

# North Tyneside Council

## Report to Cabinet

### 28 November 2022

**Title: 2022/23 Financial Management Report to 30 September 2022**

<b>Portfolios:</b> Elected Mayor Finance and Resources	<b>Cabinet Member:</b> Norma Redfearn Councillor Martin Rankin
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**Report from:** Finance

**Responsible Officer:** Jon Ritchie, Director of Resources      **Tel: 643 5701**

**Wards affected:** All

#### **PART 1**

##### **1.1 Executive Summary:**

This report is the third monitoring report to Cabinet on the 2022/23 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 third indication of the potential revenue and capital position of the Authority at 31 March 2023. The report explains where the Authority continues to face financial pressures and the plans to address these.

- 1.1.1 The 2021/22 financial year was highly complex for the Authority due to the operational response to the pandemic and, like all local authorities, North Tyneside Council is continuing to feel the legacy impact of the Covid-19 pandemic. As such, this report sets out the potential financial impact the pandemic will have on the Authority in 2022/23. The Authority continues to see areas of pressure across Adults' and Children's Social Care, but there are also significant impacts on income particularly across Sport and Leisure Services, and Catering Services.
- 1.1.2 In addition to pressures seen in previous financial years, a number of global issues have emerged in more recent months including the war in Ukraine, leading to more supply chain issues and adding to rising inflation, especially in utility costs. The impact of these factors is leading to what is being termed a 'cost of living crisis' further increasing demand on the Authority's services, and all are adding significant financial strain to the Authority's budgets. The application of contingencies set aside by Cabinet of (£6.752m) results in the total pressure the Authority is facing, as of 30 September 2022, at £23.258m.
- 1.1.3 The potential impact of some of these additional pressures were foreseen by Cabinet, and a number of mitigations through the use of grants and reserves (£6.700m) were

set aside in the 2022-2026 Medium-Term Financial Plan to support the 2022/23 financial position when the current year budget was set by Full Council in February 2022. In addition to this, the Senior Leadership Team has identified a further (£2.515m) of mitigations to be applied in the remainder of the financial year and the forecasts have been updated for the removal of the additional Employer's National Insurance Contributions from 6 November 2022, an improvement of (£0.316m). This would result in a residual forecast pressure for the year of £13.727m.

- 1.1.4 If the forecast position over the remainder of the financial year does not improve, the Authority would be able to apply mitigations from the revised approach to the Minimum Revenue Provision (MRP) calculations. Cabinet will be aware that a change was made towards the end of the previous financial year, with the External Auditors having recently confirmed that there are no issues with this revised methodology, so these can now be factored into in-year budget monitoring. If required, this would release an in-year saving of (£4.927m). This would reduce the in-year pressure to £8.800m, as illustrated in Table 2 below.
- 1.1.5 Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to challenge the projected risks facing the Authority whilst continuing to deliver planned efficiencies. The potential savings from MRP are available if required but it is expected that future actions to review activity and performance across the organisation, reducing non-essential spend and controlled vacancy management should see the pressure reduce in the coming months.
- 1.1.6 The Mayor and Cabinet will be aware of more recent increases in the Bank of England base rate, with an expectation that interest rates may continue to rise. The Authority drew down £10m of PWLB borrowing in August 2022 whilst rates were at the lower end of the interest rate curve and prior to the more recent financial markets volatility seen during September 2022. Whilst there is no immediate need to borrow, future borrowing costs may now be higher than originally forecast. This may lead to additional Capital and Treasury financing pressures in future years. As Cabinet would expect, interest rates continue to be proactively monitored and cash flow management undertaken to secure the maximum return/minimum cost for the Authority in line with the Prudential Code.
- 1.1.7 In terms of the Housing Revenue Account, a small underspend of £0.090m is forecast. This position is likely to be impacted by the "cost of living crisis", especially on rent collection levels, and will be closely monitored during the year.
- 1.1.8 The report includes details of the additional grants received by the Authority since the Budget was set. The report also advises Cabinet of the position so far on the 2022/23 Schools' budgets and Schools' funding.
- 1.1.9 In terms of the Investment Plan, initial work has been undertaken to consider the impacts of supply chain issues and inflation pressures. The focus has been to manage within the current financial envelope across the plan which may lead to a delay in delivery of some planned activity. Any such implications will be considered at the Investment Programme Board and brought to the Mayor and Cabinet for consideration as part of the normal financial management process.
- 1.1.10 At the halfway point of the financial year the report also includes a look at the Collection Fund position for 2022/23 and information on Prudential Indicators.

