

**Cabinet  
(Extraordinary Meeting)**

**Thursday, 15 July 2021**

**Present:** N Redfearn (Elected Mayor) (in the Chair)  
Councillors C Burdis, P Earley, S Graham, C Johnson,  
A McMullen and M Rankin

**In Attendance:** R Layton (North Tyneside Joint Trades Union Committee)

**Apologies:** Councillors K Clark, S Cox and S Day

**CAB22/21      Declarations of Interest and Notification of any Dispensations Granted**

No declarations of interest or dispensations were reported.

**CAB23/21      2020/21 Provisional Finance Outturn Report**

Cabinet received a report which set out details of the provisional outturn for the General Fund, Schools Finance, Housing Revenue Account, the financial and delivery aspects of the Investment Plan and the delivery of the Treasury Management Strategy for the financial year 2020/21.

The end of the financial year 2019/20 had seen the beginning of the Covid-19 Pandemic and the impact had continued throughout 2020/21. Cabinet and all Members had been kept up to date in terms of the response and approach to recovery the Authority had implemented throughout the various stages of the pandemic and what that meant for essential services being maintained for the most vulnerable residents of the borough. The Authority had been required to provide a sustained and varied response to the pandemic, with all services impacted one way or another. There had been periods when restrictions meant a range of services had to be suspended or limited, such as the leisure and culture offer and as a result there had been a significant financial impact on the Authority arising from additional costs and lost income in 2020/21. There had been sustained support to the Social Care Sector for both Adults and Children's and this was expected to continue into 2021/22. The Authority had been responsible for acting as agent for a number of grants to support the businesses in the borough and again this had continued into 2021/22.

A range of financial interventions had been introduced by the Government; these were set out in Annex 1 to the report. The Authority had received its share of the Government's Local Support Grant of £16.370m. £0.733m of this had been allocated to additional costs and income lost in March 2020, meaning £15.636m had been available to support Council services in 2020/21. Of this, £13.466m had been allocated to support revenue activities and a further £0.485m allocated to capital. The remaining £1.685m had been carried forward to support the identified on-going impact of Covid-19 into 2021/22.

Local Authorities had also been compensated for losses incurred against their sales, fees and charges budgets. North Tyneside Council had received £5.757m from this grant to support services and this had been fully allocated. This represented 71.25% of the fees lost,

the balance being borne by the Authority.

In addition to receiving support for council services, the Authority had received grants to support the businesses in the borough. £66.072m had been received and £54.731m had been paid across to businesses. The remaining balance had been transferred to reserves and would be paid out during the early stages of 2021/22.

£11.811m had been allocated to the Authority to support residents, including financial support for the most vulnerable and also to allow the Authority to put in place measures to allow residents to continue to enjoy the coastline, town centers and the many attractions throughout the borough, when restrictions allowed. £4.616m had been spent during 2020/21, with £7.195m carried forward to 2021/22. Of the funding carried forward £5.302m related to Contain Outbreak Management and the Authority had a range of proposals to spend this funding to help contain outbreaks as the country continued to see an easing of restrictions.

£5.471m had been provided by Government to help support the Care home market and this had been fully allocated in 2020/21. The Authority had also received £2.264m to support its schools, £2.031m of which had been allocated with the remaining £0.233m anticipated to be allocated in early 2021/22.

The budget for 2020/21 had been approved by full Council at its meeting of 20 February 2020. The net General Fund revenue budget had been set at £161.361m including efficiency savings of £3.622m. The monitoring report up to 31 January 2021 had projected a pressure of £0.053m and the final position was an underspend of £2.500m. The surplus had arisen substantially from a reduced call on the contingency budget provision for Adult Social Care, increased interest savings and savings on the Strain on the Fund budget. Consideration had been given to the risks the Council had to manage and the following proposed use of the surplus:

- £1.000m to the Change Reserve as the Authority moved into the final third of the current Strategic Partnership contracts and prepared for exit;
- £0.500m to the Insurance Reserve in recognition of the potential investment required to manage health and safety risks of the Council's estate; and
- £1.000m to an Education Change Reserve recognising the risk to the Authority in respect of Schools in deficit and the support needed to manage the Education offer in the borough.

Following these transfers, the General Fund would outturn on budget.

The Housing Revenue Account had year-end balances of £5.001m, which represented a small in-year decrease of £0.213m.

School balances had decreased from £0.165m to £3.721m. These balances included a significant amount of committed funds and the permitted carry forward of grants for the remainder of the academic year

The final capital expenditure position for the year was £53.830m, with a recommendation for Cabinet to approve reprogramming of £10.101m into 2021/22.

## Cabinet

In terms of Treasury Management, the Authority had acted in line with the agreed strategy that the security of the Authority's resources was of greater importance than returns on investments. The level of investments at 31 March 2021 was £48.589m (£14.000m with HM Treasury, £27.500m with other local authorities, and £7.089m with banks and other deposits). The level of borrowing (excluding PFI) was £417.443m (down from the 2019/20 level of £466.913m) which was well within the capital financing requirement agreed as part of budget setting. This was primarily due to continued level of internal borrowing.

As part of the 2020/21 final accounts, a full review of all provision and reserves had been undertaken to ensure that appropriate consideration had been given to known liabilities, risks and uncertainties that remained in future years, and in particular where conditions associated with Covid-19 grant funding required that unspent monies were carried into future years.

Cabinet considered the following decision options:

Option 1 - agree the recommendations as set out in Section 1.2 of the report.

Option 2 - disagree with all or some of the individual recommendations set out in section 1.2 of the report.

The Elected Mayor thanked everyone for achieving the provisional outturn position and for the achievements made in delivering capital projects in 2020-21.

**Resolved** that (1) the provisional 2020/21 outturn for the General Fund, Schools Finance and Housing Revenue Account, together with a financial overview of the year, as set out in the report, be noted;

(2) the decisions made under the Reserves and Balances Policy be noted;

(3) the Authority's Investment Plan spend during 2020/21 and the financing put in place be noted;

(4) reprogramming of £10.101m within the Investment Plan be approved;

(5) the Council's Treasury Management performance be noted; and

(6) the performance against the Capital and Treasury Management prudential indicators be noted.

(Reason for decision: The proposals set out in section 1.2 of the report form part of the 2020/21 Final Statement of Accounts process. Reprogramming of the Investment Plan will ensure successful delivery of projects included within the Investment Plan).

### **CAB24/21      Date and Time of Next Meeting**

6.00pm on Monday 2 August 2021.

### **Minutes published on Monday 19 July 2021.**

**The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Monday 26 July 2021.**