the entire authority being acquired as a direct result of the Covid-19 Pandemic – in-house construction service Stores staff, Procurement staff and staff driving vans for delivery.
HRA – Workforce	1.504	0.000	1.504	1.423	Costs of carrying unproductive staff resource and related support costs during downtime, for staff delivering HRA-related work
HRA - Overtime	0.019	0.000	0.019	0.019	Additional overtime for community protection co-ordinating with Northumbria Police
HRA – Other	0.000	0.000	0.000	0.000	No longer reflecting increased Bad Debt Provision
Total	1.624	0.000	1.624	1.524	

- 7.5 Rental income is currently performing well ahead of target (£0.841m). This is made up of a number of different elements: Dwellings rent figures are forecasted to perform ahead of budget (£0.453m) due to an improvement in the empty homes position across both general needs and sheltered accommodation; Temporary and Dispersed Accommodation continues to sustain well above budgeted levels of income (£0.189m); service charge income is currently forecasted to also perform ahead of budget (£0.130m) due to the improved income in Sheltered

Accommodation resulting from the lower than forecast empty homes position; Other rents from commercial properties on estates and accommodation provided to HECS client groups are again performing well and generating above budgeted levels of income (£0.031m), and garage rental income is also forecast to come in better than budget (£0.038m). There had been a 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 been largely caught up and empty homes numbers are now trending at or just above pre-covid levels. Although the Authority strives to try and minimise the continuing impact of the implementation of Universal Credit, the actual level of arrears has increased significantly, but does not appear to be growing any faster than last year. Which is why the forecast impact on the in-year Bad Debt Provision budget was moved back in line with budget. This is explained further in the section on rent arrears below. Council Tax Empty Homes costs have risen partially due to the initial rise in empty properties caused by the pandemic (£0.021m). All of these issues continue to 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 (£0.198m). A number of appointments were made internally which further increased the forecast savings from previous months. The Repairs budget is showing a pressure of £0.993m currently; this represents the difference between the current variance of £1.914m shown in Table 35 above and the HPC element of the costs to be mitigated by Covid grant (ie £0.921m of the £0.941m identified). The level of pressure is mainly because all of the anticipated Covid-19 impact within the in-house construction service is shown against this line, so it incorporates the impact of staff across revenue repairs, and those teams delivering Capital works within the Decent Homes programme as well as Adaptations. The costs mainly represent the impact of Covid-19 and the fact that most areas of the in-house construction service were stood down during the initial months of 2020/21 and as a result, had not been recovering their costs against delivered works.
- 7.7 A number of delegated decisions have been made over the past few years to utilise PFI Reserve funds to support other areas of the HRA, namely, the purchase of the new fleet for the Housing Property and Construction Service, and payment of a settlement agreement with PFI Contractors S4NT and Galliford Try. These were accompanied with plans to restore the balance on the reserve over the following seven years. However, the opportunity was taken last year to make additional contributions into the reserve to bring that timeline down and reduce the risk to the reserve. An additional contribution to the reserve of £0.350m has now been identified this year in line with the same principle applied last year, and this should reduce the time taken to bring the reserve back into balance by at least a further year.

Rent Arrears and Bad Debt Provision

- 7.7 Arrears are made up of two elements:

