ANNEX 1

2021-2025 Financial Planning and Budget Process:

Housing Revenue Account Budget, Investment Plan and Treasury Management

1 February 2021

North Tyneside Council

INDEX

1. Introduction

1.1.1. In setting the Budget for the upcoming and future financial years it is crucial that the resource allocations align with the overall vision and strategic priorities of the Elected Mayor and Cabinet. Medium-term financial planning is fundamental in order to ensure that the Authority makes decisions by focussing on strategic priorities and has a clear financial vision and direction for the medium term.

1.1.2. The Council is legally required to set a balanced Budget for the General Fund for 2021/22 to meet statutory duties and provide services such as social care and environmental services. For the HRA, the Council Taxpayer cannot subsidise those living in social housing and the rents and service charges paid by the tenants cannot be used to fund unrelated Authority services. It is also illegal for an authority to budget for a deficit in its HRA or use HRA reserves for General Fund expenditure.

1.1.3. The duties and responsibilities imposed on local authorities through the Local Government Act 2003 are covered in section 3, which covers the financial risks, risk assessment and actions necessary to mitigate against the risks posed within the Budget proposals. The Act requires councillors and officers to consider the Chief Finance Officer's report on the robustness of the Budget and the adequacy of the Authority's financial reserves.

2. Housing Revenue Account (HRA)

2.1.1 Cabinet is being asked to approve the Housing Revenue Account (HRA) Business Plan and Budget for the financial year 2021/22. This includes housing rent, garage rent and service charge changes, and the HRA elements of the Investment Plan. The Housing Revenue Account is required to produce a 30-year Business Plan; however, a four-year Medium-Term Financial Plan (MTFP) for revenue has been produced which brings the HRA in line with the same MTFP period as the General Fund. The HRA elements of the General Fund and Housing Revenue Account Investment Plan spans a five-year period, in line with the Authority's overall Capital Investment Strategy.

2.1.2 Whilst the current economic situation presents significant challenges, the Authority is still able to produce a MTFP for the HRA, which enables over £288m of revenue spend over the next four years to manage and maintain the housing stock and meet the aspirations of Cabinet and tenants.

2.1.3 As well as protecting the significant investment in the housing service delivered via revenue and the MTFP, the HRA also represents a significant element of the Authority's overall Investment Plan. In line with key Cabinet priorities over the next 5 years a total of £116.708m has been provided to enable the existing stock to be maintained at the Decent Homes Standard. In addition, in line with the Mayor and Cabinet's Affordable Homes pledges, a total of £24.470m has been identified to fund the new build schemes identified in the Affordable Homes Plan.

2.1.4 The proposals to resource the revised MTFP and 30-year HRA Business Plan have been subject to the agreed engagement process, along with consultation over the choices available to ensure the objectives can be achieved.

2.2 Background and Policy Context

2.2.1 The Authority is responsible for managing just under 14,500 houses. Rents and service charges provide most of the resources available to the HRA, which is then used to fund the management and maintenance of the housing stock. This income and expenditure are accounted for in a ring-fenced account as required by law under the Local Government and Housing Act 1989. Although accounted for separately, the HRA forms an intrinsic part of the Authority's overall vision and Council Plan, and this report sets the context within which the HRA Financial Plan and Budget proposals are set.

2.2.2 The Authority is in unprecedented times due to the coronavirus pandemic. In line with virtually all areas of the economy, the provision of vital public services including housing has seen major disruption to service delivery. Where relevant, this report outlines the impact that COVID-19 has had on the housing service, and if it will have a bearing on the Budget for 2021/22.

2.2.3 The Authority is still facing the impact of the continued roll-out of Universal Credit and other welfare reforms, which brings greater pressure on the Authority's tenants in terms of managing their finances, and on the Authority's income collection teams who have a responsibility to try and help sustain tenancies, and help tenants manage their money so that they do not end up in financial hardship or significant

arrears, all of which could have a direct impact on the bottom line of the HRA, and the quality of the services that the Authority is then able to provide.

2.2.4 Following the removal of the HRA debt cap in 2018, it is now up to the Authority to determine the level of any unsupported borrowing it wishes to undertake to fund new build or decent homes work, in line with the Prudential Code, which means applying the key tests to ensure that any debt taken on is "prudent, affordable and sustainable". The approach to debt management is reviewed annually and is discussed in more detail below.

