Cabinet – 18 March 2024
Agenda Item xx

2023/24 Performance and Financial Management Report Annex 2 – Financial Summary

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SECTION 1 – SERVICE COMMENTARIES

1.1 Meetings have been held between performance, finance and budget managers to review the forecast position for 2023/24, with the forecast being prepared on a prudent basis to give sight of the overall challenges at this stage in the financial year. In addition, a challenge session was held to review the bi-monthly financial position and service performance with the Elected Mayor and Cabinet with the Assistant Chief Executive, Director of Resources and senior officers. In the future, Service Directors and their senior teams may also attend these challenge sessions as appropriate to discuss specific plans in progress to mitigate any pressures.

1.1.1 Cabinet will be aware that the Director of Commissioning and Asset Management retired at the end of December 2023 with the service areas reallocated across Childrens, Adults and Resources directorates as indicated in the table below:

1.1.2 **Table 1: Commissioning and Asset Management (C&AM) Service Area New Directorate Allocations**

Service Areas	New Directorate
School Funding & Statutory Staff Costs	Children’s Services
Commissioning Service- Children	Children’s Services
Commissioning Service- Adults	Adults Services
Facilities & Fair Access- Home to School and Admissions	Children’s Services
Facilities & Fair Access – Catering	Resources
Strategic Property & Investment	Resources
Property	Resources
Procurement	Resources

1.2 Adults Services

1.2.1 Adults Services is showing a forecast variance of £1.711m against its £65.784m net controllable expenditure budget.

1.2.2 **Table 2: Forecast Variation for Adults Services as at 31 January 2024**

	2023/24 Budget £m	Jan Forecast £m	Jan Variance £m	Nov Variance £m	Change Nov-Jan £m
Central, Strategy and Transformation	0.935	0.738	(0.197)	(0.140)	(0.057)
Social Work and Associated Activity	8.750	8.332	(0.418)	(0.304)	(0.114)
Integrated Services	3.417	2.426	(0.991)	(0.926)	(0.065)
Business Assurance	0.424	0.453	0.029	0.027	0.002
Commissioning Team	0.555	0.495	(0.060)	(0.052)*	(0.008)
Sub-total Operations	**14.081**	**12.444**	**(1.637)**	**(1.395)**	**(0.242)**
Wellbeing and Assessment	17.408	19.605	2.197	1.612	0.585
Learning Disability	30.304	31.089	0.785	1.031	(0.246)
Mental Health	4.583	5.614	1.031	0.857	0.174
Other Services	(0.592)	(1.257)	(0.665)	(0.478)	(0.187)
Commissioned Services	**51.703**	**55.051**	**3.348**	**3.022**	**0.326**
Total Adult Services	**65.784**	**67.495**	**1.711**	**1.627**	**0.084**

* Due to the retirement of the Director of Commissioning and Asset Management the service has been separated across the Authority. Various services have moved under Adults Services and this is now shown in this Cabinet report, with the variances adjusted to provide a like for like comparison.

Main budget pressures across Adults Services

1.2.3 The analysis of sub-service areas is reported to show the split between the operational aspects of the service and the externally commissioned care costs. The operational costs of the service are forecasting an underspend of £1.638m, an increase of £0.295m since the November position.

1.2.4 Despite the actions taken to address grading and the problems with recruitment and retention of staff across Adult Services, there continues to be an underspend against staffing budgets, which is starting to impact on service delivery. There continues to be a high turnover of staff which is reflected in the increased underspend. The Short-Term Review Team continues to support with capacity, support and challenge in the system and is making a positive impact on ensuring the appropriate level of care is being provided.

1.2.5 Adult Services manages a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. The supplement to the Market Sustainability and Improvement Fund – Workforce Fund allocated to North Tyneside was £1.568m and is reflected in the overall position. Officers remain focused on plans for the winter pressure period.

1.2.6 In January there has been a further increase in the hours of homecare provided within the borough. As at the end of January there were 16 clients on the brokerage waiting list, compared to 89 during the same period last year, this is the lowest it has been since April 2021. Lack of home care provision continues to result in short term residential care placements, however in January there were only 19 new short-term placements, which was a further decline from previous months, and it is hoped this trend will continue. The Authority continues to work with providers to look at new and innovative solutions to further maximise efficiency and support the "home-first" approach.

1.2.7 Adult Social Care Discharge funding of £1.343m for 2023/24, includes a scheme to increase in-house homecare capacity which will increase control of home care provision with a focus on reablement. The posts are directly employed by the authority and form part of the social care career pathway. However, this is also impacted by the issues with recruitment and requires further work with People Team to address this.

1.2.8 The hospital stepdown beds, additional Extra Care placements and reablement flats that allow more clients to receive community-based care will again be relied upon across the winter to help maintain hospital flow and prevent delayed discharges. These services allow for admissions at very short notice.

1.2.9 The transition of complex clients from both Children's Services and long-term hospital settings have previously been highlighted as a pressure for Adult Services and they continue to be monitored.

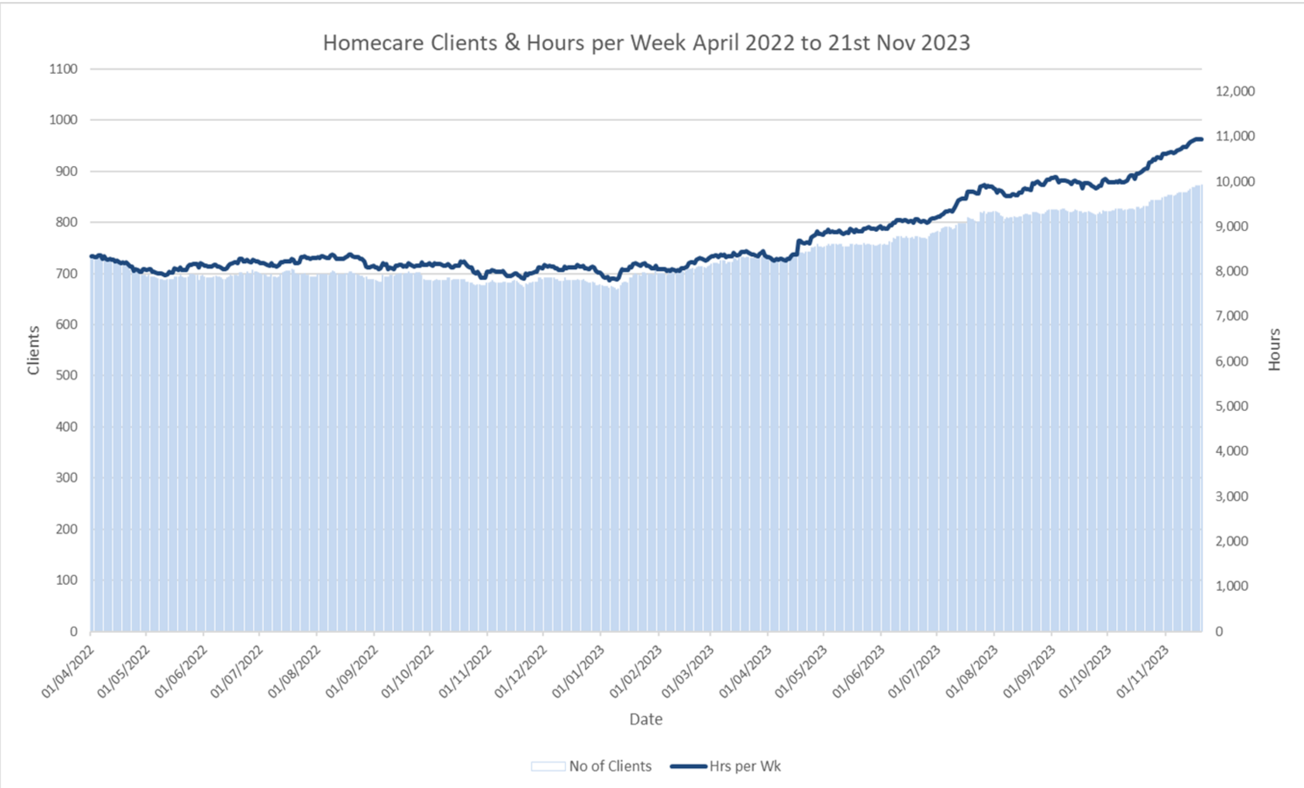
1.2.10 The Authority works closely with the ICB to ensure funding contributions for clients with health needs continue an equitable basis, but the social care element continues to grow. Funding received from the ICB for S117 mental health after care services has increased overall (ICB contribution for these clients is

50% of total care costs), however, there continues to be pressure around funding from the NHS for clients with shared care and to support mental health infrastructure originally established in relation to clients resettled from long stay NHS hospitals.

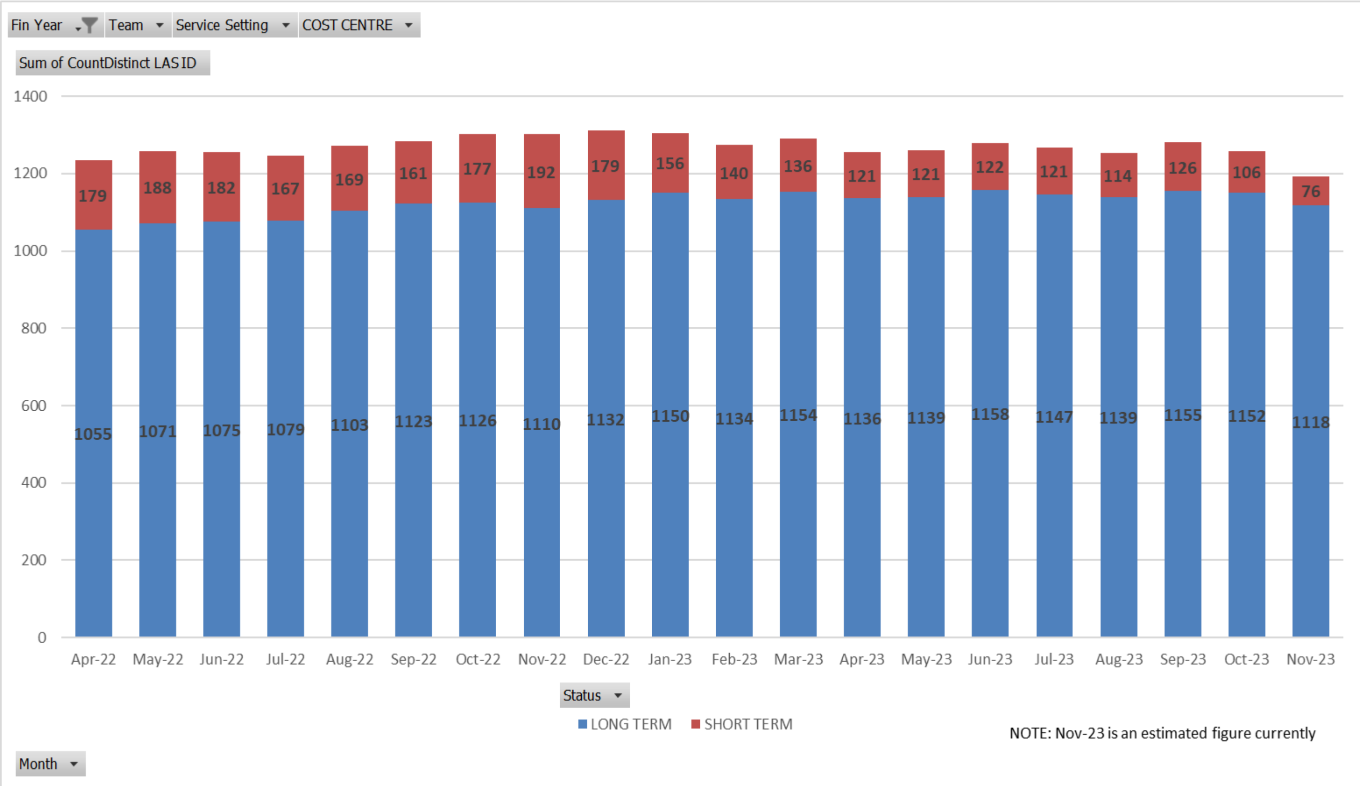
1.2.11 Work is ongoing in the Adult Social Care Finance Team to improve the income and debt collection processes, forecast client contributions have increased since September in line with the increase in home care provision.