- Current Tenant Arrears &
- Former Tenant Arrears

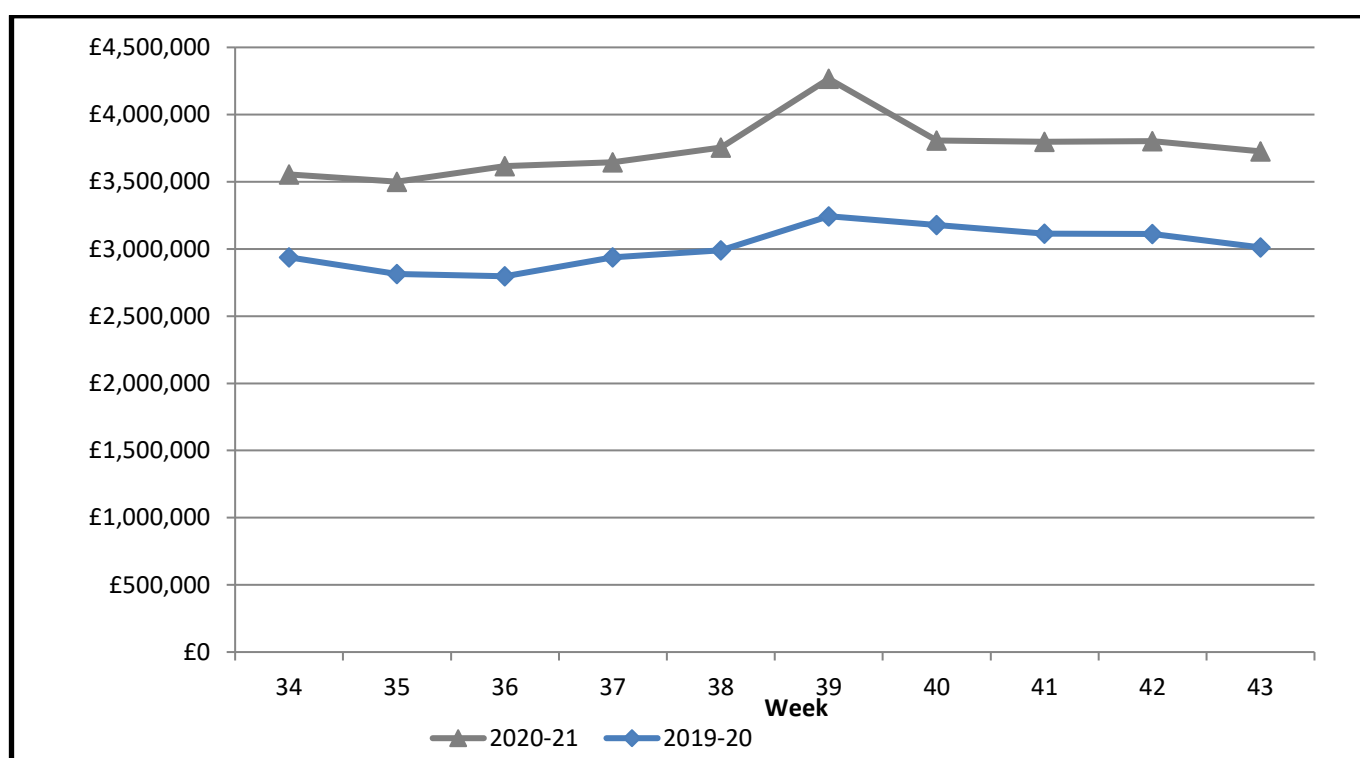
7.8 Table 37: Rent Arrears

Date	Former Arrears	Current Arrears	Total Arrears	Change
	£	£	£	£
31/03/2019	2,649,474	1,726,269	4,375,743	627,000
31/03/2020	3,162,030	2,137,477	5,299,507	923,764
31/01/2021 (to-date)	3,727,125	2,143,982	5,871,107	571,600

7.9 Arrears have risen significantly over the last two years as illustrated in the table below. Initially it was feared that the increase in arrears in the current year due to the pandemic would be even higher than last year, but despite an initial spike the in-year position looks on course to be certainly no higher than last year. Total arrears as at the end of January 2021 stands at £5.871m, and has increased by

7.10 £2.122m since March 2018 which represents a 56.6% increase in the last three years. Chart 10 below shows the value of current 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.

7.11 Chart 12: Current Arrears - Dec-Feb 2020/21 compared to 2019/20



7.12 The main mechanism for helping to manage arrears is the Bad Debt Provision (BDP), which currently stands at £4.286m on the HRA Balance Sheet, and the budget for the 2020-21 contribution is £0.980m, currently we are now predicting that in-year bad debt contribution will be contained within budget. The actual calculation as to how much of the in-year Bad Debt is required is based on three elements:

- 1) Former Arrears – we assume that 95% of these will eventually be written off,
- 2) Current Arrears - a calculation is done which approximates to the size and age of the date and for instance last year this worked out at just over 71% of current arrears. The sum of these two calculations are added and that is compared to the opening sum on the Balance Sheet to calculate the required contribution
- 3) A further adjustment is made to reduce the figure by any debt written off in-year. Below gives a simple example to illustrate using last year's figures.

Bad Debt Provision and In-Year Contribution (2019-20)

Opening BDP B/Fwd 1 April 2019	£3.451m
Bad Debt written off during 2019-20	£(0.185)m
Revised Balance 2019-20	£3.266m

BDP required at 31 March 2020:

Former Arrears £2.137m x 95%	£2.031m
Current Arrears £3.162m x 71%	£2.255m
Total BDP requirement	£4.286m
Less revised Balance B/Fwd	£3.266m