2.2.5 April 2019 saw the construction service return to direct management of the Authority. A key priority of the transfer of the Service from Keir North Tyneside to the Authority was to realise the potential benefits and savings and redirect them into the HRA Business Plan. The first year of operation was highly successful and saw circa £40m of works delivered across a range of areas across all the housing stock and public buildings portfolio. The benefits identified from the benefits realisation process were built into the HRA Business Plan last year and continue to support core services and adding value by funding initiatives such as the new budget for tenant priorities within Housing Repairs.

2.2.6 Nobody could have predicted that twelve months into this new service the Authority would be facing a global pandemic. Plans to deliver an even more ambitious programme of works in 2020/21 than last year had to be redrawn as the country entered the initial three-month lockdown period. As services started to return, new COVID-secure ways of working have had to be introduced to keep everybody safe and certain types of works had to be deferred because of social distancing. In financial terms, every scheme is looked at individually to see what safety and social-distancing measures are required. These issues have been considered in the sums provided to fund the Authority's Housing Asset Management Plan. As well as COVID-19 considerations, a full review of the Asset Management Plan has been undertaken, and further work is ongoing to continue to improve, and create a repairs and construction service that best meets the ongoing needs of the Authority's tenants and residents whilst delivering greater efficiency and improved value for money.

2.2.7 These challenges continue to be considered as part of the updating of the 30-year plan which aims to ensure the long-term viability of the HRA in line with the policy direction of the Mayor and Cabinet and the needs of tenants. For the purposes of the current Financial Planning and Budget process, a four-year MTFP has been developed in line with the approach adopted for the General Fund; Cabinet is advised that projections beyond 2021/22 are indicative at this stage. A five-year timeframe is being proposed for the HRA elements of the General Fund and Housing Capital Investment Plan once again in line with the 2021-26 overall Capital Investment Plan Strategy.

2.2.8 HRA tenants have been consulted on these proposals, and the process concludes with this meeting of Cabinet which is being asked to approve the HRA Business Plan and Budget for 2021/22, including the housing rent, garage rent and service charge changes along with the Housing Capital Investment Plan.

2.3 Key Objectives and headline assumptions for the Housing Service

2.3.1 The overriding objectives for the Housing Service are in line with the agreed Housing Strategy and, as far as possible within financial constraints, are to:

1. Ensure the application of the principles of economy, efficiency and effectiveness.
2. Continue to invest in the existing stock to maintain the Decent Homes Standard.
3. Maintain and develop effective engagement with tenants.
4. Continually monitor the impact of changes such as Universal Credit and other welfare reform on tenants and ensure they have the appropriate support.
5. Work with private landlords to refurbish stock where appropriate.
6. Undertake environmental improvements to estates to ensure that they are clean and safe.
7. Support the delivery of Affordable Homes across the Borough.
8. Specifically increase the delivery of new-build homes where practicable; and
9. Create sustainable tenancies and maximise rental income collection.

2.3.2 The key headlines for the HRA Budget for 2021/22 are as follows:

1. <u>Rent and Service Charges</u>

A) Rent Policy: April 2020 saw the re-introduction of rent increases based on the Consumer Prices Index (CPI) plus 1% for at least the next five years. The baseline for 2021/22 is the CPI rate as of September 2020 which was 0.5%. The rent increase proposed for 2021/22, to be in line with Government policy, is 1.5%. The base HRA Business Plan assumes a 3% rent increase per annum as 2% is the Government target for CPI. The CPI rate has been steadily falling since the start of the pandemic, and hit a low in August 2020 of 0.2%, this was believed to have been heavily impacted by the introduction by the Chancellor of nearly £0.500bn of funding for the “Eat Out to Help Out” scheme which dampened the inflation rate. Once the funding for that scheme was pulled the inflation rate has started to increase again albeit only to 0.5% in September. The impact of this on the HRA Business Plan is to reduce the forecast rental income over 30 years by just under £45.000m. Part of the process to finalise these Budget proposals was to look at putting together a package of measures to fill the gap. The key drivers were to ensure support to the Housing Investment Plan to maintain the existing stock to a decent standard, and to protect resources identified to fund the HRA elements of the Affordable Homes programme.

Because of the four-year rent reduction imposed by the Government from 2016 the Authority had already taken nearly £0.500bn out of the 30-year plan previously, and the vast majority of that had been identified by making some difficult choices within the Housing Investment Plan. The proposal that these savings needed to balance the 2021-51 Plan will be achieved from a package of revenue savings, namely:

- A review of bad debt provisions.
- A review of levels of in-year contingency provided within both the Management and Repairs budgets.
- Adjusting the approach to debt management within the Treasury Management Strategy for the HRA, to slow down the rate at which debt

is repaid over the life of the Plan, as the strategy was always to repay debt where prudent, and if the Authority were able to afford to do so.