1.2.12 Work continues on the Health & Social Care workstream as part of the 2024 – 2028 Medium Term Financial Plan (MTFP). This is a cross cutting exercise involving Public Health colleagues to consider the medium to long-term pressures and efficiencies that health and social care adult services will face.

1.2.13 **Chart 1: Number of Clients and Total Hours purchased for Homecare**



1.2.14 **Chart 2: Overall Numbers of Clients in Residential and Nursing Care**



1.3 <u>Children, Young People and Learning (CYPL)</u>

1.3.1 Children's Services is showing a forecast variance of £12.779m against its £43.921m net controllable expenditure budget and includes unachieved savings of £1.723m. The net budget has increased by £9.694m from November as a result of Commissioning and Asset Management services now in Children's Services and pay award growth.

1.3.2 **Table 3: Forecast Variation for Children's Services as at 31 January 2024**

	2023/24 Budget £m	Jan Forecast £m	Jan Variance £m	Nov Variance £m	Change Nov-Jan £m
Corporate Parenting & Placements	27.637	35.227	7.590	6.630*	0.960
Quality of Practice	0.811	0.988	0.177	0.212	(0.034)

	2023/24 Budget £m	Jan Forecast £m	Jan Variance £m	Nov Variance £m	Change Nov-Jan £m
Multi-agency Safeguarding Arrangements	0.125	0.102	(0.023)	(0.024)	0.001
Health, Information & Advice, Virtual School & Emotional Wellbeing (HIVE)	0.019	(0.031)	(0.050)	(0.050)	0.000
Early Help & Vulnerable Families	1.981	1.706	(0.275)	(0.250)	(0.025)
Employment & Skills	0.787	0.770	(0.017)	(0.004)	(0.013)
Children's Disability Service	1.952	4.325	2.373	2.247	0.126
Education North Tyneside	1.813	1.930	0.117	0.225	(0.108)
Youth Justice Service	0.667	0.417	(0.249)	(0.236)	(0.013)
Regional Adoption Agency	(0.143)	(0.143)	0.000	0.000	0.000
High needs Special Educational Needs	0.000	0.000	0.000	0.000	0.000
Access Team (Home to School and Admissions)	2.706	5.941	3.235	3.124*	0.111
School Funding & statutory staff costs	5.468	5.541	0.073	0.074*	(0.001)
Commissioning Children	(0.032)	(0.212)	(0.180)	(0.134) *	(0.046)
Education Review	0.000	0.000	0.000	0.000*	0.000
Attendance and Placements	0.130	0.139	0.009	0.008*	0.001
Total Children's Services	**43.921**	**56.700**	**12.779**	**11.821**	**0.958**

* Due to the retirement of the Director of Commissioning and Asset Management the service has been separated across the Authority. Various services have moved under Children's Services, and this is now shown in this Cabinet report, with the variances adjusted to provide a like for like comparison.

Main budget pressures across Children's Services

1.3.3 The "Handling Children's Finance" workstream continues to work to address the pressures in Corporate Parenting linked to a higher number of children in care 367 and children in need 1,639.

1.3.4 The £12.779m forecast pressure partly relates to an increasing number of external residential care and external supported accommodation placements as work is ongoing to reach the "core" children in care numbers as well as the placement mix identified in the workstream, see table 5. The forecast also reflects ongoing pressure within the Children's Disability Service and inhouse children's homes. The forecast pressure includes a reduction of £0.187m of income expected from the ICB for shared packages.

1.3.5 Table 4 shows the Children's Services position split between operational and commissioning pressures. The increased pressure of £0.885m in Commissioned Services relates mainly to £0.636m in external residential care and £0.240m in external supported accommodation.

1.3.6 **Table 4: Forecast Variation for Children's Services Split between Operational & Commissioned Care Costs**

	2023/24 Budget £m	Jan Forecast £m	Jan Variance £m	Nov Variance £m	Change Nov-Jan £m
Commissioned Services	11.669	21.605	9.936	9.051	0.885
In-house Services	11.910	14.218	2.308	1.926	0.382
Staffing & Operations	20.485	21.020	0.535	0.844	(0.309)
Regional Adoption Agency	(0.143)	(0.143)	0.000	0.000	0.000
Total Children's Services	**43.921**	**56.700**	**12.779**	**11.821**	**0.958**

1.3.7 The service continues to have a high number of vacant social work posts and work continues with People Team to address the issues with workforce recruitment and retention. This is vital to enable the service to meet the core target of 330 children in care.

1.3.8 The increased pressure in Children's Disability Services relates to an increased forecast on short break care which, as Cabinet will recall, work is on-going to identify additional resources to meet need. This is vital to families and carers as lack of provision could lead to future breakdown in care arrangements.

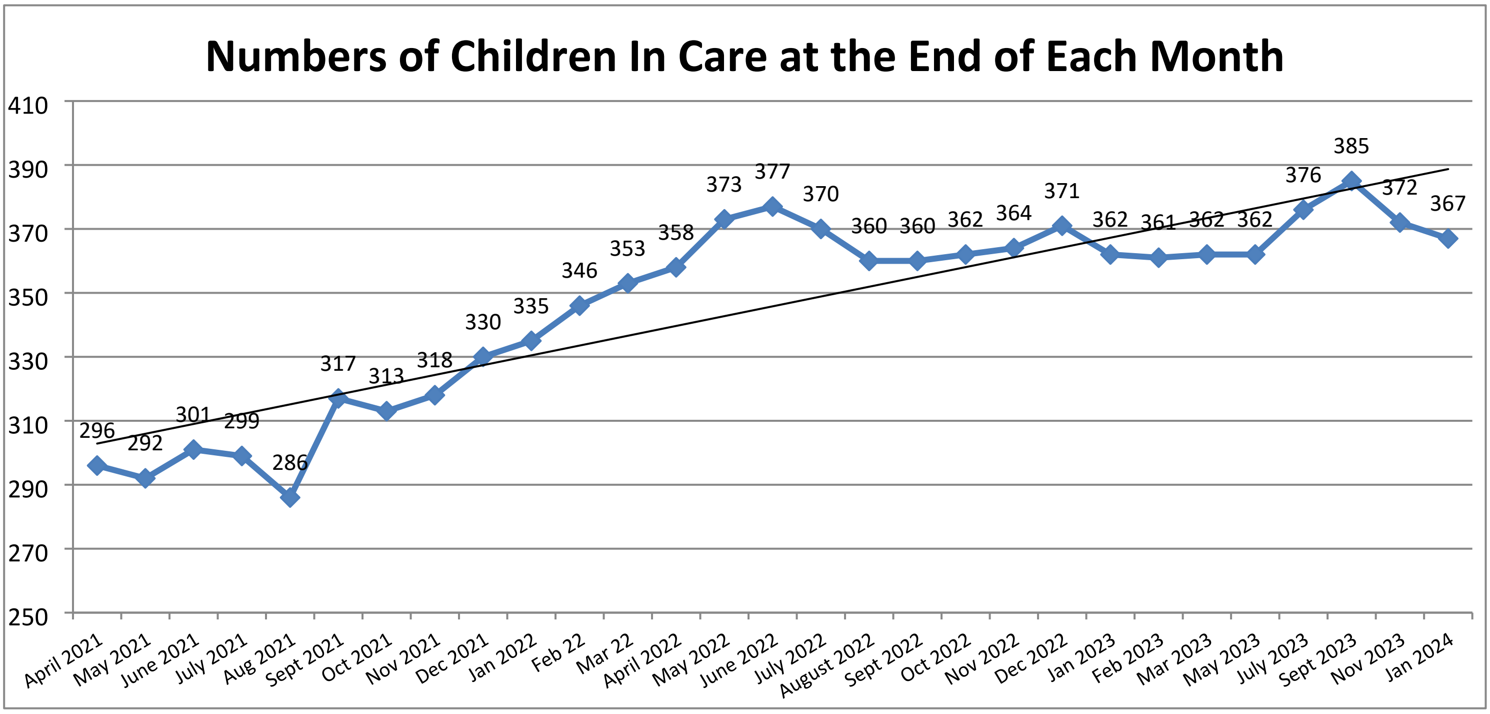
1.3.9 Childrens Commissioned Services are showing a pressure of £9.936m, an increase of £0.885m since November which now includes the pressure on Home to School Transport and an increased reliance on external provision for children in care. In January there were 367 children in care (372 in November), but the lack of availability of suitable placements, has resulted in an increase in external residential care placements and there are still pressures in external fostering and external supported accommodation placements above the "core" number reflected in the budget.

1.3.10 **Table 5: "Core" Number of Children in Care and planned placement mix**

PlacementType	"Core" Mix	No. of "Core" Children	No. of Children May 23	No. of Children Jul 23	No. of Children Sept 23	No. of Children Nov 23	No. of Children Jan 24
External Residential Care	7.0%	23	27	26	32	33	34
External Fostering	6.7%	22	22	27	25	25	25
In-House Fostering	61.7%	204	209	222	223	217	214
External Supported Accommodation	9.7%	32	46	41	38	39	39
In-House Residential Care	6.4%	21	21	21	21	21	20
Other	8.5%	28	37	39	46	37	35
Total	**100%**	**330**	**362**	**376**	**385**	**372**	**367**

1.3.11 The forecast is based on the children in care at the end of January 2024. Chart 3 shows the number of children in care was 367, this is higher than the "core" number of 330, but a small decrease from November when there were 372 children in care.

1.3.12 **Chart 3: Number of Children in Care at the end of each month**



1.3.13 Current numbers include 20 unaccompanied asylum-seeking children (UASC) under the age of 18. The Authority is mandated to take 39 UASC. This is offset by an increase in external funding however the total funding received still leaves a shortfall to cover the cost of the placements and allowances. The additional placements required for UASC increases the pressure on the sufficiency of placements available within the Borough. Work is ongoing with Housing to look for innovative local solutions.

1.3.14 The number of Children in Care can be volatile, with a decrease of 5 children since November however costs for individual children can be very high. There is always a potential risk that the forecast could increase if numbers of complex children start to rise above current levels.

Corporate Parenting and Placements

1.3.15 **Table 6: Analysis of Pressures in Corporate Parenting and Placements**

Type of Service	2023/24 Budget £m	Jan Forecast £m	Jan Variance £m	Nov Variance £m	Change since November £m
Care provision – children in care	16.503	22.530	6.027	5.025	1.001
Care provision – other children	4.532	5.143	0.611	0.549	0.062
Management & Legal Fees	0.073	0.373	0.300	0.580	(0.280)
Social Work	6.477	7.148	0.671	0.488	0.183
Safeguarding Operations	0.052	0.033	(0.019)	(0.012)	(0.007)
Total	**27.637**	**35.227**	**7.590**	**6.630**	**0.960**

Care Provision – Children in Care

1.3.16 A further breakdown of the care provision costs for the 367 children in care is provided in Table 6. Since November there has been a decrease in numbers of children within in-house fostering (3) and an increase in the numbers in external residential care (1). There is a continued pressure within in-house residential care, however unit costs for external residential care continue to increase significantly more than inhouse services and there are plans to look to increase the capacity of the in-house provision.