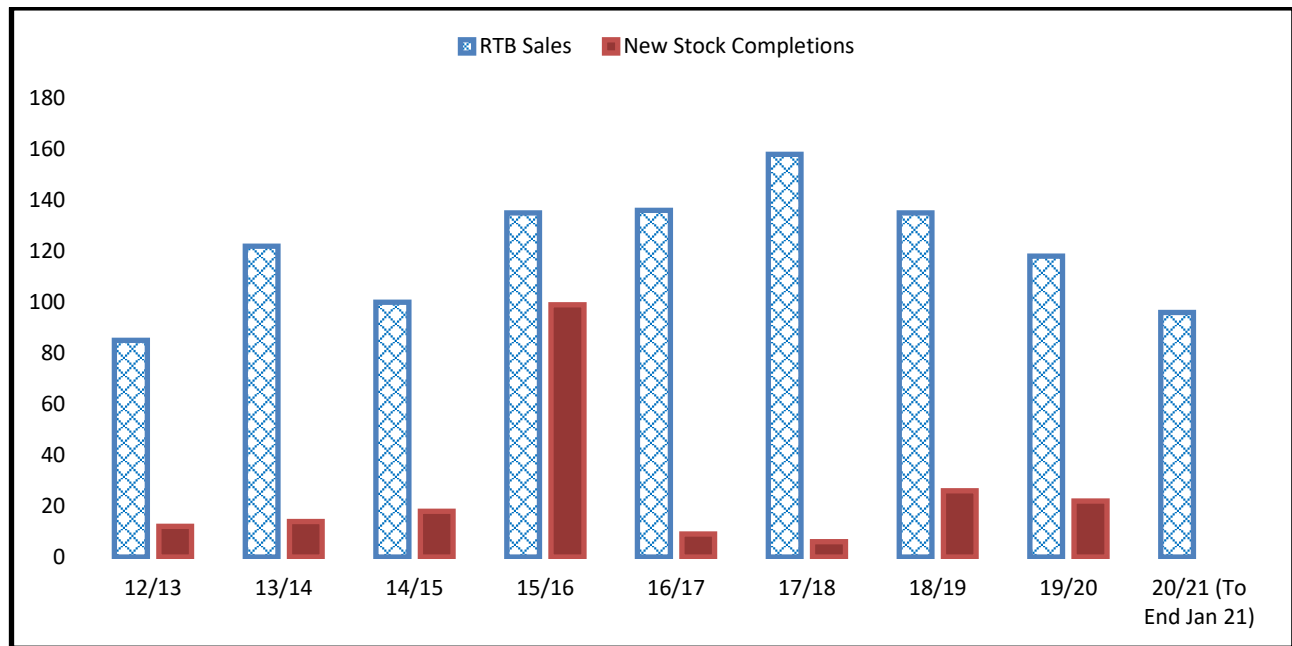
In-year contribution required 2019-20 £1.020m

- 7.13 The same calculation will be done at year-end to finalise the 2020-21 contribution required, but as stated above forecast now assumes this will not be above the £0.980m budgeted for.
- 7.14 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 31 January 2021, there were 3,241 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.831m. This is up by 667 and £0.621m from the beginning of the year when there were 2,574 tenants on UC with arrears of £2.210m, and up from from the end of November when there were 3,199 tenants on Universal Credit (increase of 42 tenants) with related arrears of £2.683m (increase of £0.148m).

Right to Buy (RTB) Trends

- 7.15 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 11 below shows the trend in RTB sales since that time.

7.16 Chart 13: Trend in Right to Buy Sales



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. The variations shown in paragraphs 8.8 through to 8.9 below include the expected impact of Covid-19 on the delivery and financing of the Investment Plan at this stage. This position is being regularly reviewed and any further changes will continue to be reported through the budget monitoring process.

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.

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 195 homes;
 - Heating upgrades to 461 homes;
 - Electrical upgrades to 50 homes;
 - Boundary improvements to 1,601 homes;
 - Roof replacements to 398 homes;
 - External Brickwork Repairs to 337 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.

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;
 - 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 – completed; 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 has a total project value of £1.900m. The North Shields masterplan was approved by Cabinet on 25 January 2021.

Variations to the 2020-2025 Investment Plan

- 8.8 As part of budget monitoring for December and January, variations of £7.189m to the Investment Plan and reprogramming of £8.299m from 2020/21 have been identified and are included in tables 38 and 39 below. Further details are provided in paragraph 8.9.