## **1.2 Recommendations:**

It is recommended that Cabinet:

- (a) notes the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 30 September 2022 (Annex sections 1, 2 and 3);
- (b) approves the receipt of (£0.444m) new revenue grants (as outlined in section 1.5.4 of this report);
- (c) notes the Authority's Investment Plan spend of £26.751m to 30 September 2022 and the financing of the Plan to the end of the year (Annex Section 4);
- (d) approves variations of £0.347m and reprogramming of (£13.283m) for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4);
- (e) Notes the information on the Collection Fund (Annex section 6); and
- (f) Notes the information on Prudential Indicators contained in Appendix 2.

## **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 17 June 2022.

## **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 third monitoring report presented to Members on the Authority's 2022/23 financial position. It provides an indication of the expected revenue and capital financial position of the Authority on 31 March 2023. The view in this report is expected to change over the coming months as the recovery to a pre Covid-19 position continues, the impact of market conditions becomes clearer, further inflationary factors become apparent and management actions start to take effect.

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 2022/23 approved budget savings plans; 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 2022/23 was approved by full Council at its meeting on the 17 February 2022. The net General Fund revenue budget was set at £163.512m. This included (£7.257m) of savings to be achieved, of which (£3.113m) relates to new

business cases included in the 2022-2026 Medium-Term Financial Plan, (£1.607m) of full year effect of prior year business cases and (£2.537m) of savings previously achieved by one-off mitigations and non-permanent solutions.

Prior to any mitigation, the Authority's approved net revenue budget is forecast to outturn with a pressure of £15.500m. Table 1 below sets out the initial variation summary across the General Fund.

The Authority continues to take a prudent approach to forecasting including in relation to the on-going impact of Covid-19, which currently is forecast to add pressures of £5.226m to the General Fund in 2022/23. These pressures are primarily where fees and charges income has yet to return to pre-pandemic levels, where additional fixed term staff are employed to cover increased demand or to enable front-line service provision to continue unimpacted by employees needing to self-isolate. In addition to Covid-19, global market pressures exist around the Authority's supply chain and current inflation levels, these combined add a further £7.182m to the overall pressure. The remaining £3.092m relates primarily to staffing and other income related pressures across the services.

As part of the 2022-2026 Medium-Term Financial Plan (MTFP) agreed by full Council in February £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£0.400m), Special Educational Needs (£0.400m), additional children's social care provision (£1.200m) and for the development of the Customer Relationship Management programme (£0.200m). The (£0.400m) relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, leaving (£1.800m) to support the overall pressure.

In addition to the use of the Change Reserve, £2.000m was also set aside to create a Covid-19 Reserve as part of the 2022-2026 MTFP, this included (£0.650m) to support additional caseloads within Children's Services, (£0.350m) to support Home to School Transport and (£1.000m) to support reduced fees and charges income following the pandemic. The (£0.350m) relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, leaving (£1.650m) to support the overall pressure.

Within the 2022-2026 MTFP, (£0.150m) was identified as planned use of the Insurance Reserve to support additional Repairs and Maintenance costs within the Authority's Commissioning & Asset Management Service Area. The use of this funding has been included in Table 2.

Included within the position for Central Items is (£6.752m) of contingencies; of which (£3.116m) is being used to offset the pressures in Children's Social Care, (£1.301m) is supporting the under achievement of savings targets and (£2.325m) is being used to support the inflationary pressures being faced by the Authority. A further (£0.989m) of central savings is supporting the wider bottom-line position. Additionally, this month (£0.316m) has been included reflecting the part year reversal of the national insurance increase and (£4.927m) of Minimum Revenue Provision savings have been included in the position following the conclusion of External Audit work into the methodology change. These savings follow on from savings made last year due to the switch to the annuity method following the review by Link Treasury Services Limited. In 2021/22 these savings were set aside in a new MRP reserve; however, it is likely the savings will be required to support the bottom-line position in 2022/23 and are available if required.