1.3.17 External fostering is currently supporting 30 children in care, an increase of 5 from November and 3 higher than the number of “core” children in care that would expect to be placed in external fostering arrangements. However external fostering is still a preferred option for children in care, after in-house fostering.

1.3.18 **Table 7: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	2023/24 Budget £m	Jan Forecast £m	Jan Variance £m	Average Annual Placement Cost £m	Number of Children				
					Core	Jul 2023	Sep 2023	Nov 2023	Jan 2024
External Residential Care	5.492	7.852	2.360	0.324	23	26	32	33	34
External Fostering	0.993	1.319	0.326	0.051	22	27	25	25	25
In-House Fostering Service	5.691	5.687	(0.004)	0.027	204	222	223	217	214
External Supported Accommodation	1.686	4.288	2.602	0.095	32	41	38	39	39
In-House Residential Care	2.641	3.384	0.743	0.169	21	21	21	21	20
Other*			0.000	0.000	28	39	46	37	35
Total	**16.503**	**22.530**	**6.027**	**-**	**330**	**376**	**385**	**372**	**367**

*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility.

1.3.19 The average annual placement cost is based on the full year effect of the packages in place at the end of January, however the forecast is based on actual activity and expected duration of placements. We have seen an increase of children in external fostering placements and the overall % of inhouse fostering placements is above the "core" mix we are aiming for, however whist the number of children in care is 37 above the "core" number the pressure will remain.

<u>Care Provision – Other Children (not in care)</u>

1.3.20 This area has a forecast pressure of £0.611m relating to care provision for children not in the care system relates to children under a Special Guardianship

Order (SGO), as this is a means tested allowance, there is an increasing pressure due to the impact of the cost-of-living crisis. There is also an increased pressure within adoption services as there has been an increase in the number of children adopted.

Management and Legal Fees

1.3.21 This area has a forecast pressure of £0.300m however some of the pressure within this area is due to residual savings targets, which the service are looking to reprofile. There is also an ongoing pressure due to increased legal fees and whilst there has been an exercise to provide more support internally from Legal Services, there remains a pressure around court fees.

Social Work

1.3.22 The pressure has increased by £0.183m which relates to Agency to cover vacancies, Section 17 payments to families, transport costs and interpretation all which continues to see a high level of demand as families continue to be impacted by the cost-of-living crisis.

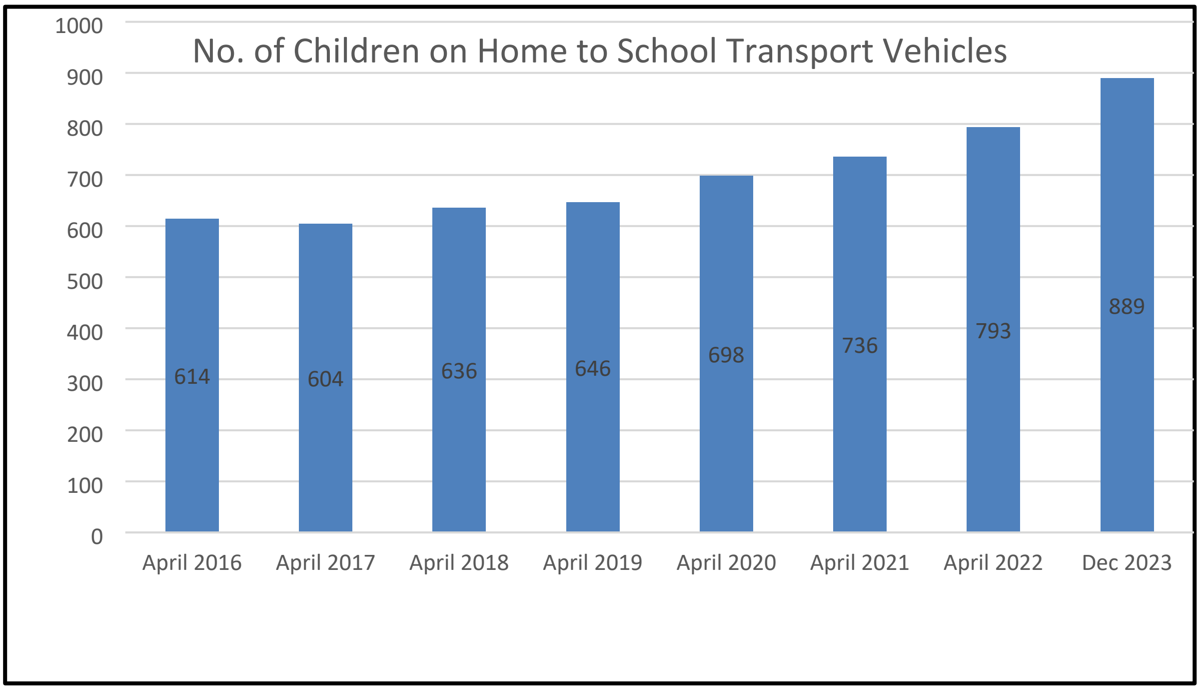
Home to School Transport

1.3.23 The Home to School Transport position is showing a pressure of £3.235m, a worsening of £0.111m since the November Cabinet Report. It relates to the sustained increase in children with complex needs attending special schools £1.529m and inflationary pressures of £1.682m. The movement is an increase in routes and associated effects of inflation projected forward to year end. There is also an operational pressure of £0.024m on the Access Services team due to removal of DSG funding (0.030m) Travel Co-ordinator.

Commissioning Children

1.3.24 There is an underspend of £0.180m against Commissioning Children which is an improvement of £0.046m since the November report. This movement relates to additional ICB funding of £0.027m and further operational savings of £0.019m.

1.3.25 **Chart 4: Increase in Numbers of Children Accessing Home to School Transport**



1.4 Public Health

1.4.1 Public Health is forecasting a 0.300m underspend, no change since the November Cabinet report.

1.4.2 **Table 8: Public Health Forecast Variation**

	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Public Health Ring Fenced Grant	(0.032)	(0.032)	0.000	0.000	0.000
*0-19 Children's Public Health Service**	*0.273*	*0.073*	*(0.200)*	*(0.200)*	*0.000*
Public Protection, Community Safety & Resilience	1.361	1.262	(0.100)	(0.100)	0.000
GRAND TOTAL	**1.602**	**1.302**	**(0.300)**	**(0.300)**	**0.000**

* *the 0-19 Children's Public Health Service forms part of the Public Health Ring Fenced Grant*

1.4.3 Since the last cabinet report the Senior Manager for Community Safety & Resilience has left the authority. The Senior Manager for Public Protection has taken on both services, therefore, for reporting these services have been merged. Overall, there is no change in the reported £0.100m underspend across both services. The underspend is due to additional funding for Asylum Seekers Safeguarding. Although there are pressures with the taxi licensing service of £0.120m as a result of the costs to run the service, coupled with reduced income due to the number of drivers and vehicles reducing before and during the pandemic and not currently seeing any signs of recovery. However, this is being mitigated by vacancies and other funding streams and underspends within the service to bring the service to a £0.100m underspend.

1.5 Environment

1.5.1 Environment is forecasting an underspend of £0.768m, as set out in Table 9 below, an improvement of £0.064m since the November Cabinet Report.

1.5.2 **Table 9: Forecast Variation in Environment**

Service Areas	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Bereavement	(0.485)	(0.418)	0.067	(0.061)	0.128
Fleet Management	0.745	0.654	(0.091)	(0.013)	(0.078)
Library & Community Centres	6.369	6.317	(0.052)	(0.057)	0.005
Sport & Leisure	5.503	5.630	0.127	0.097	0.030
Street Environment	10.090	10.361	0.271	0.192	0.079
Waste & Refuse Management	4.605	4.393	(0.212)	(0.049)	(0.163)
Waste & Recycling Disposal Contracts	12.035	11.202	(0.833)	(0.778)	(0.055)
Head of Service Environment & Leisure	0.159	0.114	(0.045)	(0.035)	(0.010)
Street Lighting PFI	5.137	5.137	0.000	0.000	0.000
GRAND TOTAL	**44.158**	**43.390**	**(0.768)**	**(0.704)**	**(0.064)**

1.5.3 Bereavement is forecasting an overspend of £0.067m, an increase of £0.128m since the November Cabinet report. The variance has worsened by £0.128m to reflect a forecast drop in income from Cremation Fees and Burials/Internments (compared to 2022/2023).

1.5.4 Street Environment is forecasting a £0.270m pressure, which is a £0.078m increase on the November position and reflects previously mentioned higher than expected operational costs. The higher inflationary cost of obtaining materials, equipment or supplies as well as the impact of higher diesel costs for the vehicle fleet across the service are forecast to impact against base budgets resulting in many minor cost pressure variances. The forecast includes £0.020 of mitigations for deferred recruitment of vacant posts. The £0.068m change since the November report reflects increased employee costs and the higher costs of materials, equipment and supplies across the service. In addition, income generation from the park cafes is forecast to be lower than previously expected. Mitigations within the wider Environment service have helped to partly mitigate the pressure in Street Environment.

1.5.5 An underspend of £0.091m is now forecast in Fleet Management, an improvement of £0.079m since the November Cabinet Report. The variance movement can be attributed to the capitalisation of a vehicle (Tractor) purchased from revenue. The forecast assumes the budgeted allocation of £1.110m is required to fund the associated capital financing costs in respect of the Capital Vehicle Replacement Programme.

1.5.6 Sport & Leisure is forecasting a £0.127m cost pressure which is a worsening of £0.030m since the November Cabinet Report. The forecast includes mitigations of £0.161m arising from the reallocation of Waste & Recycling Disposal underspends and £0.075m of mitigations for Allotment Clearance savings. Also included is £0.044m for the capitalisation of gym equipment and new flooring purchased from revenue. The variance change also reflects an increase in water supply charges.

1.5.7 Libraries & Community Centres is forecasting a £0.052m underspend which is a slight improvement of £0.005m compared to the November Cabinet Report. The forecast includes £0.160m of mitigations arising from the £0.320m reallocation of Waste & Recycling Disposal underspends. The variance change reflects lower Employee costs forecast with vacant posts unfilled and the use of casual and seasonal employees reducing. The reported Libraries & Community Centre variance includes income shortfall pressures across all the Libraries & Customer First Centres from historic unachievable income targets. The income pressures are proposed to be managed and absorbed by mitigating actions across the service (e.g. reduced discretionary spend and delaying the recruitment of vacant posts where it can) over the course of the financial year. Included within the Libraries & Community Centre forecast is a forecast assumption of £0.801m to be drawn down from Reserves to cover the unitary charge and PFI Leaseplus contract costs for the 3 PFI buildings..

1.5.8 A combined underspend of £1.045m is forecast in Waste Management and Waste & Recycling Disposal Contacts which is an improvement of £0.218m compared to the November Cabinet Report.

1.5.9 Of that forecast, Waste & Recycling Disposal Contracts is reporting a £0.883m underspend which reflects lower than expected annual waste tonnages being used by residents across the borough resulting in a Waste Disposal Contract underspend of £0.699m. In addition, the ongoing underspend around Kerbside/Home Recycling Disposal costs continues given the current market rate for recycled materials and subsequent lower disposal gate fee per tonne which is resulting in a £0.036m underspend. The forecast includes £0.321m of mitigations reallocated to Sports, Leisure & Community to cover in-year cost pressures. The outturn position also includes £0.020m of mitigations for the forecast savings linked to deferred recruitment of vacant posts.