8.8.1 **Table 38: 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
August 20 Cabinet	(8.828)	12.089	0.738	0.272	4.271
September 20 Cabinet	2.699	0.089	0.028	0.056	2.872
November 20 Cabinet	(1.920)	(4.169)	(0.460)	(0.374)	(6.923)
January 21 Cabinet	(6.059)	(2.090)	1.910	0.000	(6.239)
Approved Investment Plan	68.816	60.692	43.519	84.891	257.918
Dec 20/Jan 21 Monitoring Variations					
Reprogramming	0.853	6.336	0.000	0.000	7.189
	(8.299)	8.299	0.000	0.000	0.000
Total Variations	(7.446)	14.635	0.000	0.000	7.189
Revised Investment Plan	61.370	75.327	43.519	84.891	265.107

8.9 Details of the variations and reprogramming are shown below:

- (a) **BS029 Wallsend Customer First Centre £0.250m** – Inclusion of £0.250m revenue contribution from Public Health grant to support works at the centre and hubs;
- (b) **BS030 Low Carbon Skills £3.237m (2021/22)** – Salix grant funding has been awarded for energy efficiency and the heat decarbonisation works at Tynemouth Pool, Waves, The Lakeside Centre and Hadrian Leisure Centre that will help the Authority meet it's Climate change targets;
- (c) **EV055 Surface Water Improvements £0.290m (2021/22) and £0.050m reprogramming** – £0.290m of new grant funding is to be added to the project in 2021/22, which was allocated by the Environment Agency (EA) during 2020. The funding is to be spent on projects identified in the Authority's Medium Term Plan (the rolling list of flooding and coastal schemes submitted each year to the EA). There is also a requirement to reprogramme £0.050m of the 2020/21 budget to match works that will be delivered in 2021/22;
- (d) **HS004 Disabled Facilities Grant (DFG) £0.222m** – An additional £0.222m DFG grant has been awarded by the Ministry of Housing, Communities & Local Government (MHCLG) for 2020/21;
- (e) **HS053 Green Homes Grant/ HS015 HRA Refurbishment £3.189m** – On the 27th January 2021 the Secretary of State for Business, Energy and Industrial Strategy (BEIS) confirmed that the Council had been awarded the funding of £3.189m.

This project will use grant funding provided by BEIS to support the installation of qualifying measures to improve the energy efficiency of homes in North Tyneside, reduce carbon emissions and provide a catalyst for improving residential energy efficiency in the borough. £1.027m of the grant will be used for Council Dwellings and £2.162m for private homes;

- (f) **HS015 HRA Decent Homes Refurbishment £2.910m reprogramming** – due to the lockdown requirements announced in January it has not been possible to carry out the replacement kitchen and bathroom programmes scheduled for January 2021. In addition, the recent period of sub-zero temperatures, snow and rain has hampered progress on all of the external works programmes. Inclement weather will have a bigger impact this year due to the number of external work projects we have programmed due to Covid. This has resulted in reprogramming of the works and budget into 2021/22;
- (g) **CO082 Sport and Leisure Facility Improvements £0.016m reprogramming** - whilst an assessment is made of the most appropriate solution for upgrading the leisure management systems. This element of the project will be delivered in 2021/22;
- (h) **DV064 Council Property Investment £0.825m reprogramming** - demolition work at Unicorn House is on hold to allow additional funding opportunities to be explored through North of Tyne Brownfield funding meaning that there is a requirement to reprogramme £0.825m to 2021/22;
- (i) **DV066 Investment in North Tyneside Trading Company £0.875m reprogramming** - The Authority will invest further debt and equity in Aurora Properties (Sale) Limited to enable the Company to develop the sites currently in progress but Covid 19 has delayed the purchasing of further homes in 2020/21;
- (j) **DV068 Southern Promenade Work £0.050m reprogramming** - recent poor weather has delayed the final elements of the project. Final completion is expected to take place in April and therefore reprogramming of £0.050m to 2021/22 is requested;
- (k) **DV073 Ambition for North Tyneside £1.200m reprogramming** – to reflect the delivery of the programme;
- (l) **DV075 Town & Neighbourhood Centres £0.065m reprogramming** - Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely will now be delivered in 2021/22;
- (m) **ED075 Devolved Formula Capital £0.700m reprogramming** - Due to the current challenges across all schools in delivery of key educational activities it has not been possible for individual schools to take forward those local priority projects within the current financial year. It is therefore proposed to reprogramme £0.700m into 2021/22;
- (n) **ED189 School Nursery Capital Fund £0.102m reprogramming** - New York Primary school are currently awaiting a formal response from the Department for Education on the next stages of delivery. Officers have confirmed that no planned

works will be delivered this financial year, therefore the grant of £0.102m to be reprogrammed into 2021/22;