- A review and rebasing of rental income streams to iron out any obvious variances; and
- Commence a fundamental review of the structure of the Housing Property and Construction Service, which should deliver savings in both operational and management and support costs, which will be necessary as the volume of work delivered across the entire service may well drop as a result of the impact of COVID-19 on the Authority's overall financial position.

This package of measures will be sufficient to deliver the efficiencies needed to balance the Plan whilst protecting the key Cabinet and Mayoral priorities of:

- a commitment to deliver more affordable housing by increasing the resources available for the HRA element of the Affordable Homes strategy.
- Maintaining the tenants' priorities budget within repairs to focus on key areas of need, those initial areas of focus being pest control, empty homes standard and property health checks.
- Strengthening the resources available to support tenants in coping with the changes arising from welfare reform and the continued roll-out of Universal Credit; and
- Ensuring that existing housing stock is maintained to the Decent Homes Standard.

B) It is proposed to increase service charges for 2021/22 in line with the rent increase at CPI + 1%. For most service charges for 2021/22 the increase will be 1.5%.

C) A review of the garage letting process was concluded and implemented in 2019/20 which resulted in a phased approach over two years to harmonise garage rents. This exercise was completed this year, so for 2021/22 it is recommended that garage rents will increase in line with rent and service charges being based on CPI + 1% which will see a 1.5% increase.

D) The Authority will continue to move to target rent when properties become empty.

E) An initial review of service charges attached to North Tyneside Living schemes has been undertaken, and service charges attached to those schemes will be increased in line with rents at CPI + 1% i.e., 1.5%. However, as the schemes continue to become established and fully operational, the Authority are endeavouring to gather more accurate trend data, and ensure that service charges reflect actual costs as closely as possible.

F) The Authority also continues to monitor the impact of welfare reform changes. The importance of ensuring that tenants are kept fully informed of the requirements of the new scheme is fully recognised and ensuring that they are supported in managing the impact of change. In North Tyneside, Universal Credit numbers continue to increase at the end of September 2020 around

3,000 tenants were on Universal Credit and in arrears totalling £2.525m. The Authority had already allocated additional resources to support those tenants affected by the changes in last year's Budget. Due to issues caused by the pandemic, there were delays in recruitment, but most posts have now been filled which should help ensure that tenants get the support they need. The HRA manages a number of properties charging affordable rents i.e., 80% of market rates, and these are not immune to the impact of benefit changes on housing costs as the 80% calculation includes service charges if applicable. Members will continue to be updated of any significant further welfare reform changes as they become clear.

G) In January 2014 Cabinet agreed that everybody in sheltered accommodation who held a tenancy at the point that the North Tyneside Living Private Finance Initiative (PFI) began construction would be protected from excessive rent increases. This is because at the point of completion all the properties saw a significant increase in their asset valuation, a portion of which is used to calculate the rent attached to the property. So those tenants would only be subject to the normal annual rent increase agreed by Cabinet. Also, as previously agreed all new tenancies commence at the newly calculated rents. It is estimated that this protection will cost in the region of £0.050m in 2021/22 and is steadily reducing year on year.

H) From April 2018 Cabinet agreed that the Authority would move from a 50 to a 52-week rent year to align with the continued roll-out of Universal Credit (UC). This sees tenants' weekly rent spread over 52 weeks, although for those residents that wish to continue paying over 50 weeks this option is available. This policy will continue as agreed by Cabinet and 2021/22 will continue to align to UC as it is a 52-week year unlike 2019/20 which was a 53-week year; this may have caused some short-term issues for some tenants.

2. <u>The Housing Capital Investment Plan 2021-2026</u>

The Housing Capital Investment Plan has been refreshed based on the revised Asset Management Strategy, along with revised sums identified to fund new build proposals. The key assumptions that have been made in developing the Housing Capital Investment Plan for 2021-2026 are as follows:

A) Acknowledging the impact of the COVID-19 pandemic, recognising that there will need to be additional consideration given to ensure all COVID-secure measures are followed in the workplace and out on site, which may require different welfare arrangements depending on the site, additional PPE, sanitisers etc.