1.5.10 At the end of December 2023, the recycling rate was 40.34%, which is slightly higher than during the previous two years.

1.5.11 Waste & Refuse Management is forecasting a £0.212m underspend, an improvement of £0.163m since the November report, which can be attributed to a combined forecast overachievement on income of £0.155m across Commercial Waste & Special Collections. The forecast income mitigates the higher than anticipated operational pressures around materials and fleet/transport costs. The improvement since the last report can be attributed to the capitalisation of wheeled bins purchased from revenue (£0.118m) which is mitigating a reduction in forecast income from developers linked to new housing sites.

1.5.12 Although a nil variance is to be reported on the Street Lighting PFI Contract, the cost pressure against electricity is forecast to increase to £1.790m which, combined with the inflationary cost pressure against the Unitary Charge, requires an anticipated £2.220m Contribution from Reserves.

1.5.13 At the end of quarter three, carbon reduction in council service operations have decreased by 58% against the baseline year in 2010/11.

1.6 Regeneration and Economic Development

1.6.1 Regeneration and Economic Development (R&ED) is forecasting an underspend of £0.352m as shown in Table 10 below, which is an improvement of £0.022m since the November Cabinet report.

1.6.2 **Table 10: Forecast Variation for Regeneration and Economic Development**

Service Areas	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Culture	1.649	1.708	0.059	0.119	(0.060)
Business & Enterprise	0.838	0.703	(0.136)	(0.149)	0.013
Regeneration	0.435	0.402	(0.033)	(0.033)	0.000
Resources & Performance	0.385	0.506	0.121	0.088	0.033
Technical Package - Planning	0.312	0.296	(0.016)	(0.008)	(0.008)
Technical Package - Transport & Highways	7.857	7.509	(0.347)	(0.347)	0.000
GRAND TOTAL	**11.476**	**11.124**	**(0.352)**	**(0.330)**	**(0.022)**

1.6.3 Culture is forecasting a pressure of £0.059m which is an improvement of £0.060m since the November Cabinet Report. The change is due to increased forecast income of £0.060m against the previously reported £0.090m for the Whitley Bay Playhouse profits. The remaining pressure is due to revised costings for the Mouth of Tyne Festival resulting in a total forecast pressure of £0.099m as a result of increased production costs for the event. The precept to Newcastle Council for Tyne & Wear Museums & Archives has an increased pressure of £0.032m due to increases in staffing costs. The service has seen a number of posts regraded (with pay back dated to April 2022), which has resulted in a staffing pressure of £0.100m across the service for 2023/24.

1.6.4 The technical package for Transport & Highways is forecasting an underspend of £0.347m which is no change since the November report. This is due to some staffing costs that are to be capitalised now being shown under Regeneration. The remaining underspend is due to further additional staffing costs being expected to be charged into Capital and S278 works currently being undertaken across the service.

1.6.5 Regeneration is showing an underspend of £0.033m, which is no change since the November report. The underspend is partly due to the capitalisation of staffing costs which are offsetting cost pressures of £0.240m at the former Swans site in relation to costs and income shortfalls relating to the Centre for Innovation (CFI) building which were present during 2022/23 and are continuing in 2023/24. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants.

1.6.6 Resources & Performance is showing a pressure of £0.121m, a worsening of £0.033m since the November Cabinet report, due to a contribution towards the Wallsend Masterplan and North Shields Ambition Marketing Post along with the previously mentioned staffing pressures in the management team following a restructure.

1.6.7 Business & Enterprise is forecasting an underspend of £0.136m, which is a worsening of £0.013m since the November report.

1.7 Corporate Strategy

1.7.1 Corporate Strategy is forecasting a £0.272m pressure, an improvement of £0.022m since the November Cabinet report.

1.7.2 **Table 11: Forecast Variation Corporate Strategy**

Service Areas	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Children's Participation & Advocacy	0.541	0.622	0.081	0.093	(0.012)
Community & Voluntary Sector Liaison	0.367	0.370	0.003	0.000	0.003
Corporate Strategy Management	0.771	0.972	0.201	0.206	(0.005)
Elected Mayor & Executive Support	0.051	0.056	0.005	0.005	0.000
Marketing	0.473	0.394	(0.079)	(0.060)	(0.019)
Policy Performance and Research	0.302	0.363	0.061	0.050	0.011
GRAND TOTAL	**2.505**	**2.777**	**0.272**	**0.294**	**(0.022)**

1.7.3 The improvement to the position compared to November is due to marketing which is forecasting a £0.079m underspend, an improvement of £0.019m since the November Cabinet report. The improvement is due to increased income now being forecast.

1.7.4 A range of key performance measures have been agreed for the service looking at important areas such as complaints and member enquiries.

1.8 Resources and Chief Executive Office

1.8.1 This report shows the forecast position for the full Resources directorate and the Chief Executive Office, which is showing an overspend of £2.010m, which is a worsening of £0.063m since the November Cabinet Report.

1.8.2 **Table 12: Forecast Variation Resources and Chief Executive**

Service Areas	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Chief Executive	(0.108)	(0.153)	(0.045)	(0.052)	0.007
Finance	(0.154)	(0.149)	0.005	0.005	0.000
IT	2.892	1.324	(1.568)	(1.552)	(0.016)
People Team	0.232	0.133	(0.099)	(0.084)	(0.015)
Internal Audit and Risk Management	0.075	0.054	(0.021)	(0.009)	(0.012)
Revenues and Benefits	0.499	0.225	(0.274)	(0.063)	(0.211)
Director of Resources	0.307	0.216	(0.091)	(0.072)	(0.019)
Governance	0.225	0.258	0.033	(0.011)	0.044
Law and Registration	1.040	1.752	0.712	0.745	(0.033)
North Tyneside Coroner	0.294	0.799	0.505	0.505	0.000
Business Package Holding Codes	0.000	0.000	0.000	0.000	0.000
Strategic Property and Investment	1.881	1.650	(0.231)	(0.274)*	0.043
Technical Package – Property	(0.380)	(0.382)	(0.002)	(0.002)*	0.000
Technical Package – Ring Fenced Properties	0.358	0.360	0.002	0.002*	0.000
Catering Services	(1.431)	1.760	3.191	2.923*	0.268
Procurement	0.372	0.265	(0.107)	(0.114)*	0.007
GRAND TOTAL	**6.102**	**8.112**	**2.010**	**1.947**	**0.063**

***** Due to the retirement of the Director of Commissioning and Asset Management the service has been separated across the Authority. Strategic Property, Catering and Procurement Services have moved under Resources and this is now shown in this Creport, with the variances adjusted to provide a like for like comparison.

1.8.3 In the previous Cabinet Report Law & Registration was forecasting a pressure of £1.250m. Since this report the service has been amended with the North Tyneside Coroner Service being separated for reporting purposes. The North Tyneside Coroner Service is reporting a pressure of £0.505m which is unchanged since the previous Cabinet report. The revised Law & Registration service is forecasting a pressure of £0.712m which is an improvement of £0.033m on the previously reported pressure. While the service (Legal) has implemented a new structure to mitigate the use of locums and reduce the cost pressures in the service, with recruitment underway, the use of locums is still required until the structure is fully resourced. This has resulted in a forecast pressure of £0.618m on locums, which is partially offset (£0.204m) by the vacancies within the team. The responsibility of legal fees for Childrens Services cases transferred into the team from 1 April 2023 and is forecasting a pressure of £0.174m, alongside a legal fees pressure of £0.081m for services delivered for other parts of the business. It is expected that this pressure will reduce once the new restructure is fully implemented.

1.8.4 Within IT there is an underspend of £1.568m, an improvement of £0.016m since the last Cabinet report. The overall forecast underspend is partly due to vacancies, the capitalisation of staff and the realignment of the contracts within the service.

1.8.5 Revenues and Benefits is forecasting an underspend of £0.274m, an improvement of £0.211m since the November Cabinet report.

- Overpayment income recovery is forecast to under recover by £0.289m against targets due the ongoing reduction in Housing Benefit claimants caused by the ongoing move to Universal Credit (UC) which has resulted in reduced overpayments being made to claimants and as a result less are also requiring recovery, therefore, less income is being raised against the current target. The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues;
- The overpayment income pressure is partially offset by £0.203m, from an in-year reduction in the Bad Debt Provision requirement. This is due to the overall value of Overpayment Debt reducing as a result of both the ongoing collection of the current debt and the reduction in new debt being raised, which has reduced the provision that is required against the outstanding debt (90% of overall debt).
- The Benefits subsidy grant is showing a net pressure of £0.052m. However, the good performance overall for subsidy is masking a situation regarding lost subsidy for Housing Benefit on Bed & Breakfast Accommodation for Homeless Persons. This area is forecast to have a pressure of £0.088m for the year due to the increased demand and also the increased cost of bed and breakfast accommodation, which is above the limit subsidy can be claimed on, therefore, the Local Authority has to fund the balance.

Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.

- These pressures are being offset by income from the Partnership with Equans for Pension Cap & Collar.

1.8.6 The proportion of council tax collected is consistent with last year at 87.6% at the end of January. At the end of 2022/23, collection was slightly lower than national performance. Business rates collection performance is showing significant improvement. 87.1% of business rates has been collected at the end of January. At the end of 2022/23 local performance was in line with national performance.

1.8.7 There is a pressure on the catering service of £3.191m, a worsening of £0.268m since the November Cabinet report. The movement in month is essentially made up of two elements price increases of £0.176m and non-capitalised equipment of £0.091m.

1.8.8 The main contributor to the overall pressure of £3.191m is the inflationary pressures of £1.773m. There are also pressures on wages of £0.063m from the additional hours worked to cover sickness, maternity leave and deep cleaning days and the cumulative effect of no annual pay rise being allocated in the budget for additional hours worked and also management operational pressures. There are pressures on paid school meals of £0.089m and SLA income of £0.075m due to the number of schools that have left the SLA in recent years. The service is currently reviewing all costs associated with SLA provision to mitigate the loss of income.

1.8.9 The management and central establishment element of the catering SLA cannot now be recovered from the schools that have left the SLA resulting in a pressure of £0.398m. There are also pressures on income budgets due to reduced SLA and paid meals income resulting from schools leaving the catering service and pupils not returning to paid schools meals post COVID 19 pandemic of £0.671m and lost income from other catering post COVID 19 pandemic of £0.121m. The movement relates to provisions price increases of £0.176m and a revision to the Equipment mitigation projection of £0.091m.

1.9 General Fund Housing

1.9.1 General Fund Housing is reporting a £0.045m underspend, which is an improvement of £0.645m since the November Cabinet Report.

1.9.2 **Table 13: Forecast Variation for General Fund Housing**

Service Areas	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Building Control	0.129	0.129	0.000	(0.050)	0.050
Housing Strategy	0.554	0.459	(0.095)	0.000	(0.095)
Housing Options – General Fund	0.474	0.474	0.000	0.000	0.000
Housing Operations – General Fund	0.039	0.039	0.000	0.000	0.000
Housing Property – General Fund	1.220	1.270	0.050	0.650	(0.600)
GRAND TOTAL	**2.416**	**2.371**	**(0.045)**	**0.600**	**(0.645)**

1.9.3 The position has improved by £0.645m since the November Cabinet report, due to the identification of staff time and repairs of £0.600m that can be capitalised due to the nature of the works and due to additional grant funding of £0.045m linked to project management.