- (o) **EV034 Local Transport Plan £0.772m reprogramming** - Due to Covid-19 the works to Pier Road Bridge, Integrated Transport and Section 106 funded works have been delayed and also the Borough Road Bridge scheme has been postponed until Summer 2021;
- (p) **EV069 Vehicle Replacement £0.281m reprogramming** - The electric vehicles are currently in the process of being tendered and will not be delivered until 2021/22 and the remaining budget is to be carried forward to support the 2021/22 planned programme;
- (q) **EV091 Other Initiatives Climate Change £0.048m reprogramming** -A report from structural engineers is expected in mid February on three sites under investigation for the introduction of Solar Voltaic Panels. The structural reports will be an integral part of the specification for a design and install procurement exercise. This will be initiated early March following consultation with the Climate Emergency Board. The delivery of a project is likely to begin in the early part of the 2021/22;
- (r) **EV094 Transforming Cities Tranche 2 £0.075m reprogramming** - Progression of site investigation survey work for NT02 Improvements to North Shields Transport Hub to be undertaken in 2021/22;
- (s) **EV096 Tanners Bank £0.060m reprogramming** - Site investigation works are now to be commissioned in April 2021 resulting in the request to reprogramme £0.060m to 2021/22; and,
- (t) **HS051 Private Sector Empty Homes £0.270m reprogramming** – It has been requested to reprogramme £0.270m funding within this project whilst officers investigate how best to support the North Shields Master Plan outcomes in future years.

8.10 The impact of the changes detailed above on capital financing is shown in table 39 below.

8.10.1 **Table 39: Impact of variations on Capital financing**

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	Total £m
Approved Investment Plan	68.816	60.692	43.519	84.891	257.918
Council Contribution	(2.633)	2.633	0.000	0.000	0.000
Capital Receipts	(0.073)	0.073	0.000	0.000	0.000
Grants and Contributions	(1.487)	7.399	0.000	0.000	5.912
Contribution from Reserves	(0.016)	0.016	0.000	0.000	0.000
Contribution from Revenue	(0.327)	0.577	0.000	0.000	0.250
HRA Capital Receipts	0.383	(0.383)	0.000	0.000	0.000
HRA Major Repairs Reserve	(3.293)	3.293	0.000	0.000	0.000

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	Total £m
HRA Grants and Contributions	0.000	1.027	0.000	0.000	1.027
Total Financing Variations	(7.446)	14.635	0.000	0.000	7.189
Revised Investment Plan	61.370	75.327	43.519	84.891	265.107

Capital Receipts – General Fund

- 8.11 General Fund Capital Receipts brought forward at 1 April 2020 were £1.771m. The capital receipts requirement for 2020/21, approved by Cabinet on 25 January 2021, was £0.568m (2020-25 £1.245m). To date, £3.500m capital receipts have been received in 2020/21, of which £0.524m will be used to repay capital loans and borrowing. In addition £2.020m of receipts from the sale Swan Hunters site has been set aside to repay Homes England as part of the joint arrangement for the funding of the site. The receipts position is shown in table 40 below.

8.11.1 Table 40: 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	0.000	1.100
Variation reported January 21 Cabinet	0.145	0.000	0.000	0.000	0.145
Variation to be Report March 21 Cabinet	(0.073)	0.073	0.000	0.000	0.000
Revised Requirement	0.495	0.496	0.254	0.000	1.245
Receipts Brought Forward	(1.771)	(2.232)	(1.736)	(1.482)	(1.771)
Total Receipts received 2020/21	(3.500)	0.000	0.000	0.000	(3.500)
Receipts used to repay capital loans	0.356	0.000	0.000	0.000	0.356
Receipts used to repay borrowing	0.168	0.000	0.000	0.000	0.168
Receipts set aside to repay Homes England	2.020	0.000	0.000	0.000	2.020
Net Useable Receipts	(0.956)	0.000	0.000	0.000	(0.956)
Surplus Receipts	(2.232)	(1.736)	(1.482)	(1.482)	(1.482)

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 £1.110m. To date, receipts of £4.714m have been received in 2020/21 of which £1.406m has been pooled as part of the

quarterly returns to Central Government. In total, subject to future pooling, this leaves a surplus balance of £10.511m to be carried forward to fund future years.

8.12.1 Table 41: 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	(1.319)	1.319	0.000	0.000	0.000
Variation 2020/21	(0.855)	(0.855)	(0.855)	0.000	(2.565)
Revised Requirement	1.110	3.793	2.115	6.990	14.008
Receipts Brought Forward	(8.313)	(10.511)	(6.718)	(4.603)	(8.313)
Receipts Received 2020/21	(4.714)	0.000	0.000	0.000	(4.714)
Receipts Pooled Central Government	1.406	0.000	0.000	0.000	1.406
(Surplus)/ Balance To be generated to fund future years (subject to further pooling)	(10.511)	(6.718)	(4.603)	2.387	2.387

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 January 2021

- 8.13 Actual expenditure for 2020/21 in the General Ledger was £33.536m; 54.65% of the total revised Investment Plan at 31 January 2021. This is after adjusting for £0.069m of accruals relating to 2019/20 expenditure.