B) Review of HRA elements of the General Fund and Housing Capital Investment Plan spend based on maintaining Decent Homes, continuation of a fencing programme and other core items included in the refreshed Asset Management Plan, would see core spend of £116.708m over the next 5 years 2021-26, plus new build spend of £24.470m based on continuing the existing approach to HRA new build within Cabinet's overall Affordable Homes Strategy; and

C) Spend for 2021/22 of £26.362m including £2.500m for the continuation of a new build / conversion / acquisition council house programme (including re-programming from 2020/21).

These figures are based on maintaining the key principles of Cabinet's existing approach to debt management and self-financing.

3. Housing Repairs Budget 2021/22

Cabinet was presented last year with a proposal to create a budget for Tenant Priorities from some of the savings realised from the creation of the Housing Property and Construction Service. A significant amount of work was undertaken to look at tenant priorities, and a list of options for prioritising resource allocation was put forward, and for 2019/20 the following were given priority, namely:

- Improving the Empty Homes standard.
- Free pest control service for tenants; and
- Property health checks i.e., scheduled maintenance visits as opposed to reactive ones to properties identified as high maintenance.

In the light of the delays caused by the pandemic in starting these initiatives, it is recommended that these areas remain the focus of the tenant priorities budget for 2021/22, as the objectives remain key to meeting tenants' aspirations.

4. ICT Systems Review

There is a need for a fundamental review of all the Housing ICT systems currently in use across the Service. Northgate has never been fully reviewed to assess its ongoing suitability and whether it needs to be replaced or upgraded. The Authority is also nearly two years into the contract for the Accuserv system used to support HPC's activity, and so this will shortly be under review to decide the future path for that system. A key part of any review would be to assess the benefits and market test whether there is a suitable "unified" system available that could meet most of the Service's needs. This project will be a major exercise needing dedicated resources and a proper governance process put in place. Indicative revenue and capital resources have been identified within the HRA MTFP over the next four years to enable this work to be carried out. The figures will be revised and confirmed as project plans and reviews commence, and a clearer picture is established as to what needs to change.

5. HRA Unallocated Working Balances

Sustain unallocated working HRA balances at a minimum of £2.5m at this stage.

6. Right to Buy (RTB) Sales

RTB sales have increased significantly since the start of self-financing at the end of 2011/12.

Table 1: Right to Buy Sales 2011/12 to date

2011/12	30
2012/13	85
2013/14	122
2014/15	100
2015/16	135
2016/17	136
2017/18	158
2018/19	135
2019/20	120
2020/21 to-date (Sept)	52

As part of changes the Government introduced in 2012/13, the Authority signed an agreement that allows RTB receipts above the levels assumed as part of self-financing to be retained if they are used to fund new build homes at a 30% contribution rate within three years. This has seen an additional £6.285m of capital receipts retained to the end of 2019/20, which has helped deliver £18.842m of new build schemes. The trend in RTB sales is reflected in the 2021/22 Business Plan profile for stock numbers with circa 115 RTB sales and other disposals assumed.

7. Treasury Management Strategy (TMS) and the HRA Borrowing "Cap"

The HRA is an integral part of the Authority's TMS. When self-financing was introduced in 2012/13, all stock-retaining authorities had to decide on their approach to debt. Each had to either take on additional debt or have debt paid off, based on the assessed ability of the level of debt that their business plans could be expected to manage. For North Tyneside this meant borrowing £128m of loans from the Public Works Loan Board to pay the Authority's allocated share of debt to the Treasury. Each Authority was allocated a "cap" representing the maximum amount of debt that could be held by the HRA. This Authority was one of only a handful nationally where the debt held was above the "cap". Actual debt was £290.825m compared to the calculated cap of £270.585m but the Government "flexed" the cap to match the actual position.

All authorities were in different positions regarding actual debt held and the cap, most were below but many were at or near the cap which restricted their options. Each had to decide what debt and risk approach they would take to both fund investment in existing stock and potentially any new build opportunities. Cabinet agreed at this point to set aside money where possible to repay debt each year, to bring the overall debt holdings down below the cap. The recommended strategy was not to seek to repay all debt held over the initial 30 years. This approach enabled revenue surpluses to be created, which have been utilised to fund a programme of HRA new build spend totalling £23.864m to the end of 2019/20. By the end of March 2020, the Authority's actual HRA debt stood at £264.877m compared to the £290.825m "cap", and by March 2021 it is anticipated that the debt will drop further to £249.673m. The Authority has

already created some headroom through the prudent approach agreed to its Treasury Management Strategy.

These 2021/22 final Budget proposals are based on the existing Cabinet agreed policy approach to debt. The only real change proposed to the current plan for 2021-2051 is to slow down the rate at which debt is repaid, in order to help fund a package of savings that will counter the loss of an estimated £45m of rental income due to the current low rate of CPI. It is estimated that this change in approach would provide £35m of the estimated £45m of savings required. If this approach is taken over the life of the Plan it is estimated that just under a further £70m of debt will be repaid over the next 30 years, compared to £105m in the base model based on a target 3% rent increase per annum.

The Table below shows the reduction in HRA debt included in the current proposals:

Table 2 – Impact on HRA Debt 2021-2051 of Revised Business Plan

Description	Debt Movement
	£m
Opening Self-Financing Debt	290.825
Opening HRA Debt 01/04/2021	249.677
Closing HRA Debt after 30 Years	179.677
Debt Repaid over 30 years	70.000
Debt Repaid from start of SF	111.148

8. Self-Financing and Depreciation

From 2017/18 the Government has required that all local authorities calculate a true depreciation charge as a true bottom-line cost to the HRA. The approach developed by this Authority calculates a simple depreciation charge based on splitting investment works across several component elements of a building and linking that to the way the Authority's properties are valued using several "beacon properties" i.e., a sample of properties which represent the different standard types of properties held by the Authority. The level of depreciation calculated using this method will be able to be contained within the amounts currently budgeted in the 30-year HRA Business Plan, and these sums are allocated directly to fund the Housing Capital Investment Plan.

2.4 HRA Summary Financial Plans

2.4.1 In summary, the HRA Business Plan modelled to create these final Budget proposals for 2021/22 contains the following key assumptions, most of which are based upon continuing with current Mayoral and Cabinet policy priorities:

- Additional rental income of CPI plus 1%, with a proposed rent increase for 2021/22 of 1.5%, with a longer-term assumption based on CPI target that equates to 3% per annum.
- Garage rent and service charges will increase in line with rental income increases of 1.5% for 2021/22.
- The Tenant Priorities budget created last year will be maintained, particularly as much of the agreed work has been halted by the pandemic,

albeit a lot of work is being undertaken to try and make some meaningful progress in each area before the end of 2020/21.

- Resources identified over the next four years to undertake full review of current housing ICT systems and produce an options appraisal of future needs for the service, and then procure and implement the agreed best solution; and
- The base Housing Capital Investment Plan has been refreshed based on an update of the Asset Management Plan and includes continuation of a new build programme in line with Mayoral priorities and the Affordable Homes Plan.

2.4.2 The updated HRA Capital Investment Plan for 2021-2026 contains over £24m to support the HRA new build programme over the next five years, whilst continuing to repay some debt. The impact that Brexit could have on interest rates and borrowing rates and therefore the impact on the HRA debt position remains unknown at this point. It is prudent that Cabinet maintains its current borrowing policy at this stage, until more surety can be gained over future economic trends.

2.4.3 Appendix C(ii) shows the revised four-year HRA Business Plan 2021-2025, and Appendix C(i) splits the changes included in the HRA Business Plan between Pressures and Growth, Efficiencies and Reserves and Contingencies. The HRA Business Plan for 2021-51 (available as a background paper) starts with an assessment of the budget monitoring position as of 30 November 2020, and the impact on HRA balances for this year. At that point, as was reported to Cabinet on 25th January 2021, the HRA was predicting an overspend of £0.259 m against Budget for 2020/21, mainly due to the impact of the COVID-19 pandemic on service delivery in the first three months of the year. Some of the impact is mitigated by existing budgets, and some by an improving rent position, and some vacancy savings from delays in filling posts again due to the pandemic. This means that the opening balances feeding into the Business Plan as at 31 March 2021 are forecast to be £4.955 m as shown in Appendix C(ii).

The five-year Housing Investment Plan 2021-2026 is included within Appendix D(ii).

Appendix C(i) also shows a further breakdown of the movement on reserves and contingencies which includes a contribution from reserves of £1.943m for 2021/22. It is proposed to reduce contingency budgets by £0.180m in 2021/22 following a review of the levels held, with separate provision made for inflation and pay awards of £0.442m for 2021/22.

3 Overall Financial Risk Assessment – Specifically Relating to the HRA

3.1.1 Financial risks are driven by changes to Government policy and the national financial climate, issues arising throughout the year and reported as part of the financial management reporting process and those risks highlighted as part of the Authority's risk management procedures and monitored through the Authority's risk registers. As part of the monitoring process the Authority's Corporate Risk Register is monitored twice yearly by Cabinet.

3.2 Key Financial Risks

3.2.1 The key financial risks for the Authority (including the HRA), which have been considered as part of the Financial Planning and Budget process, are set out in the table below along with mitigating actions:

Key Financial Risks and mitigating actions

Potential Risk	Initial Response
There is a risk that the levels of savings and income the Authority has included in the Budget proposals are not fully deliverable.	A robust challenge process has taken place to align proposals to the Efficiency Statement and how this enables the Authority to deliver its Efficiency Programme. This programme will then be monitored throughout the year to identify any areas which are not delivering savings as planned so corrective action can be taken.
There is a risk that if the Efficiency Programme is not successfully implemented the Authority may be unable to deliver improved services and meet the increased demand on the Authority's services within reducing resources. This could have the financial impact of the Authority not delivering on its Budget.	An overall Budget Proposal Document and Terms of Reference are in place for all existing and new Efficiency Programme projects. This spans all service redesign projects Monthly Updates to SLT are provided as part of the in-year financial management process. The Customer Service Steering Group will be sighted on the outcomes from any Service Reviews undertaken during 2020/21and into 2021/22.
There is a risk that the assumptions that have been made based on the indicative settlement up to and including 2024/25 may be wrong, resulting in changes to the current targeted savings by 2024/25, for the General Fund and for the HRA, which will be considered by Cabinet in February 2021. This includes any assumptions with regards to the ongoing impacts of the COVID-19 pandemic.	The authority has demonstrated robust response to financial management actions if the assumptions that have been made prove to be incorrect. The Authority continues to work closely with national, regional and sub-regional financial networks to help ensure that it is informed and aware of any national developments. Being involved in the consultation process enables any issues or concerns specific to NTC to

	be highlighted before final decisions are made. The announcement of the Spending Review 2020 clearly gives more information regarding spending plans and financial support to Local Government for 2021/22. More detail was set out in the Provisional Settlement which was published in late December 2020.
There is a risk that not all growth pressures have been identified in the 2021/22 proposed Budget.	Detailed proposals have been put forward by each Head of Service and challenged by the Senior Leadership Team, Cabinet Members and the Elected Mayor.
There is a risk that specific factors arising during 2020/21 have not been fully taken into account when preparing the 2021/22 Budget.	The 2020/21 financial position is monitored through bi-monthly reporting to Cabinet and monthly reporting to Senior Leadership Team. This process ensures that factors arising during the year are highlighted.
There is a risk that the contingency provision included in the Financial Plan for 2021/22 is insufficient.	The review of the base Budget and the reflection of the 2020/21 pressures into 2021/22 have been considered as part of the financial planning process
There is a risk that there are insufficient levels of reserves and balances.	A full review of reserves and balances is undertaken on a regular basis as part of both the in-year monitoring process and planning process.
There is a risk that the Authority will be unable to protect its housing assets and services to tenants because of reduced income to the Housing Revenue Account. Government policy on welfare reform is resulting in a number of direct challenges to rent collection; the Spare Room Subsidy and the Benefit Cap have already had an impact. Further welfare reform changes, including the implementation of Universal Credit and its revised payment period continue to impact on business planning.	The Budget-setting process incorporates a review of the HRA business plan to reflect the changes. The cost and quantity of work within the 30-year Capital Investment Plan is revised annually to help mitigate the impact of changes. In addition, the Financial Inclusion Strategy sets out how the Authority and its partners will support its residents to better manage their finances and maximise their income. The Authority has representation on the MHCLG and CIPFA HRA working groups. This enables specific NTC issues to be raised and allows the Authority to comment and influence change on HRA regulation.
There is a risk that North Tyneside may be placed at a disadvantage following the decision to leave the European Union in	The potential impact from leaving the EU has been included in the Authority's Financial Strategy. This is helping to

both financial and economic growth terms. The full extent of the impact will not be clear until the Authority know the precise trade terms which will apply once Britain formally leaves the EU. This has a potentially significant financial impact due to loss of revenue grant and a potential loss of opportunities, i.e., capital grant and other revenue sources.	ensure that potential areas of impact following the EU exit are highlighted and included (where relevant) in budget planning. The Authority is a member of various regional groups which will help it keep up to speed on progress and have the opportunity to exert any influence that it can. It is inevitable that there will be some impact from the decision to leave the EU, the challenge is to manage the impact where possible.