1.9.4 The other area of concern within the Housing General Fund currently is the level of spend in relation to temporary B & B and hotel accommodation. There has been a significant increase in the numbers of cases requiring temporary accommodation with over £0.500m being spent in 2022/23, of which only around £0.150m was recovered via benefits. In order to address the pressure in 2022/23 a significant amount of homelessness prevention grant funding was allocated to cover the shortfall. In 2023/24 the forecast spend is expected to be £0.550m, however, there has been significant progress in recovery of some of these costs through benefits, which is forecast to be £0.400m, with the balance being again covered by homelessness prevention grant. There is now an officer working group in place looking at options to try and mitigate some of these costs further, but this will result in cost avoidance rather than savings as the current position is not a direct pressure. This could change of course if available grant funding streams were to reduce or cease.

1.9.6 With regards to key performance measures in the Service the Affordable Homes programme is on track against profiled target, with 2,213 homes delivered to the end of January.

1.9.7 Homeless presentations to the Authority remain high at the end of December 2023 (2,225 against 1,848 at the same period last year), however the proportion of priority homeless acceptances are consistent with previous years at 5%.

1.10 Central Items

1.10.1 Central Items is forecasting a £6.948m underspend which is an improvement of £0.615m since the November Cabinet report.

1.10.2 **Table 14: Forecast Variation Central Budgets and Contingencies**

Service Areas	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change Nov-Jan £m
Corporate & Democratic Core	3.241	1.918	(1.323)	(1.323)	0.000
Other Central Items	(18.929)	(24.554)	(5.625)	(5.010)	(0.615)
GRAND TOTAL	**(15.688)**	**(22.636)**	**(6.948)**	**(6.333)**	**(0.615)**

1.10.3 Within Corporate and Democratic Core there is a £1.174m contribution of growth (from contingencies) to support inflationary pressures across the Authority.

1.10.4 Included in Other Central Items is a £1.500m movement as a result of Minimum Revenue Provision (MRP) savings and a £1.500m reduction in projected external interest charges primarily due to a higher than forecast cash balance and reprogramming of the 2022/23 Investment Plan. There is an allocation of £1.470m Section 31 Grant and a £0.531m contribution from the Business Rates Volatility Fund, all which contribute to the £5.153m variance and mitigate overspends. January's position includes a forecasted receipt of a levy account surplus payment from Government, £0.405m, and £0.067m of new burdens funding replating to the Inshore Fisheries Levy.

SECTION 2 - SCHOOLS FINANCE

2.1 Update on School Budgets 2023/24

2.1.1 Initial school budget plans submitted in May 2023 projected that overall balances would be £8.323m deficit by March 2024. As previously reported to Cabinet Schools completed the first set of monitoring for 2023/24 and the projected position is shown in table 15 below.

2.1.2 **Table 15: 2023/24 Schools Budget Monitoring 1 and draft Budget Monitoring 2**

Phase	2022/23 Outturn £m	2023/24 Budget Plan £m	2023/24 Projected Year end BM1 £m	2023/24 Variance BM1 £m	2023/24 DRAFT Projected Year end BM2 £m	2023/24 DRAFT Variance BM2 £m
Nursery, First & Primary	5.529	2.656	2.042	(0.614)	2.681	0.025
Middle	1.655	0.488	0.776	0.288	0.932	0,444
Secondary	(6.822)	(9.638)	(9.283)	0.355	(9.439)	0.199
Special / PRU	(0.744)	(1.829)	(1.746)	0.083	(1.721)	0.108
	(0.382)	**(8.323)**	**(8.211)**	**0.112**	**(7.548)**	**0.776**
Schools in Financial Difficulty funding approved by Schools Forum	-	-	0.419	0.419	-	-
DfE funding – Supporting maintained schools in financial difficulty	-	-	1.868	1.868	1.868	1.868
Total	**(0.382)**	**(8.323)**	**(5.924)**	**2.399**	**(5.680)**	**2.643**

2.1.3 The Schools are progressing well through budget monitoring 2, expected to be fully complete early March after the half-term break. Current draft figures (projected year end variance) are shown in the table above across the final two columns, showing a projected year end position of £7.548m deficit against a planned budget deficit of £8.323m. Note these figures now incorporate the £0.419m of funding approved by Schools Forum for schools in financial difficulty.

2.1.4 As mentioned previously to Cabinet the Authority has been allocated £1.868m by the Department for Education (DfE) from its funding to support schools in financial difficulty. Officers consulted with Schools Forum, on the most appropriate application of this funding for schools in the borough and it has been agreed to be applied against final 2023/24 deficit school balances. With the additional DfE funding to support schools in financial difficulty a positive variance of £2.643m is anticipated. After funding allocations have been applied, the projected year end balances of schools is currently projected to be a £5.680m deficit.

2.2 Update on 2024/25 Funding Allocations after publication December 2023

2.2.1 On 19 December, the Department for Education (DfE) published the final allocations for each block of the DSG. The DSG will continue to be comprised of four blocks: Schools, High Needs, Early Years and Central Schools Services. Each of the four blocks has its own funding formula.

2.2.2 The North Tyneside allocation for the DSG in 2024/25 uses the October 2023 census and follows the 2023/24 allocation as it includes funding previously allocated as grants for pay awards and pension increases and the Schools Supplementary Grant as shown in table 16 below with prior year figures for comparison.

2.2.3 **Table 16: Schools Block 2024/25 allocation compared with Prior Years**

	2020/21	2021/22	2022/23	2023/24	2024/25	2023/24 to 2024/25
	£m	£m	£m	£m	£m	£m
Schools	126.794	137.231	140.373	147.655	157.670	10.015
Central School Services	2.051	1.877	1.724	1.621	1.563	-0.058
High Needs	22.319	26.709	29.784	33.306	34.970	1.664
Early Years Block	12.771	13.946	14.673	15.597	25.156	9.559
TOTAL	**163.935**	**179.763**	**186.554**	**198.179**	**219.359**	**21.180**

Move from 17/18 Baseline £m	15.296	31.124	37.915	49.540	70.720
Move from 17/18 Baseline %	10.29%	20.94%	25.51%	33.33%	47.58%
Change per Year £m	8.334	15.828	6.791	11.625	21.180
Change per Year %	5.36%	9.66%	3.78%	6.23%	10.69%
PUF	£4,083	£4,425	£4,539	£4,771	£5,039
SUF	£5,427	£5,841	£5,988	£6,277	£6,604
MPPF: Primary	£3,750	£4,180	£4,265	£4,405	£4,610
MPPF: Secondary	£5,000	£5,415	£5,525	£5,715	£5,995

2.3 High Needs Block

2.3.1 The £34.970m figure outlined above for the 2024/25 High Needs block reflects the increased DSG funding announced by the DfE and includes funding previously included as separate grants for pay award and pension increases, as in 2023/24. The £1.664m increase is therefore covering these costs going forward. It also includes a deduction of £0.448m made by the Education Skills and Funding Agency for direct funding of places.

2.3.2 The forecast for the High Needs Block as of December 2023 is still an anticipated in-year pressure of £2.848m, leading to a cumulative deficit position of £10.490m which is a slight pressure of £0.016m against the DSG Management Plan. An updated breakdown of the in-year pressure is shown in table 17.

2.3.3 **Table 17: Breakdown of High Needs Pressure at December 2023**

Provision	Budget £m	Dec 23 Forecast £m	Forecast Variance £m
Special Schools and PRU	22.388	22.898	0.510
ARPS /Mainstream Top-ups	6.065	6.058	(0.007)
NMSS/ISP	4.305	4.115	(0.190)
Commissioned Services / Other EOTAS	3.160	3.084	(0.076)
TOTAL	**35.918**	**36.155**	**0.237**
DSG High Needs Funding	(33.606)	(33.307)	0.299
In-Year Planned Deficit	**2.312**	**2.848**	**0.536**
2022/23 Bal B/F	10.112	9.592	(0.520)
Safety Valve Funding 23/24	(1.950)	(1.950)	0.000
Deficit C/F to 24/25	**10.474**	**10.490**	**0.016**

2.4 Safety Valve Intervention Programme

2.4.1 From 2024/25 the DSG Management Plan includes a 0.5% transfer from the Schools Block to the High Needs Block. Schools Forum voted against the £0.751m transfer for 2024/25 which has resulted in a Disapplication request being submitted to the ESFA. Any block transfer without Schools Forum agreement requires approval from the Secretary of State, the Authority has now been notified this was successful. Schools Forum sub-group were informed of the successful Disapplication decision and then met Local Authority Officers to agree the allocation of the reduction. It was agreed that the transfer is to be allocated on a Schools Basic Entitlement basis.

2.4.2 As originally planned the DSG Management Plan remodelling is commencing to meet evolving future service requirements whilst staying within original 5 Year financial projections.

2.5 Early Years Funding for 2024/25

2.5.1 In the spring budget of 2023, the Chancellor announced that funded childcare hours would be extended to children of eligible working parents in England from nine months old to support increased parental engagement in the labour market. The measures announced will expand the existing system by offering funded childcare to children aged nine months and over whose parents meet the same income eligibility criteria as applied to the existing entitlement for three and four-year-olds. The policy will have a phased rollout, offered to eligible two-year-olds from April 2024 and to eligible children under two from September 2024. The new entitlement will be offered in full from September 2025.

SECTION 3 - HOUSING REVENUE ACCOUNT

3.1 Forecast Outturn

3.1.1 The forecast set out in Table 20 below is based on the results to the end of January 2024. Currently the Housing Revenue Account (HRA) is now forecasting an in-year overspend of £0.120m. Throughout the year, costs are being monitored closely across all areas with additional focus on Rent Arrears and the effect this has on bad debt provision. In addition, changes to prudent assumptions around Rental Income, Council Tax voids, Contingency and staffing vacancies are being monitored to assess the impact on the forecast position. The main areas of pressure relate to utility costs across the sheltered estate, and the forecast impact of the tabled 2023/24 pay award due to be at least at the same level as last year overall, which is greater than was budgeted for in the HRA Business Plan. The Repairs budget continues to manage the impact of the cost-of-living crisis and the impact on material and sub-contractor costs, as well as the impact of the pay award mentioned above, however, at the current time this budget is still forecast to come in on budget overall.

3.1.2 **Table 18: Forecast Variance Housing Revenue Account**

	Budget £m	Current Forecast £m	Variance £m
Management – Central	2.133	2.019	(0.114)
Management – Operations	5.528	5.827	0.299
Management – Strategy & Support	4.033	4.431	0.398
Capital Charges – Net Effect	11.074	11.074	0.000
Contingencies, Bad Debt & Transitional Protection	2.253	2.249	(0.004)
Contribution to Major Repairs Reserve – Depreciation	14.220	14.220	0.000
Interest on Balances	(0.075)	(0.285)	(0.210)
PFI Contracts – Net Effect	2.143	2.143	0.000
Rental Income - Dwellings, Direct Access Units, Garages	(66.979)	(67.221)	(0.242)
Rental Income – HRA Shops and Offices	(0.426)	(0.431)	(0.005)
Revenue Support to Capital Programme	11.609	11.609	0.000
Repairs	14.869	14.869	0.000
Total	**0.383**	**0.503**	**0.120**

3.2 Rental Income

3.2.1 Rental Income overall across all areas is currently forecast to be better than budget (£0.242m), relatively close to previous forecasts against an overall £67m budget. This is helped by the level of Empty Homes continuing to trend at well below 1% which increases the level of rent that is collectable. Right to Buy (RTB) levels have shown a slight reduction against recent trend levels, which is not totally surprising in the current economic climate, and this will have benefitted the forecast position slightly. The impact of Universal Credit on arrears and the bad debt provision also continues to be closely monitored.