8.13.1 Table 42: Total Investment Plan Budget & Expenditure to 31 January 2021

	2020/21 Revised Investment Plan £m	Actual Spend to 31 Jan 2021 £m	Spend as % of revised Investment Plan %
General Fund	39.053	21.782	55.78%
Housing	22.317	11.754	52.67%
TOTAL	61.370	33.536	54.65%

SECTION 9 – TREASURY MANAGEMENT & CASH POSITION UPDATE

Current Cash Position

9.1 As at 31 January 2021 the Authority had £25.200m placed with the DMO, and £5.000m invested on an instant access basis with Lloyds Bank and with £27.500m invested externally with other UK Local Authorities.

9.2 **Table 43: Investment Position as at 31/01/2021**

Counterparty	Type	Amount (£m)	Maturity
DMO	Term	25.200	n/a
Lloyds Bank	Call	5.000	Call
Barclays Bank	Current	2.549	n/a
Inter – LA	Fixed	27.500	13 August 2021*

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

9.3 Short-term cash investment rates remain at all-time lows witnessed through the majority of 2020 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 £0.159m in interest income to be received by year end.

9.4 As new investment maturities now fall into the financial year 2021/22, it is anticipated investment returns will be lower as markets looks to slowly recover interest rate levels.

9.5 The approach of maintaining low cash balances has been part of the strategy for several years and has generated substantial savings year on year.

9.6 The government's Debt Management Office (DMO) and other deposit investment rates are at all-time lows; considering 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 44 below. PWLB rates also continue to remain low due to low Gilt yields, which they are tracked against.

9.7 **Table 44: Summary of Borrowing Levels**

Temporary Market		PWLB	
Tenor	Level	Tenor	Level *
1 week	0.01%	2 years	0.91%
1 month	0.01%	5 years	1.03%
3 months	0.03%	10 years	1.37%
6 months	0.10%	20 years	1.86%
9 months	0.10%	30 years	1.91%
12 months	0.15%+	50 years	1.73%

**this does not include any Certainty discount of 0.20%*

- 9.8 Any shortfalls in cashflow will be covered by in year temporary borrowing, this remains a quick and cost-effective method of cash management in the current environment.

Borrowing Position

- 9.9 Table 45 shows the Authority's current debt position, with total borrowing maturing in 2020/21 of £64.470m.

Table 45: Debt Position 2020/21

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	358.443	20.000	68.610	447.053
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

- 9.10 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.
- 9.11 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, it can look to utilise reserves, unwind its under-borrowed position and externalise borrowing.

Negative Debt Management Office (DMO) investment rates

- 9.12 At the end of September 2020 the DMO reduced the interest on investments negative, -0.03% for one week, then moving to -0.02% for eight weeks. More recently the DMO investment rates have moved to 0.00%.
- 9.13 While the Bank of England has said that it is unlikely to introduce a negative Bank Base Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the Covid-19 crisis; this has caused some local

authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

- 9.14 As for money market funds (MMFs), yields have continued to drift lower. Some managers have suggested that they might resort to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a glut of money swilling around at the very short end of the market. This has seen several market operators, now including the Debt Management Account Deposit Facility, offer nil or negative rates for very short-term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are several financial institutions.
- 9.15 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.
- 9.16 Any shortfalls in cashflow will be covered by in year temporary borrowing, this remains a quick and cost-effective method of cash management in the current environment.

Borrowing Position

- 9.17 Table 45 shows the Authority's current debt position, with total borrowing maturing in 2020/21 of £64.470m.

Table 45: Debt Position 2020/21

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	358.443	20.000	68.610	447.053
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

- 9.18 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.

- 9.19 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, it can look to utilise reserves, unwind its under-borrowed position and externalise borrowing.