Further to this balance, an additional (£1.300m) was set aside in the 2022-26 MTFP to

support anticipated inflationary pressures in 2022/23. With the allocation of this support, the Authority has been able to release a provision of (£0.300m) previously held on the balance sheet to support increased Special Guardianship Order costs.

£1.925m of funding previously reported in July has now been allocated to help cover the cost of the Pay Award, which is anticipated to be approved at £1,925 for every full-time equivalent employee. Despite this additional allocation, the cost of the pay award is still likely to be higher than the funding set aside and officers continue to work through the projected figures until a final agreement is announced.

The Authority was able to carry forward from 2021/22 (£2.962m) of Covid-19 related central Government grants. Of this (£1.462m) has been committed and is reflected in the £15.500m position reported in Table 1. The remaining balance of (£1.500m) is available to support on-going Covid-19 legacy pressures and is reflected in the revised position shown in Table 2.

With the inclusion of the planned support from the 2022-2026 MTFP, the adjusted General Fund position, as shown in Table 2, is a pressure of £8.800m. This reflects the continuing impact of Covid-19 being £2.076m over the support funding allocated. The main areas impacted are within Environment, where Sports and Leisure income from fees and charges continues to be lower than pre-pandemic levels. Initial projections suggest income will be higher than in 2021/22 but still only 80% of the income levels achieved pre-pandemic in 2019/20. Significant pressures also exist in Children's and Adults' Services, where the response to the impact of Covid-19 has seen staffing levels increase to manage a significant increase in caseloads and demand for services for both Adults and Children. This is not unique to North Tyneside and is being seen across the region and nationally.

The Inflation Rate (Consumer Price Index) has recently reached 10.1% and is much higher than the rate anticipated when Cabinet set aside the allocations in the 2022-2026 MTFP. This is forecast to add a further £5.882m in respect of non-energy related inflationary pressures. Current projections suggest the funding set aside by Cabinet to support inflationary pressures on utilities will be enough to mitigate that pressure. The majority of the non-energy related inflationary pressures being in Adults Services across the external care market and contractual costs within Commissioning & Asset Management for catering supplies and the cost of Home to School Transport and Environment which includes leisure centres, libraires and customer first centres all impacted by utility pressures.

The remaining balance of £0.842m is attributable to pressures considered to be 'Business as Usual'. Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to review Business as Usual activity as well as challenging and reviewing the current projected risks the authority is facing in a number of key areas:

- Children's Services – demand and cost assumptions;
- High needs/SEND pressures;
- Adults Social Care – demand and cost assumptions;
- Unachieved savings targets;
- Commissioning & Asset Management – Impact of schools' service level agreement reductions;
- Law & Governance Structure – use of locums; and
- Revenues & Benefits position – review of the level of benefits overpayments and subsequent recovery.

The aim of this work will be to ensure actions are in place to bring the outturn forecast for normal activities in on balance and it is anticipated the position will improve over the course of the financial year as planned remedial actions begin to impact on both expenditure and income. Should any balance remain at year-end then this would need to be supported from the Strategic Reserve, significantly reducing the level of unringfenced reserves the Authority has.

**Table: 1 2022/23 General Fund Revenue Forecast Outturn as at 30 September 2022**

Services	Budget	Forecast Sept	Variance Sept	Variance July	Change since July
	£m	£m	£m	£m	£m
Adults Services	56.120	61.708	5.588	5.262	0.326
Children's Services	21.489	34.643	13.154	12.720	0.434
Public Health	2.072	2.072	0.000	0.000	0.000
Commissioning & Asset Management	6.733	11.833	5.100	4.796	0.304
Environment	37.197	38.864	1.667	0.959	0.708
Regeneration & Economic Development	10.791	11.169	0.378	0.432	(0.054)
Corporate Strategy	0.624	1.086	0.462	0.384	0.078
Chief Executive Office	(0.076)	(0.076)	0.000	0.000	0.000
Resources	3.365	5.150	1.785	2.098	(0.313)
General Fund Housing	1.360	1.710	0.350	0.205	0.145
Central Items	3.656	(9.328)	(12.984)	(7.741)	(5.243)
Support Services	20.181	20.181	0.000	0.000	0.000
<b>Total Authority</b>	<b>163.512</b>	<b>179.012</b>	<b>15.500</b>	<b>19.115</b>	<b>(3.615)</b>