3.3 Management Costs

3.3.1 Management Costs are currently forecast to come in £0.582m above budget, which is a significant increase on previous forecasts, and this is due to a combination of issues, namely the 2023/24 tabled pay award being higher than the pay contingency budgeted for, and the other main pressure relates to the cost-of-living crisis and increased energy costs particularly across sheltered schemes and communal areas of apartment blocks across the rest of the housing estate. These significantly increased costs will necessitate a fundamental further review of service charges and a potential rebasing of those budgets. In addition, the Unified System project has reached contract sign-off, and the project will now move on to implementation. Should any delays occur, reprofiling of when key spend and resources will happen may be necessary, but the budgets provided should be sufficient this year to cover anticipated costs.

3.4 Bad Debt Provision and Contingency

3.4.1 Early indications are that the in-year rate of increase in arrears will be contained within the Bad Debt Provision budget for the year, so currently the forecast for use of the provision is marginally better than budget (£0.004m). As usual this situation will be closely monitored to anticipate any potential shift either a betterment to help the overall bottom line, or any potential increased pressure which has happened a few times in the last 5 years. Contingency is also being forecast to come in on budget (£1.450m), with most of the ongoing £0.200m being assumed against the 2023/24 pay award pressure, and £1.250m being the first contribution to the new Tenancy Sustainment Reserve, to be used to fund initiatives to try and relieve some of the current cost of living issues being faced by tenants.

3.5 Repairs

3.5.1 The Housing Repairs budget continues to deal with inflationary and supply pressures, mainly caused by the current economic instability being experienced across the world. Although starting to ease slowly in the domestic market (overseas prices continue to be at a premium), the current rates of inflation in material and sub-contractor prices, plus difficulty accessing certain materials and services within the supply chain continue to challenge the service.

3.5.2 Issues also continue in recruiting to certain trades which then places more reliance on sub-contractors and agency staff. Additional funding has been provided to cover market supplement payments and revised Craft Agreement reviewed rates of pay moving forward.

3.5.3 In addition to this, the Authority continues to deal with the implications of the Social Housing (Regulation) Act 2023, which arose from the Housing White Paper produced following the Grenfell Disaster, such as installing carbon monoxide detectors in all properties, and more frequent periodic electrical testing, for which some additional funding has again been provided.

3.5.4 The main in-year pressure, however, relates to two issues, firstly, the tabled 2023/24 pay award which will be in line with last year's settlement, which is above the level budgeted for in pay contingency which was 3%. And secondly, a significant increase in sub-contractor costs, both because they are facing the same supply difficulties that we are, and they are also covering the shortfall in trade skills in certain areas being experienced as a recruitment issue. This means effectively that all of the in-year repairs contingency provision has now been fully committed to known spend. So although currently the year-end forecast remains as a balanced budget position, that assumes that between now and year-end we will not experience any one of a number of risk factors including further extreme adverse weather conditions during the remaining months of this financial year.

3.6 Rent Arrears and Bad Debt Provision

3.6.1 Arrears are made up of two elements:

- Current Tenant Arrears and,
- Former Tenant Arrears

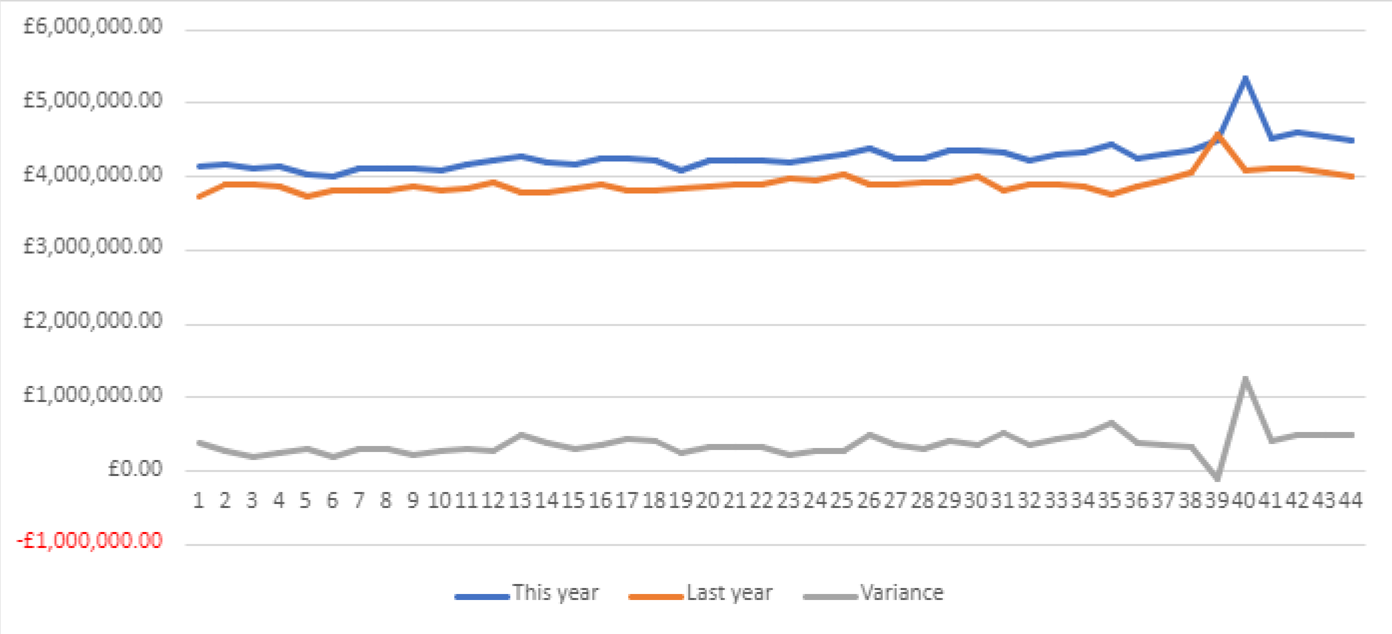
3.6.2 **Table 19: Rent Arrears**

Date	Current Arrears	Former Arrears	Total Arrears	Change Year on Year
	£	£	£	£
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
31/03/2021	3,498,391	2,311,655	5,810,046	510,539
31/03/2022	3,694,219	2,461,646	6,155,865	345,819
31/03/2023	3,929,813	2,370,591	6,300,404	144,539
29/01/2024(to-date)	4,498,900	2,344,259	6,843,159	542,755

3.6.3 Arrears continue to rise each year but the pace at which they had increased over the past couple of years had slowed, however, there are signs that the increase in arrears is starting to pick up pace again, which is not totally inconsistent with the fact that the rent increase for 2023-24 was much higher than the previous two years. Write Offs are partly responsible for the reduction in former arrears as well, and more than £0.270m has been written off in-year to-date. The overall level of arrears is still significant at over £6.843m and has more than doubled in the last eight years.

3.6.4 Chart 5 below shows the value of current rent arrears in 2023/24 at the end of January 2024 compared to the same period in 2022/23. The Housing team is continually working proactively with tenants to minimise arrears. Current Rent Arrears have risen steadily in the first ten months of 2023/24 as compared to 2022/23, with an increase of £0.542m being seen in this period since the start of April 2023. There was an under-spend against bad debt provision in 2022/23 for the third year in a row, hence there only being a minimal increase in the budget for this year, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted provision made. This will also be impacted by the amount of debt written off. This has all helped inform the monitoring position as we have progressed through the year, and has also been pivotal in refreshing the HRA Business Plan for the 2024/25 budget round.

3.6.5 **Chart 5: Current Rent Arrears in Weeks 1-44 (April-January) 2023/24 compared to 2022/23**



3.6.6 Universal Credit (UC) was fully implemented for all new tenants 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. On 31 March 2023, there were 3,949 tenants of North Tyneside Homes on UC with current arrears totalling £3.210m. By the end of January 2024 this had increased to 4,388 UC cases with arrears of £3.861m, which is an increase of 439 tenants and £0.651m of arrears from the beginning of the financial year. As always, the impact of UC continues to be monitored, as significant increases in numbers on UC could also adversely affect the rate at which arrears grow. The extra pressure from increased numbers of UC cases can be seen from table 20 below, which shows the change in the proportion of the overall debit that is now cash based, rather than being covered by direct payment of Housing Benefit.

3.6.7 **Table 20 - Proportion of Rent Debit met by Housing Benefit**

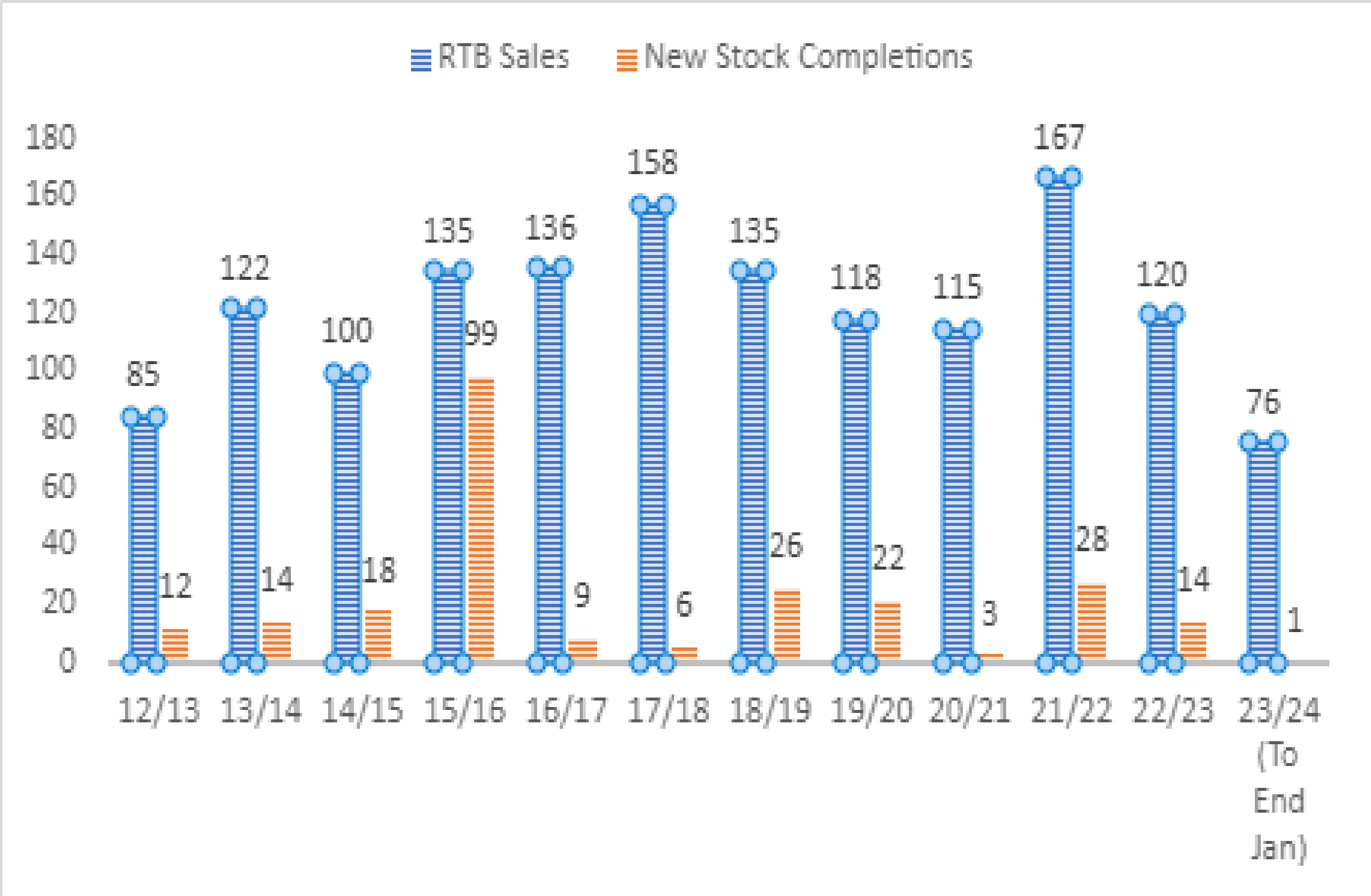
Year	Housing Benefit received via Direct Payment	Total Rent Debit	% of Rent Debit covered by HB Direct Payments
	£	£	%
2016/17	33,218,096	58,729,152	56.6
2017/18	31,970,851	57,889,823	55.2
2018/19	28,932,255	56,795,935	50.9
2019/20	24,490,067	56,931,399	43.0
2020/21	22,151,257	56,955,677	38.9
2021/22	20,464,887	57,327,202	35.7
2022/23	19,655,720	59,128,802	33.2

3.6.8 The main mechanism for helping to manage arrears is the Bad Debt Provision (BDP), which at the start of 2023/24 stood at £5.207m on the HRA Balance Sheet with the budget for the 2023/24 contribution at £0.772m. As alluded to above in 3.4 currently Bad Debt Provision is forecast to come in slightly under budget (£0.04m), but this will again be continually tracked to ensure that any change against budget forecast is picked up as soon as possible.