Negative Debt Management Office (DMO) investment rates

- 9.20 At the end of September 2020 the DMO reduced the interest on investments negative, -0.03% for one week, then moving to -0.02% for eight weeks. More recently the DMO investment rates have moved to 0.00%.
- 9.21 While the Bank of England has said that it is unlikely to introduce a negative Bank Base Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the Covid-19 crisis; this has caused some local authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.
- 9.22 As for money market funds (MMFs), yields have continued to drift lower. Some managers have suggested that they might resort to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a glut of money swilling around at the very short end of the market. This has seen several market operators, now including the Debt Management Account Deposit Facility, offer nil or negative rates for very short-term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are several financial institutions.
- 9.23 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

				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			1,771	1,500	1,500	1,500	1,500	7,771
	Football Foundation Grant			17	0	0	0	0	17
	Section 106			20	0	0	0	0	20
	Capital Receipts			145	0	0	0	0	145
	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				2,571	1,500	1,500	1,500	1,500	8,571
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 Interv			76	0	0	0	0	76
	Public Health			250	0	0	0	0	250
BS029 Wallsend Customer First Centre Total				1,198	0	0	0	0	1,198
BS030 Low Carbon Skills									
	Low Carbon Skills Grant			0	3,237	0	0	0	3,237
BS030 Low Carbon Skills Total				0	3,237	0	0	0	3,237
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)			64	16	0	0	0	80
CO082 Sport and Leisure Facility Improvements Total				64	16	0	0	0	80
CO083 Whitley Bay Crematoria									
	Council Contribution			366	1,175	0	0	0	1,541
CO083 Whitley Bay Crematoria Total				366	1,175	0	0	0	1,541
CO084 Rising Sun Sports Ground2									
	Section 106			22	0	0	0	0	22
CO084 Rising Sun Sports Ground2 Total				22	0	0	0	0	22
ED075 Devolved Formula Capital									
	Education Funding Agency (Devolved)			763	1,779	579	579	579	4,279
	Education Funding Agency (30 Hours)			60	0	0	0	0	60
ED075 Devolved Formula Capital Total				823	1,779	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	5,171	3,534	3,534	3,534	19,308
ED132 School Capital Allocation Total				3,535	5,171	3,534	3,534	3,534	19,308
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			1,962	2,415	1,947	2,000	2,000	10,324
	Section 106			343	397	0	0	0	740
	Public Transport Funding			28	28	28	28	28	140
EV034 Local Transport Plan Total				3,291	3,798	2,933	2,986	2,986	15,994
EV055 Surface Water Improvements									
	Environment Agency Grant			354	300	0	0	0	654
	NWL Contribution			0	40	0	0	0	40
EV055 Surface Water Improvements Total				354	340	0	0	0	694
EV056 Additional Highways Maintenance									
	Council Contribution			2,101	2,000	2,000	2,000	2,000	10,101

		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Geir Mair	EV056 Additional Highways Maintenance Total	2,101	2,000	2,000	2,000	2,000	10,101
	EV069 Vehicle Replacement						
	Council Contribution	614	1,555	762	1,248	0	4,179
	EV069 Vehicle Replacement Total	614	1,555	762	1,248	0	4,179
	EV095 Emergency Active Travel Tranche 1						
	Dept for Transport Covid19 Emergency Travel	306	0	0	0	0	306
	EV095 Emergency Active Travel Tranche 1 Total	306	0	0	0	0	306
	EV096 Tanners Bank						
	Dept for Transport LTP Maint	0	50	53	0	0	103
	Dept for Transport - Highway Maintenance Ch	2,739	470	410	0	0	3,619
	EV096 Tanners Bank Total	2,739	520	463	0	0	3,722
	IT020 ICT Strategy						
	Council Contribution	1,102	1,000	1,000	1,000	1,000	5,102
	IT020 ICT Strategy Total	1,102	1,000	1,000	1,000	1,000	5,102
	Maintaining Our Assets Total	19,893	24,105	12,884	12,960	11,712	81,554
	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	2,196	2,000	2,000	500	500	7,196
	GEN03 Contingencies Total	2,196	2,000	2,000	500	500	7,196
	Corporate Total	8,194	3,102	2,000	500	500	14,296
	Education						
	ED189 School Nursery Capital Fund						
	Education Funding Agency (Devolved)	0	25	0	0	0	25
	Education Funding Agency (SNCF)	0	77	0	0	0	77
	ED189 School Nursery Capital Fund Total	0	102	0	0	0	102
	Education Total	0	102	0	0	0	102
	Housing General Fund						
	DV064 Council Property Investment						
	Council Contribution	853	885	0	0	0	1,738
	DV064 Council Property Investment Total	853	885	0	0	0	1,738
	HS004 Disabled Facilities Grant						
	Better Care Fund	1,032	2,281	0	0	0	3,313
	HS004 Disabled Facilities Grant Total	1,032	2,281	0	0	0	3,313
	HS051 Private Sector Empty Homes						
	Council Contribution	52	447	393	0	0	892
	Homes & Communities Grant	42	216	0	0	0	258
	HS051 Private Sector Empty Homes Total	94	663	393	0	0	1,150
	Housing General Fund Total	1,979	3,829	393	0	0	6,201
	Investments						
	DV066 Investment in North Tyneside Trading Co						
	Council Contribution	2,059	1,949	0	0	0	4,008
	Section 106	1,460	2,537	0	0	0	3,997
	DV066 Investment in North Tyneside Trading Co Total	3,519	4,486	0	0	0	8,005
	Investments Total	3,519	4,486	0	0	0	8,005
	Regeneration						
	CO079 Playsites						
	Section 106	66	0	0	0	0	66
	CO079 Playsites Total	66	0	0	0	0	66
	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

		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
	Gei Rege						
	DV067 Northern Promenade						
	Council Contribution	340	0	0	0	0	340
	Section 106	334	0	0	0	0	334
	Capital Receipts	350	0	0	0	0	350
	DV067 Northern Promenade Total	1,024	0	0	0	0	1,024
	DV068 Southern Promenade						
	Environment Agency Grant	576	50	0	0	0	626
	DV068 Southern Promenade Total	576	50	0	0	0	626
	DV073 Ambition for North Tyneside						
	Council Contribution	299	1,414	654	1,225	2,000	5,592
	Capital Receipts	0	496	254	0	0	750
	Revenue Contribution (??)	0	1,154	746	500	0	2,400
	Historic England - Heritage Action Zone	0	0	0	0	0	0
	DV073 Ambition for North Tyneside Total	299	3,064	1,654	1,725	2,000	8,742
	DV074 North Shields Heritage Action Zone (Ambition)						
	Council Contribution	20	685	116	87	0	908
	Historic England - Heritage Action Zone	20	679	115	86	0	900
	DV074 North Shields Heritage Action Zone (Ambition) Total	40	1,364	231	173	0	1,808
	DV075 Town & Neighbourhood Centres (Ambition)						
	ERDF	10	65	0	0	0	75
	DV075 Town & Neighbourhood Centres (Ambition) Total	10	65	0	0	0	75
	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
	EV094 Transforming Cities Tranche 22						
	Transforming Cities Fund	125	75	0	0	0	200
	EV094 Transforming Cities Tranche 22 Total	125	75	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
	Regeneration Total	4,487	4,718	1,985	1,998	2,100	15,288
	Housing						
	HS053 Green Homes Local Authority Delivery						
	Green Homes Grant	380	1,782	0	0	0	2,162
	HS053 Green Homes Local Authority Delivery Total	380	1,782	0	0	0	2,162
	Housing Total	380	1,782	0	0	0	2,162
	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	25	122	0	0	0	147
	EV091 Other Initiatives Climate Change Total	25	122	0	0	0	147
	EV092 E-Cargo Bikes2						
	DFT E-Cargo Grant	76	0	0	0	0	76
	EV092 E-Cargo Bikes2 Total	76	0	0	0	0	76
	Climate Emergency Total	601	122	0	0	0	723
	General Fund Total	39,053	42,246	17,262	15,458	14,312	128,331
	HRA						

		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
HR/ Housing							
	HS015 Refurbishment / Decent Homes Improvements						
	See HRA Financing	17,563	24,830	20,183	21,003	21,491	105,070
	HS015 Refurbishment / Decent Homes Improvements Total	17,563	24,830	20,183	21,003	21,491	105,070
	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
	Housing Total	22,317	33,081	26,257	27,235	27,886	136,776
	HRA Total	22,317	33,081	26,257	27,235	27,886	136,776
	Total £000	61,370	75,327	43,519	42,693	42,198	265,107

Investment Plan Financing

		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
General Fund							
	Council Contribution	16,641	15,383	8,525	7,660	7,100	55,309
	Council Contribution - Capital Receipts	495	496	254	0	0	1,245
	Grants & Contributions	20,985	25,197	7,737	7,298	7,212	68,429
	Revenue Contribution	250	1,154	746	500	0	2,650
	Contribution from Reserves	682	16	0	0	0	698
	General Fund Total	39,053	42,246	17,262	15,458	14,312	128,331
HRA Financing							
	HRA Capital Receipts	1,110	3,793	2,115	3,922	3,068	14,008
	HRA Revenue Contribution	10,470	10,092	10,403	9,093	10,100	50,158
	HRA MRR	9,533	18,169	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 Grants & Contributions	0	1,027	0	0	0	1,027
	HRA Financing Total	22,317	33,081	26,257	27,235	27,886	136,776
	Total£000	61,370	75,327	43,519	42,693	42,198	265,107