**Table: 2 2022/23 Adjusted General Fund Revenue Forecast Outturn Position as at 30 September 2022**

	<b>Covid Legacy £m</b>	<b>Utility Inflation Pressures £m</b>	<b>Other Inflation Pressures £m</b>	<b>Other Pressures £m</b>	<b>Total £m</b>	<b>July £m</b>	<b>Change £m</b>
Adults Services	2.378	0.043	2.484	0.683	5.588	5.262	0.326
Children's Services	1.561	0.259	0.968	10.366	13.154	12.720	0.434
Public Health	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Commissioning and Asset Management	0.851	0.635	2.280	1.334	5.100	4.796	0.304
Environment	0.436	2.675	0.119	(1.563)	1.667	0.959	0.708
Regeneration and Economic Development	0.000	0.013	0.000	0.365	0.378	0.432	(0.054)
Corporate Strategy	0.000	0.000	0.002	0.460	0.462	0.384	0.078
Resources and Chief Executive	0.000	0.000	0.000	1.785	1.785	2.098	(0.313)
General Fund Housing	0.000	0.000	0.039	0.311	0.350	0.205	0.145
Central Items	0.000	(2.325)	(0.010)	(10.649)	(12.984)	(7.741)	(5.243)
<b>Grand Total</b>	<b>5.226</b>	<b>1.300</b>	<b>5.882</b>	<b>3.092</b>	<b>15.500</b>	<b>19.115</b>	<b>(3.615)</b>
Planned use of Change Reserve	0.000	0.000	0.000	(1.800)	(1.800)	(2.200)	0.400
Planned use of Covid-19 Reserve	(1.650)	0.000	0.000	0.000	(1.650)	(2.000)	0.350
Planned use of Insurance Reserve	0.000	0.000	0.000	(0.150)	(0.150)	(0.150)	0.000
Planned use of Contingencies	0.000	(1.300)	0.000	0.000	(1.300)	(2.264)	0.964
Planned release of Provision	0.000	0.000	0.000	(0.300)	(0.300)	(0.300)	0.000
Planned use of Covid-19 Grants	(1.500)	0.000	0.000	0.000	(1.500)	(1.238)	(0.262)
<b>Total</b>	<b>(3.150)</b>	<b>(1.300)</b>	<b>0.000</b>	<b>(2.250)</b>	<b>(6.700)</b>	<b>(8.152)</b>	<b>1.452</b>
<b>Revised Pressure</b>	<b>2.076</b>	<b>0.000</b>	<b>5.882</b>	<b>0.842</b>	<b>8.800</b>	<b>10.963</b>	<b>(2.163)</b>



### 1.5.3 Delivery of Budget Savings Proposals

New savings of (£4.720m) were agreed as part of the Budget approved by full Council in February 2022 taking the total savings the Authority has had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) to £134.268m.

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 variations in relation to the savings are outlined in the sections below.

New savings were proposed for 2022/23 of £4.720m combined with £2.537m of brought forward targets that still required a permanent solution from previous years meaning an overall target to achieve in 2022/23 is therefore £7.257m.

**Table 3 – Efficiency Savings Programme 2022/23**

Service	B/F Balances £m	2022/23 Business Cases £m	2022/23 Target £m	Projected Delivery £m	In Year Actions £m	Yet to be achieved £m
HECS – Adults	0.000	0.950	0.950	0.950	0.000	0.000
HECS – Children’s	2.373	0.850	3.223	0.223	0.000	3.000
Environment	0.000	0.520	0.520	0.520	0.000	0.000
C&AM	0.164	0.582	0.746	0.158	0.050	0.538
Resources	0.000	1.563	1.563	1.563	0.000	0.000
Central	0.000	0.255	0.255	0.255	0.000	0.000
<b>TOTAL</b>	<b>2.537</b>	<b>4.720</b>	<b>7.257</b>	<b>3.669</b>	<b>0.050</b>	<b>3.538</b>

Within HECS, Adults Services are projecting to achieve the full (£0.950m) relating to business cases brought forward from prior years and new business cases from 2022/23. Within the CYPL pressure of £13.154m, £3.000m relates to the non-achievement of savings targets. In the previous financial year these savings have been significantly impacted by Covid-19 and as such, achievement has been supported by Central Government Covid-19 grants. With these grants not available in 2022/23 and on-going demand-led pressures already impacting the service, current projections are for all CYPL savings to remain unachieved in 2022/23.