3.7 Right to Buy (RTB) Trends

3.7.1 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 8 below shows the trend in RTB sales since that time. The first ten months of 2023/24 saw 76 completed RTB sales, which is slightly lower than previous years, including 2021/22 where the Authority saw the highest number of RTB sales at 167 since the changes were introduced in 2012. It is just possible that impending changes in the mortgage market may curtail sales slightly, but as always trends will need to be closely monitored as they impact not only in-year forecasts, but significantly on future refreshes of the HRA 30-year Business Plan.

3.7.2 **Chart 6: Yearly RTB Sales v New Stock Additions**


RTB Sales
New Stock Completions
180
160
140
120
100
80
60
40
20
0
85
12
122
14
100
18
135
99
136
9
158
6
135
26
118
22
115
3
167
28
120
14
76
1
12/13
13/14
14/15
15/16
16/17
17/18
18/19
19/20
20/21
21/22
22/23
23/24 (To End Jan)

SECTION 4 - INVESTMENT PLAN

4.1 Review of Investment Plan

4.1.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. The Investment Plan is subject to ongoing review and challenge and is reviewed on a monthly basis via Investment Programme Board.

4.1.2 In response to inflationary pressures and the challenges facing the revenue budget, the Authority continues to manage project expenditure within existing budgets where possible; reprofiling spend, undertaking value engineering or reducing scheme scoping where the impact on the project output is minimal or represent greater value for money. Any request to utilise contingencies to meet unavoidable additional costs are reviewed and considered by Investment Programme Board on a case-by-case basis.

4.1.3 As detailed within the main report the Authority is currently facing significant budget pressures across the General Fund to balance the budget. An investment plan, in particular which requires borrowing or an increase in borrowing may have an impact on the revenue budget to finance borrowing.

4.1.4 A rising rate interest environment has an impact on the investment plan. At the Bank of England's Monetary Policy Committee (MPC) meeting ending 31 January 2024, the MPC voted by a majority of 6–3 to maintain Bank Rate at 5.25% further details within section 5 (Treasury Management Position) of this report.

4.2 Variations to the 2023-2028 Investment Plan

4.2.1 £10.737m of reprogramming and £0.411m of variations to the 2023-2028 Investment Plan have been identified as part of the ongoing monitoring of the Investment Plan. These are summarised in tables 21 and 22 below. Further details of the key changes impacting on the current financial year are provided within this section of the report. The variations relating to future years are primarily relating to the refresh of the Investment Plan and new funding awards secured by the Authority, in addition to the report to Council on 16 February 2023.

4.2.2 **Table 21: 2023 - 2028 Investment Plan changes identified**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Approved Investment Plan – Council 16 February 2023	**95.762**	**58.864**	**50.055**	**53.775**	**53.884**	**312.340**
Previously Approved Reprogramming/Variations						
2022/23 Monitoring	6.273	(0.697)	0.000	0.000	0.000	5.576
2022/23 Outturn	11.572	0.000	0.000	0.000	0.000	11.572
2023/24 Monitoring	(10.534)	29.039	0.279	0.075	0.000	18.859
Approved Investment Plan	**103.073**	**87.206**	**50.334**	**53.850**	**53.884**	**348.347**
September 23 Monitoring						
Reprogramming	(10.737)	8.737	2.000	0.000	0.000	0.000
Variations	(0.736)	1.147	0.000	0.000	0.000	0.411
Total Variations	**(11.473)**	**9.884**	**2.000**	**0.000**	**0.000**	**0.411**
Revised Investment Plan	**91.600**	**97.090**	**52.334**	**53.850**	**53.884**	**348.758**

4.2.3 The proposed significant variations to the Investment Plan in 2023/24 are shown below:

2023/24 Variation £m	Scheme / Project
£0.625	**Fordley Primary School** • The design, build and manufacture of modular teaching accommodation at Fordley Primary School as a result of recent structural concerns identified within the school. • The requirement is £0.625m in 2023/24, and £0.800m in 2024/25.
(£0.625)	**GEN03 Contingencies** • Funding from contingencies £0.625m in 23/24 and £0.450m in 24/25 to fund the design, build and manufacture of modular teaching accommodation at Fordley Primary School as a result of recent structural concerns identified within the school.
£1.839	**Capitalisations 2023/24** • Capitalisation of project management resources, legitimate capital works undertaken using revenue resources and capital equipment funded using revenue resources. • To be funded using and combination of Council resources and capital receipts.
£0.441	**Childcare Expansion Capital Grant** • Acceptance of the Department for Education, Childcare Expansion Capital Grant. • To support the phased expansion of Early Years (EY) childcare provision for working parents of all children 9 months to 3-year-olds and also for the provision of 8am to 6pm wraparound care for primary aged children.

(£0.207)	**HS055 Home Upgrade Grant** • HUG 2 is a government scheme awarding grants to Local Authorities (LAs) for energy efficiency and clean heating upgrades in owner occupied and private rented sector fuel-poor homes off the gas grid. • Due to the small number of "Off Gas" properties (2% of overall stock) and in consultation with Department of Energy Security and Net Zero, the available funding has reduced to £414,000 to reflect lower targeted homes, and the scheme now has a target of 20 measures to deliver up to March 2025.
£0.182	**EV034 Local Transport Plan** • Network Rail funding to be included into the investment plan, and relates to Public Rights of Way works for a public bridleway diversion that is being reconstructed.

2023/24 Reprofiling £m	Scheme / Project
(£4.658)	**EV094 Transforming Cities Fund - NT02 North Shields Transport Hub** • During the delivery of the Embankment Walkway, underground obstructions delaying the piling activity the project has incurred additional costs and impacting on the programme. A settlement on the associated compensation event was agreed in December 2023. • The Council has submitted a change control request to Transport North East (TNE) to descope the delivery of the A193 cycle corridor which would release sufficient funds into the overall project budget to meet the settlement figure.
(£2.351)	**EV099 Transforming Cities Fund - NT10 Links to Metro** • Transforming Cities Funding for the delivery of 'Links to Metro' improvements to cycling and walking routes linking local areas with Metro stations. • Three of the four schemes are substantially complete, and public engagement is currently ongoing for the fourth scheme element (North Shields A192 corridor). • There have been some delays relative to original timescales reflecting aspects such as market conditions (linked to Ukraine), time required to obtain traffic orders, and the need to co-ordinate with other works taking place on the borough's highway network.

(£1.153)	**EV100 Active Travel 3 - Permanent Seafront Scheme** • The Sea Front Sustainable Route (SFSR) scheme seeks to create a continuous segregated cycle lane along the length of the North Tyneside Coast between St Mary's Lighthouse and North Shields Fish Quay/Town Centre. • Scheme spend reprofiling to reflect the revised delivery programme for Phase 1 and 2 of the project to minimise disruption for residents, visitors and businesses over the summer season.
(£0.607)	**EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority** • This relates to the delivery of A188/A189 Bus Priority Corridor improvements in the vicinity of Four Lane Ends bus and Metro interchange. • Works are close to substantial completion. There have been some delays to timescales owing to obtaining agreement to undertake works within the interchange.
(£0.682)	**CO096 St Peters Sports Pavilion** • Reprofiling of St Peters Sport Pavilion due to adverse weather and design change requirements, impacting programme of works.
(£0.500)	**DV066 Investment in North Tyneside Trading Co** • There is proposed expenditure of £1.500m included in the plan for 2023/24 Investment in Loan Finance to NTTC (Development) Ltd. • A number of purchases of new properties have been delayed in the legal process and will therefore not complete within 2023/24, only £1.000m of the investment in Loan Finance will be required for 2023/24. • It is proposed that £0.500m of the original £1.500m is reprofiled into 2024/25
(£0.398)	**EV034 Local Transport Plan** • The Local Transport Plan (LTP) funds the Authority's annual highway maintenance and integrated traffic capital programme. • The Authority's Technical Partner is advising the following schemes may not be delivered within 2023/24; A1058 Crash Barrier Repairs (£0.266m), Allotment Railway Bridge Assessment (£0.060m), Blue House Bridge Assessment (£0.041m), Forest Hall Bridge options appraisals (£0.031m).

(£0.233)	**EV102 On Street Residential Charging Scheme** • Funding from the Office for Zero Emission Vehicles (OZEV), for the delivery of publicly available electric vehicle (EV) chargepoints in car parks operated by the Authority, including the replacement of existing, life-expired low-power chargepoints, match funded by The Local Transport plan budget (EV034) • Due to a lack of response from the market when the procurement notice for the work was advertised, alternative arrangements are being made to seek to deliver this work by procuring it as part of a larger package including separately funded EV chargepoints. • As such, the installation of the EV chargepoints will now be delivered in the financial year 2024/25.
(£0.070)	**EV104 Bus Service Improvement Plan** • Advance grant funding from North East Bus Service Improvement Plan (BSIP) [Administered by TNE] of £69,934 was offered in the financial year 2023/24 for the development of the Phase 1 projects to support bus reliability at highway locations on strategic bus corridors. • Owing to delays in commissioning the works the Phase 1 projects will now be delivered in the financial year 2024/25.
(£0.045)	**CO091 Neighbourhood Parks** • S106 funding to fund improvements to the Rising Sun Country Park, Wallsend Parks and Benton Quarry. • Due to factors, including the excessive volume of inclement weather experienced in 2023 two of the projects identified for this year have been delayed and the service is now looking to deliver these during 2024-25. • £0.030m relates to Public Rights of Way works, the remainder on signage and interpretation works.
(£0.040)	**EV096 Highway Maintenance Challenge Fund - Tanners Bank** • Delivery of the bridge works and the two of the highways elements are complete (5-arm roundabout refurbishment and Christchurch junction refurbishment). • The highway work (resurfacing of Tanners Bank) has had to be co-ordinated with other activities taking place on the borough's highway network. • The work will be delivered in 2024/25, following the lifting of the road closure associated with the Embankment Walkway works.

4.3 Capital Financing

4.3.1 The impact of the changes detailed above on capital financing is shown in table 22 below.

4.3.2 **Table 22: Impact of variations on Capital financing**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Approved Investment Plan	**103.073**	**87.205**	**50.334**	**53.850**	**53.884**	**348.347**
Council Contribution	(2.149)	0.000	0.000	0.000	0.000	(2.149)
Grants and Contributions	(9.255)	7.230	2.000	0.000	0.000	(0.025)
Contribution from Revenue	(0.069)	0.072	0.000	0.000	0.000	0.003
HRA Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000
HRA Major Repairs Reserve	0.000	0.000	0.000	0.000	0.000	0.000
Total Financing Variations	**(11.473)**	**9.884**	**2.000**	**0.000**	**0.000**	**0.411**
Revised Investment Plan	**91.600**	**97.090**	**52.334**	**53.850**	**53.884**	**348.758**

4.4.1 The General Fund capital receipts position reflects an additional £1.350m from the previous report in November 2023. The balance brought forward at 1 April 2023 was £3.227m. The capital receipts requirement for 2022/23, approved by Council in February 2023, was £1.417m (2023-2028 £1.417m). To date £6.913m of capital receipts have been received in 2023/24. The receipts position is detailed in table 23 below.

4.4.2 **Table 23: Capital Receipt Requirement – General Fund**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Requirement reported to 16 February 2023 Council	1.417	0.000	0.000	0.000	0.000
Receipts Brought Forward	(3.227)	0.000	0.000	0.000	0.000
Total Receipts received 2023/24	(6.913)	0.000	0.000	0.000	0.000
Receipts used to repay capital loans	0.000	0.000	0.000	0.000	0.000
Net Useable Receipts	**(6.913)**	**0.000**	**0.000**	**0.000**	**0.000**
Surplus Receipts	**(8.723)**	**(8.723)**	**(8.723)**	**(8.723)**	**(8.723)**

4.5 Capital receipts – Housing Revenue Account

4.5.1 Housing Capital Receipts brought forward at 1 April 2023 were £12.961m. The housing receipts are committed against projects included in the 2023-2028 Investment Plan. The approved Capital Receipt requirement for 2023/24 was £3.941m. To date, receipts of £3.812m have been received in 2023/24. In total, subject to future pooling, this leaves a surplus balance of £16.792m to be carried forward to fund planned investment in future years.

4.5.2 **Table 24: Capital Receipt Requirement - Housing Revenue Account**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Receipts Brought Forward	(12.961)	(12.851)	(10.681)	(8.528)	(7.468)
Receipts Received 2023/24	(3.831)	0.000	0.000	0.000	0.000
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
(Surplus)/ Balance to be generated to fund future years (subject to further pooling)	(16.792)	(12.851)	(10.681)	(8.528)	(7.468)
Requirement reported to November 2023	3.941	2.170	2.153	1.060	1.202
Variations to be reported to Cabinet 2023/24	0.000	0.000	0.000	0.000	0.000
Revised Requirement	3.941	2.170	2.153	1.060	1.202
Net Balance Carried forward	(12.851)	(10.681)	(8.528)	(7.468)	(6.266)

4.6 Investment Plan Monitoring Position to 31 January 2024

4.6.1 Actual expenditure for 2023/24 in the General Ledger was £59.769m; 57.99% of the total revised Investment Plan at 31 January 2024.

4.6.2 **Table 25: Total Investment Plan Budget & Expenditure to 31 January 2024**

	2023/24 Approved Investment Plan £m	Actual Spend to 31 January 2024 £m	Spend as % of revised Investment Plan %
General Fund	70.653	37.713	53.38%
Housing	32.420	22.056	68.03
TOTAL	**103.073**	**59.769**	**57.99%**

SECTION 5 – TREASURY MANAGEMENT & CASH POSITION

5.1 Current Cash Position

5.1.1 The Authority's current available cash balance as at the end of January 2024 is £9.000m, with £5.000m invested externally with other UK Local Authorities or institutions. All investments are made in line with the approved Treasury Management Strategy.

5.1.2 **Table 26: Investment Position as at 31 January 2024**

Counterparty	Type	Amount (£m)	Maturity
DMO	Term	9.000	01 February 2024
Barclays	Call	0.876	n/a
Other LA	Fixed	5.000	09 February 2024*
Fixed Deposits	Fixed	2.500	March 2024

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

5.1.3 At its meeting ending on 31st January 2024, The Bank of England's MPC voted 6-3 that the Bank Rate should remain unchanged at 5.25%. The latest MPC projections suggest Bank rate remains at 5.25% until 2024 Q3, before tracking downwards to 4.25% by the end of 2026.

5.1.4 Twelve-month CPI inflation fell to 4.0% in December 2023, down from 4.6% in October 2023. Inflation peaked at 11.1% in October 2022. December's rate was below expectations in the November Report which was predicted to remain around 4.50%. This decline is expected to be accounted for by lower fuel, core goods and services prices. Although still elevated, wage growth has eased across a number of measures and is projected to decline further in coming quarters. The labour market has continued to ease but remains tight by historical standards. Unemployment is expected to rise somewhat further.

5.1.5 CPI inflation is projected to fall temporarily to the 2% target in 2024 Q2 before increasing again in Q3 and Q4. This profile of inflation over the second half of the year is accounted for by developments in the direct energy price contribution to 12-month inflation, which becomes less negative. In the MPC's latest projection, CPI inflation is set to be around 2.75% by the end of 2024. This reflects the persistence of domestic inflationary pressures, despite an increasing degree of slack in the economy. CPI inflation is projected to be 2.3% in two years' time and

1.9% in three years. Since the MPC's previous meeting, global GDP growth has remained subdued. Wholesale energy prices have fallen significantly. Material risks remain from developments in the Middle East and from disruption to shipping through the Red Sea.

5.1.6 Table 29 below demonstrates the increase in rates both in the temporary space and longer-term PWLB rates.

5.1.7 The Authority is constantly monitoring interest rates, and whether the Authority should look to lock in rates as part of managing risk. This process considers the Authority's underlying need to borrow (Capital Financing Requirement), Investment Plan priorities and commitments as well as the profile of existing loan arrangements.

5.1.8 Investment rates remain stabilised in line with the unchanged base rate, delivering return on investments and negating cost of carry.

5.1.9 **Table 27: Summary of Borrowing Levels**

Temporary Space		PWLB**	
Tenor	Level	Tenor	Level *
1 week	6.00%	2 years	5.54%
1 month	6.00%	5 years	5.04%
3 month	6.10%	10 years	5.13%
6 month	6.25%	20 years	5.58%
9 month	6.00%	30 years	5.61%
12 month	5.90%	50 years	5.40%

**Please note these levels are from 16/02/2024*
***PWLB rates do not include certainty rate reductions,*

5.1.10 Any shortfalls in cashflow are covered by in year temporary borrowing, which may be a quick and cost-effective method of cash management in the current climate. During November 2023, the authority secured £5.000m for 364 days, to cover an upcoming PWLB maturity which is due to be repaid in October 2024. To manage the cost of borrowing the loan was taken from the temporary market for a short period due to the volatility of rates, with the strategy to lock in lower interest rates in the medium term once interest rates stabilise as forecast.

5.2 Borrowing Position

5.2.1 Table 28 shows the Authority's current debt position, with total borrowing maturing in 2023/24 of £0.000m.

5.2.2 **Table 28: Current Debt Position**

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	387.443	20.000	5.000	412.443
Debt Maturing 2023/24	(0.000)	0.000	0.000	(0.000)

5.2.3 As at January 2024, the forecast under-borrowed position for the Authority is £79.004m (£68.532m at 31 March 2023). Whilst the Authority cannot borrow to fund revenue activity, it can look to utilise reserves, unwind its under-borrowed position, and externalise borrowing.

5.2.4 The last tranche of long-term borrowing was undertaken in August 2022, the Authority took £10m of long-term PWLB loans, this was for a combination of refinancing existing debt, de-risk the Authority's under-borrowed position, as well as take advantage of relatively low long-term rates.

5.2.5 Table 29 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates remain elevated for the remainder of the year. It is forecasted that we are at the peak for 50-year borrowing during the current quarter, before tracking consistently back down to lower levels from 2024 onwards.

5.2.6 Table 29: Link Interest Rate Forecasts

ECONOMIC
FORECASTS

LINK GROUP – FEBRUARY 2024

	End Q1 2024	End Q2 2024	End Q3 2024	End Q4 2024	End Q1 2025	End Q2 2025	End Q3 2025	End Q4 2025	End Q1 2026	End Q2 2026	End Q3 2026	End Q4 2026	End Q4 2026
Bank Rate	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5yr PWLB Rate	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.50%	3.50%	3.50%
10yr PWLB Rate	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.70%	3.70%	3.70%	3.70%
25yr PWLB Rate	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%	4.20%	4.10%	4.10%	4.10%	4.10%
50yr PWLB Rate	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%	4.00%	3.90%	3.90%	3.90%	3.90%

**Please note these forecasts are as at 06.02.2024*

SECTION 6 – DEVELOPER CONTRIBUTIONS

6.1 Section 106 Contributions

6.1.1 Planning obligations under Section 106 (s106) of the Town and Country Planning Act 1990, are commonly known as s106 agreements. They are a mechanism which can make a development proposal acceptable in planning terms, that would not otherwise be acceptable, and are focussed on mitigating the impact of the development on an area. S106 agreements are often called 'developer contributions' or 'planning gain' and include a range of identified categories, historically including highways, affordable housing, sport and leisure, health and play sites, amongst others.

6.1.2 The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority's s106 governance and monitoring process to define what monies are available for what and where this can be allocated, and develop projects based on this information.

6.1.3 The s106 programme of works aims to supplement and support the wider Authority budget, to ensure a good spread of spend for all areas of the Borough and to provide flexibility and value for money.

6.1.4 The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority's s106 governance and monitoring process to define what monies are available and where this can be allocated, and develop projects based on this information.

6.1.5 The s106 programme of works aims to mitigate the impacts of developments within the Borough, supplementing and supporting the wider strategic North Tyneside Plan.

6.1.6 Service areas are routinely reviewing this information and developing projects, which are then presented to Investment Programme Board (IPB) for consideration prior to securing full IPB approval. If approved the projects are then delivered.

6.1.7 The latest s106 finance spreadsheet which includes the financial information of all developer contributions, which have been received by the Authority can be found within Appendix 1 and Appendix 2.

6.1.8 **Table 30: Section 106 Spend Update**

	31 July 2023	30 Sept 2023	30 Nov 2023	31 Jan 2024
Received to date	£20.342m	£20.897m	£21.108m	£21.307m
Spend to date	(£9.604m)	(£9.829m)	(£11.165)	(£11.368)
Committed *(through IPB governance)*	(£3.244m)	(£4.774m)	(£4.057m)	(£4.063m)
Uncommitted Balance	**£7.494m**	**£6.294m**	**£5.886m**	**£5.876m**

6.1.9 As at 31 January 2024, £21.307m had been received by the Authority, of which £11.368m has been expended in line with agreements. £9.939m remains as at 31 January 2024, of which £4.063m is committed. This leaves an uncommitted balance of £5.876m.

6.1.10 In order to deliver projects within the allocated balance, service areas are developing and completing projects based on the legal parameters set within the wording of the planning obligations, all overseen by the Investment Programme Board (IPB) group. Significant work is ongoing with relevant officers in developing key projects and allocating the spend within all service areas.

6.2. Community Infrastructure Levy (CIL)

6.2.1 These are planning tools used to secure financial or non-financial contributions towards the provision of infrastructure to support and enable development and to mitigate the impact of development. CIL contributions now include secondary education, health and community facilities and other infrastructure developer contributions.

6.2.2 CIL continues to develop within the Authority and updates will be incorporated within this report over time as necessary. £0.831m of CIL monies have been received by the Authority, with no projects allocated or monies spent to date.

6.2.3 The Authority is strategically building balances in relation to CIL to facilitate investment within the Borough which will provide greatest benefit.