Finance Officers continue to attend meetings with Directors and the Heads of Service across Adult and Children’s Services, and individual managers have been assigned responsibilities to pursue deliverability of existing schemes and to identify alternative proposals during 2022/23.

Within Commissioning & Asset Management, £0.400m of cross-cutting 2022/23 savings are held with £0.026m of the Procurement saving projected to be achieved to date, with work on-going across the Authority to achieve the balance by the year end. Of the savings related to prior year business cases, £0.132m is projected to be achieved with a further £0.050m available via management mitigations leaving £0.164m still to be achieved. The planned 15p increase in paid school meals in September 2022 has been implemented but this has not allowed the full savings target to be delivered. Additional catering income has been generated supplementing the

achievement by £0.050m. Due to the impact of the Pandemic school meals increases have been delayed for two years, so previous income targets for 2020/21 & 2021/22 are also included in these figures. As a number of schools have left the SLA during that time period this target is only partially deliverable, and an alternative is being explored for the shortfall of £0.089m.

The schools leaving the SLA are now confirmed so £0.025m of the 2022/23 element of the savings target for paid school meals and SLA income will not be delivered in the original manner. Previous years SLA income targets create an additional pressure as targets were based on a greater number of schools in the SLA. A further £0.050m will not now be delivered as planned. In total, £0.075m of this savings target still requires a permanent solution.

All savings in the other service areas are forecasted to be achieved.

#### 1.5.4 New Revenue Grants

The following revenue grants have been received during August and September 2022:

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2022/23 value £m</b>
Public Health	Northumbria Police and Crime Commissioner	Safer Streets Fund 4 – Womens Safety in Public Places	To make public places across the region safer for women and girls. £0.029m received in 2022/23 and £0.006m in 2023/24.	0.029
Public Health	Public Health England	Inpatient Detox	To increase capacity for residential detox for drug misusers.	0.195
Public Health	Department of Health and Social Care	Botulin Toxin and Cosmetics Fillers Children Act	To prohibit the administering of botulinum toxin or a filler by way of injection for a cosmetic purpose to a person under 18.	0.006
Public Health	Department for Environment, Food and Rural Affairs	Enforcement Costs associated with Food Information	The enforcement of legislation relating to allergen labelling changes for prepacked for direct sale food.	0.005
Children's Services	Youth Custody Service / HM Prison & Probation Services	Remands to youth secure accommodation of children and young people	Transfer of responsibility to LA's for cost of remand to youth detention.	0.015
Children's Services	Education and Skills Funding Agency	Key Stage 2 Moderation and Key Stage 1 Phonics Funding	Statutory duties for KS2 Teacher Assessment and monitoring of the phonics screening check.	0.010
Children's Services	North of Tyne Combined Authority	North of Tyne Investment Fund - Local Employment Partnerships	The investment will fund a Local Employment Partnership Coordinator and an Employer Liaison/Engagement Lead. These posts will provide dedicated capacity to develop local employment partnerships within each Local Authority area and will work as a part of a virtual NTCA wide team – working to engage residents and businesses in employment programmes which move people into/closer to work.	0.073
Schools	Department for Levelling Up, Housing and Communities	Ukrainian Families Grant	Support for Ukrainian refugee children in schools.	0.111
<b>Total</b>				<b>0.444</b>

### 1.5.5 School Funding

Schools are required to submit their rolling three-year budget plan by 31 May each year. The total planned deficit for 2022/23 is £5.532m. 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. Finance officers are working with schools to produce an update on 2022/23 school finances position as reported previously to cabinet. A report of this update will be presented to Cabinet in the next finance report.

Cabinet will recall that the High Needs Block ended 2021/22 with a pressure of £13.511m. The forecast of the Budget position for 2022/23 indicates an anticipated in-year pressure of £5.111m reflecting a further rise in demand for special school places, producing a cumulative deficit balance of £18.622m.

### 1.5.6 Housing Revenue Account (HRA)

The HRA is forecast to have year-end balances at 31 March 2023 of £0.281m. These balances are £0.090m lower than budget which was set at £0.371m.

Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of the end of September 2022, 3,999 North Tyneside Homes tenants have moved on to Universal Credit and a team is working proactively with tenants to minimise arrears. This position will be closely monitored as the year progresses to identify any adverse impacts on the Budget position.

### 1.5.7 Investment Plan

The approved 2022-2027 Investment Plan totals £329.309m (£116.459m 2022/23) and is detailed in table 19 of the Annex. The Annex to this report also sets out in Section 4 delivery progress to date, planned delivery for 2022/23, reprogramming and other variations identified through the Investment Programme Governance process.

An officer led review of the Investment Plan has resulted in proposals for variations of £0.347m and reprogramming of (£13.283m) of which more details are set out in Section 4 of the Annex to this report. The revised Investment Plan stands at £103.523m for 2022/23 and to the end of September 2022 spend of £26.751m had been incurred which represents 25.8% of the revised plan.

Significant inflationary pressures are being experienced across the UK, and senior officers within the Authority have undertaken a review of inflationary impact to the Investment Plan. Given supply issues and rising costs on committed schemes within the plan, there may be an impact on the delivery of some planned activity as investment is re-profiled to future years. The corporate risk register includes risks for such inflationary pressures to the investment plan.

### 1.5.8 Performance against Council Plan

The 2021-2025 Our North Tyneside Plan (Council Plan) sets out the overall vision and policy context within which the Medium-Term Financial Plan and Budget are set. The Council Plan, "Building A Better North Tyneside", has five key themes as set out

below;

- A caring North Tyneside;
- A thriving North Tyneside;
- A secure North Tyneside;
- A family-friendly North Tyneside; and,
- A green North Tyneside.

For each theme there is a set of policy outcomes which the Authority is seeking to deliver; these are detailed in the Council Plan. The Authority has plans in place to deliver all elements of the Plan and performance against delivery is carefully monitored.

An update report on the progress of delivering the 2021-2025 Our North Tyneside Plan was taken to Cabinet in September 2022.

## **1.6 Decision Options:**

The following decision options are available for consideration by Cabinet:

### Option 1

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

### Options 2

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

## **1.7 Reasons for Recommended Option:**

Option 1 is recommended for the following reasons:

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

## **1.8 Appendices:**

Annex : Financial Management Report to 30 September 2022  
Appendix 1: 2022 – 2027 Investment Plan  
Appendix 2: Prudential Indicators  
Appendix 3: Treasury Management mid-year review

## **1.9 Contact Officers:**

Jon Ritchie – Corporate Finance matters – Tel. (0191) 643 5701  
Claire Emmerson – Corporate Finance and Schools matters – Tel. (0191) 643 8109  
David Dunford – Corporate Finance and General Fund matters – Tel. (0191) 643 7027  
Jane Cross – Corporate Finance and General Fund matters  
David Mason – Investment Plan matters - Tel. (0191) 643 5747  
Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052

## **1.10 Background Information:**

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

- (a) Revenue budget 2022/23\_  
[https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202022\\_23.pdf](https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202022_23.pdf)
- (b) Investment Plan 2022-27\_  
<https://democracy.northtyneside.gov.uk/documents/s7911/Appendix%20D%20i%20-%202022-2027%20Investment%20plan%20-%20FINAL.pdf> (Agenda reports pack 17<sup>th</sup> February 2022 - Appendix D(i))
- (c) Reserves and Balances Policy\_  
<https://democracy.northtyneside.gov.uk/documents/s7919/Appendix%20G%20-%202022-23%20Reserves%20and%20Balances%20Policy.pdf> (Agenda reports pack 17<sup>th</sup> February 2022- Appendix G)
- (d) Overview, Scrutiny and Policy Development Performance Report\_  
<https://democracy.northtyneside.gov.uk/documents/s7921/Appendix%20I%20-%202022-23%20Report%20of%20the%20Overview%20Scrutiny%20and%20Policy%20Development%20Committee%20Jan%202022.pdf> (Agenda reports pack 17<sup>th</sup> February 2022 – Appendix I)

## **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 7 February 2023.

### **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 2022/23 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 crime and disorder implications directly 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
- Director of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive