

# 2021/22 Financial Management Report Annex

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## **SECTION 1 - GENERAL FUND SUMMARY**

### **1 General Fund Revenue Forecast**

- 1.1 This report is the third monitoring report to Cabinet on the 2021/22 financial position. The report brings together financial and performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the third indication of the potential revenue and capital position of the Authority at 31 March 2022. The report explains where the Authority continues to manage financial pressures.

The 2020/21 financial year was highly complex for the Authority with the operational response to the pandemic requiring innovation, agility, professionalism and partnership. Like all local authorities, North Tyneside Council continues to feel the impact of the ongoing Covid-19 pandemic and as such this report contains considerations to the potential financial impact the pandemic will have on the Authority in 2021/22. The Authority continues to see areas of pressure across Adults and Children's Social Care, but there are also significant impacts on income particularly across Sport and Leisure Services, and Catering Services.

- 1.2 The Authority's approved net revenue budget of £150.154m is currently forecast to outturn with a pressure of £5.962m. Table 1 in paragraph 1.5 below sets out the variation summary across the General Fund.
- 1.3 The Authority is continuing to take a prudent approach to forecasting including in relation to the impact of Covid-19 which currently is forecast to add pressures of £17.274m to the General Fund in 2021/22. The total Local Authority Support Grant received from Government for 2021/22 to date is £7.261m, of which £5.576m is new and £1.685m is carried forward from 2020/21. In addition, £4.517m of grants have been received to support specific activities, and an assumption has been made that the Authority will receive £1.335m of Sales, Fees and Charges funding, leaving a forecast pressure in the General Fund due to Covid-19 issues of £4.161m. The remaining pressure of £1.801m relates to normal ongoing activities.

Section 4 of this Annex sets out details of all grant funding received in respect of Covid-19 issues.

- 1.4 This Annex describes as far as possible the assumptions currently made in respect of additional costs and loss of income as a result of Covid-19, and where services continue to see variations in respect of business as usual.

**1.5 Table: 1 2020/21 General Fund Revenue Forecast Outturn as at 30 September 2021**

Services	Budget	Forecast Outturn September	Variance September	Previous Cabinet	Variance Change since July
	£m	£m	£m	£m	£m
Health, Education, Care and Safeguarding	74.144	81.116	6.972	7.281	(0.309)
Commissioning and Asset Management	8.013	9.271	1.258	0.884	0.374
Environment, Housing and Leisure	44.279	44.123	(0.156)	(0.036)	(0.120)
Regeneration and Economic Development	1.399	1.573	0.174	0.063	0.111
Corporate Strategy	0.711	0.741	0.030	0.077	(0.047)
Chief Executive's Office	(0.078)	(0.109)	(0.031)	(0.031)	0.000
Resources	3.416	3.933	0.517	0.369	0.148
Law and Governance	0.308	0.793	0.485	0.418	0.067
Central Items – BAU	(2.051)	(9.499)	(7.448)	(7.212)	(0.236)
Central Items – Covid-19	0.000	4.161	4.161	5.607	(1.446)
Support Services	20.013	20.013	0.000	0.000	0.000
<b>Total Authority</b>	<b>150.154</b>	<b>156.116</b>	<b>5.962</b>	<b>7.420</b>	<b>(1.458)</b>

## **SECTION 2 - DELIVERY OF BUDGET SAVINGS PROPOSALS**

2.1 No new savings were proposed as part of the budget approved by Council in February 2021 so the total savings the Authority has had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) remains at the 2020/21 total of £127.756m.

### **2.2 Table 2: Year on Year savings since 2010 CSR**

<b>Year</b>	<b>£m</b>
2011/12	16.169
2012/13	16.739
2013/14	12.240
2014/15	16.552
2015/16	14.158
2016/17	15.737
2017/18	18.338
2018/19	10.143
2019/20	6.875
2020/21	0.805
2021/22	0.000
<b>Total Savings</b>	<b>127.756</b>

2.3 Although no new savings were proposed, a total of £1.180m of savings targets were agreed in prior years budget setting processes for delivery in 2021/22. Savings targets of £2.181m within Health, Education, Care and Safeguarding (HECS) were met in 2020/21 through Covid grants or alternative management actions with a further £0.482m met through one-year funding sources. This leaves a total of £3.843m savings targets within HECS which still require a permanent solution in 2021/22. A target of £0.082m from 2020/21 within Commissioning and Asset Management also requires achievement on a permanent basis in 2021/22. The total savings that need to be achieved in 2021/22 are therefore £4.537m.

2.4 The delivery of savings in 2021/22 is expected to continue to be impacted by the Covid-19 pandemic within HECS and Commissioning & Asset Management however, savings delivery has improved by £0.790m within HECS since the last report and now totals £1.557m.

### **2.5 Table 3: Efficiency Savings by Service at September 2021**

<b>Service</b>	<b>2021/22 Targets £m</b>	<b>Projected Delivery £m</b>	<b>In Year Actions £m</b>	<b>Yet to be achieved £m</b>
HECS	3.843	1.557	0.830	1.456
Commissioning & Asset Management	0.264	0.093	0.000	0.171
Environment Housing & Leisure	0.430	0.430	0.000	0.000
<b>TOTAL</b>	<b>4.537</b>	<b>2.080</b>	<b>0.830</b>	<b>1.627</b>

- 2.6 The governance structure of the Efficiency Savings Programme includes a monthly review of progress by the Senior Leadership Team (SLT). In addition, in-year budget and performance progress meetings are held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The variations in relation to the savings where delivery has been impacted by Covid are outlined in the sections below.

#### Health, Education, Care and Safeguarding (HECS)

- 2.7 HECS has achieved savings targets totalling £1.557m relating to Sector Led Improvement income (£0.100m), assistive technology (£0.120m), maximising children's (£0.297m) and Adults NHS income (£0.250m) with improvements in delivery since the July report in relation to Learning Disability services (£0.220m), Income Management (£0.050m), development on internal services for children (£0.400m) and reduced external fostering arrangements (£0.120m). An in-year saving of £0.830m has been identified through management actions of retaining vacancies and managing third party payments within Adult services.
- 2.8 This service has been significantly impacted by the Covid-19 pandemic and the level of response required through each phase as the Pandemic unfolded. A proportion of the savings involve income generation via third parties. Other service delivery-based savings have been impacted due to capacity issues where placements have had to be maintained due to Covid-19 restrictions.
- 2.9 Finance Officers continue to attend meetings with senior managers and the Head of Service across adult and children's services and individual managers have assigned responsibilities to pursue deliverability of remaining schemes and to identify alternative proposals during 2021/22.

#### Commissioning and Asset Management

- 2.10 Within Commissioning and Asset Management the only savings target forecasted to be unmet in 2020/21 related to the target for an increase in school meals fees of £0.082m. This is now joined in 2021/22 by a further increase in this target of £0.082m. Both of these targets are forecasted as yet to be achieved pending decisions on school meal price increases. £0.093m of the target of £0.100m relating to SLA income is forecasted to be achieved, with the remaining £0.007m requiring an alternative solution following the departure of faith schools from the SLA.

#### Environment Housing and Leisure

- 2.11 All savings in this service are forecasted to be achieved.

## **SECTION 3 – NEW REVENUE GRANTS**

3.1 New revenue grants have been received or notified during August and September 2021.

**Table 4: Grants Received or Notified in August and September 2021**

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2021/22 value £m</b>
Health Education Care and Safeguarding	Education and Skills Funding Agency	Key Stage 2 Moderation and Key Stage 1 Phonics	To provide support for statutory duties for teacher assessment and monitoring	0.011
Health Education Care and Safeguarding	Education and Skills Funding Agency	Covid-19 mass testing for schools and colleges	To support mass testing in schools and colleges	0.308
Commissioning and Asset Management	European Social Fund (via Department for Work and Pensions)	Step to Employment	To support residents aged 29 and over along a journey into employment or self-employment	0.092
Central Items	Department of Health and Social Care	Infection Control and Testing Fund Round 3	To support care providers with Covid-19 infection control measures, to support rapid testing of staff and visitors and to support roll out of flu vaccinations to care staff	1.516
<b>Total</b>				<b>1.927</b>

## **SECTION 4 – IMPACT OF COVID-19**

4.1 The Authority continues to play a key role in supporting businesses, residents, care homes and schools with financial support and additional Covid-19 related services throughout the Pandemic. Financial impacts remain, due to loss of income as a result of closures and restrictions on the facilities the Authority operates and additional costs resulting from Covid-19 in relation to its business-as-usual activities. The Authority has received a range of grants from Government to fund this additional activity and the financial impact on the Authority's normal services. The tables below outline the grants received, spend in year and the outcomes related to each grant.

4.2 **Table 5: Supporting Our Businesses**

<b>Business Grant</b>	<b>Value Awarded 21/22</b>	<b>Value B/Fwd from 20/21</b>	<b>Value Spent 01.04.21-30.09.21</b>	<b>Value Committed @ 30.09.21</b>	<b>Value Available @ 30.09.21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Business Support Top-Up (Closed Business Lockdown Payments)	0.000	3.307	0.199	3.108	0.000
Local Restrictions Support 'Closed' & 'Open'	0.000	4.694	0.353	4.341	0.000
Additional Restrictions Grant	0.000	2.661	2.661	0.000	0.000
Additional Restrictions Grant – Top Up	1.012	0.000	0.021	0.991	0.000
Christmas Support 'Wet-Pubs'	0.000	0.047	0.047	0.000	0.000
Restart Grants	9.804	0.000	8.875	0.929	0.000
Capacity Fund	0.000	0.636	0.268	0.368	0.000
Travel Demand Management	0.000	0.010	0.010	0.000	0.000
<b>Total</b>	<b>10.816</b>	<b>11.355</b>	<b>12.434</b>	<b>9.737</b>	<b>0.000</b>

4.3 The Authority has £11.355m of grant funding brought forward from 2020/21 with a further £10.816m awarded in 2021/22 aimed at supporting businesses across the Borough. £12.434m of this has been allocated to date. Of the remaining £9.737m, £8.378m is being held in anticipation of repayment to Central Government. This relates to the Business Support Top-Up, Local Restrictions Grants and Restart Grant where the schemes have ended and the Authority was awarded more funding than was required. The remaining £1.359m is anticipated to be fully allocated during the remainder of 2021/22.



#### 4.4 Table 6: Supporting Our Residents

Residents Grant	Value Awarded 21/22	Value B/Fwd from 20/21	Value Spent 01.04.21-30.09.21	Value Committed @ 30.09.21	Value Available @ 30.09.21
	£m	£m	£m	£m	£m
Test & Trace Programme Support Grant	0.000	0.782	0.437	0.345	0.000
Emergency Assistance Grant	0.000	0.080	0.022	0.058	0.000
Contain Outbreak Management Fund	1.439	5.302	1.178	5.563	0.000
Test & Trace (self-isolation) Support Payments	0.634	0.438	0.486	0.586	0.000
LA Practical Support Framework	0.354	0.000	0.010	0.344	0.000
Covid Marshalls	0.000	0.003	0.003	0.000	0.000
Clinically Extremely Vulnerable	0.236	0.303	0.118	0.421	0.000
Rough Sleepers Additional Grant	0.025	0.000	0.025	0.000	0.000
Winter Grant	0.012	0.000	0.012	0.000	0.000
Local Support Grant & Extension	0.759	0.000	0.759	0.000	0.000
Rapid Testing in the Community	0.160	0.000	0.160	0.000	0.000
<b>Total</b>	<b>3.619</b>	<b>6.908</b>	<b>3.210</b>	<b>7.317</b>	<b>0.000</b>

4.5 The Authority has been awarded £3.619m of new grant funding in 2021/22 to continue supporting its residents on top of a brought forward balance of £6.908m from 2020/21, meaning there is £10.527m of funding available. This funding ranges from ensuring our most vulnerable are protected, individuals that needed to self-isolated still have access to the services they required and ensuring residents can visit our coastline and other attractions safely, where guidelines allow, through the employment of Covid Marshalls and other safety measures. The Authority has spent £3.210m in the period to the end of September and is committed to spending the balance of £7.317m in this financial year. The majority of the committed balance relates to the Contain Outbreak Management Fund. This grant is to help the Authority support the prevention of Covid-19 outbreaks or manage any that do occur in the borough. A number of plans are in place to spend this money over the remaining months of 2021/22 as restrictions ease and recovery continues.

#### 4.6 Table 7: Supporting Our Care Homes

Care Sector Grant	Value Awarded 21/22	Value B/Fwd from 20/21	Value Spent 01.04.21-30.09.21	Value Committed @ 30.09.21	Value Available @ 30.09.21
	£m	£m	£m	£m	£m
Infection Control	1.278	0.544	0.687	1.135	0.000
Infection Control and Testing Grant	1.237	0.000	0.000	1.237	0.000
Rapid Testing – Care Homes	0.922	0.000	0.794	0.128	0.000
<b>Total</b>	<b>3.437</b>	<b>0.544</b>	<b>1.481</b>	<b>2.500</b>	<b>0.000</b>

4.7 The Authority has been awarded £3.437m to support the care homes within the borough, as well as having £0.544m carried forward from 2020/21. The majority of this funding is passed over directly to the care homes. The remaining funding is used to support the Authority’s adult social care services for infection control and testing activities.

#### 4.8 Table 8: Supporting Our Schools

Schools Grant	Value Awarded 21/22	Value B/Fwd from 20/21	Value Spent 01.04.21-30.09.21	Value Committed @ 30.09.21	Value Available @ 30.09.21
	£m	£m	£m	£m	£m
Digital Inclusion	0.000	0.076	0.051	0.025	0.000
Schools Catch-up Premium	0.880	0.000	0.880	0.000	0.000
Mental Health in Schools	0.024	0.000	0.000	0.024	0.000
Additional Home to School Transport	0.184	0.000	0.184	0.000	0.000
Mass Testing for Schools	0.074	0.233	0.233	0.074	0.000
Recovery Premium	1.061	0.000	0.270	0.791	0.000
<b>Total</b>	<b>2.223</b>	<b>0.309</b>	<b>1.618</b>	<b>0.914</b>	<b>0.000</b>

4.9 Grant funding of £2.223m has been awarded for 2021/22 with a brought forward balance from 2020/21 of £0.309m giving a balance available to spend on our maintained schools during 2021/22 of £2.532m. This funding is to help support schools to be able to continue to offer a Covid-safe environment and deliver services to ensure children are not detrimentally impacted by being unable to attend classes in school.

## Supporting Council Services

4.10 The Authority's services have been heavily impacted by the Covid-19 pandemic. These services are being supported in 2021/22 by £5.576m of Local Authority Support Grant and a brought forward balance of £1.685m. There is also utilisation of £4.517m of specific grants supporting services, and an estimate of £1.335m of grant funding to cover losses on Sales, Fees and Charges, which together with the Local Authority Support Grant amounts to a total grant availability of £13.113m. The tables below, summarised in Table 15, show that the forecasted total impact of Covid-19 on general fund services in 2021/22 is expected to be £17.274m, which will therefore leave a pressure on Covid-19 of £4.161m over the funding currently available.

The figures in the tables below are forecasts based on a range of assumptions relating to when the service areas predict their services will see the financial impact of Covid-19 reduce and activity return to a pre pandemic level. These forecasts will continue to be updated as new Government guidance is considered and implemented.

### 4.11 Table 9: Supporting Our Council Services in Commissioning & Asset Management

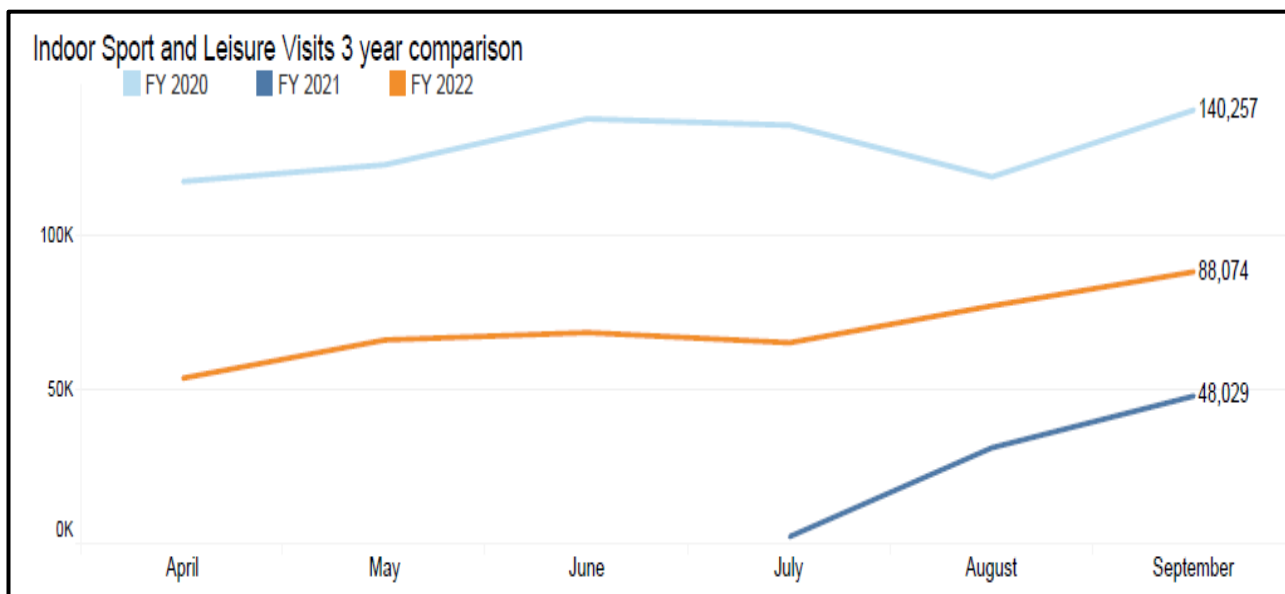
Commissioning & Asset Management	Main Grant £m	Other Specific Grant £m	Total Claimed £m
Free School Meals	1.496	0.000	1.496
Asset Management	0.050	0.000	0.050
LA7 Home to School Transport	0.000	0.184	0.184
Clinically Extremely Vulnerable	0.000	0.539	0.539
Electricity	(0.013)	0.000	(0.013)
Cleaning	0.046	0.000	0.046
Rents General	0.036	0.000	0.036
Car Parks (season tickets)	0.042	0.000	0.042
Penalty Notices (absence from School)	0.026	0.000	0.026
Contractor Payments	0.002	0.000	0.002
General Fund PPE	0.033	0.000	0.033
<b>Total</b>	<b>1.718</b>	<b>0.723</b>	<b>2.441</b>

4.12 Table 10: Supporting Our Council Services in Environment, Housing & Leisure

Environment Housing & Leisure	Main Grant £m	Other Specific Grant £m	Total Claimed £m
Sport & Leisure	2.521	0.000	2.521
Environmental Services	0.182	0.000	0.182
Waste Management	0.456	0.000	0.456
Highways & Transport	0.505	0.000	0.505
Cultural Services	0.209	0.000	0.209
Homelessness	0.015	0.000	0.015
Marshalls	0.000	0.174	0.174
Environment & Regulatory	0.073	0.000	0.073
Planning & Development	0.085	0.000	0.085
<b>Total</b>	<b>4.046</b>	<b>0.174</b>	<b>4.220</b>

The main pressure within EHL relates to Sport & Leisure, where closures and reduced visits during the pandemic have significantly impacted on income. Chart 1 below shows that visitor numbers have improved in 2021/22 compared to 2020/21 but the number is still much lower than pre-pandemic levels.

Chart 1: Sport & Leisure Visits



**4.13 Table 11: Supporting Our Council Services in Health, Education, Care & Safeguarding**

<b>Health, Education, Care &amp; Safeguarding</b>	<b>Main Grant £m</b>	<b>Other Specific Grant £m</b>	<b>Total Claimed £m</b>
CYPL - School Improvement	0.317	0.000	0.317
CYPL - Front Door & safe and support	1.464	0.000	1.464
CYPL - Placement Costs	1.615	0.000	1.615
CYPL - Residential Staffing	0.656	0.000	0.656
CYPL - Adoption Agency (NTC share)	0.089	0.000	0.089
ASC - Adult Services	2.640	0.000	2.640
ASC - Rapid Testing in Social Care	0.000	0.922	0.922
ASC - Infection Control Grant	0.000	1.278	1.278
<b>CYPL &amp; ASC sub total</b>	<b>6.781</b>	<b>2.200</b>	<b>8.981</b>
PH - Test & Trace Support Service	0.000	0.782	0.782
<b>Total</b>	<b>6.781</b>	<b>2.982</b>	<b>9.763</b>

**4.14 Table 12: Supporting Our Council Corporate Strategy**

<b>Corporate Strategy</b>	<b>Main Grant £m</b>	<b>Other Specific Grant £m</b>	<b>Total Claimed £m</b>
Corporate Strategy	0.120	0.000	0.120
<b>Total</b>	<b>0.120</b>	<b>0.000</b>	<b>0.120</b>

**4.15 Table 13: Supporting Our Council Resources and Central Items**

<b>Resources &amp; Central Items</b>	<b>Main Grant £m</b>	<b>Other Specific Grant £m</b>	<b>Total Claimed £m</b>
Corporate ICT	0.334	0.000	0.334
Finance / Corporate Services	0.082	0.000	0.082
Provision for Bad Debt	0.167	0.000	0.167
<b>Total</b>	<b>0.583</b>	<b>0.000</b>	<b>0.583</b>

#### 4.16 Table 14: Supporting Our Council in Law and Governance

Law & Governance	Main Grant £m	Other Specific Grant £m	Total Claimed £m
Law & Governance	0.147	0.000	0.147
<b>Total</b>	<b>0.147</b>	<b>0.000</b>	<b>0.147</b>

#### 4.17 Table 15: Covid-19 Support to Services Summary

Service Area/ Category	Main Grant £m	Other Specific Grant £m	Total Claimed £m
Total Impact on Services	13.395	3.879	17.274
Local Authority Support Grant	(7.261)	0.000	(7.261)
Sales, Fees and Charges*	0.000	(1.335)	(1.335)
Specific Covid Grants	0.000	(4.517)	(4.517)
<b>Unallocated in Reserve</b>	<b>6.134</b>	<b>(1.973)</b>	<b>4.161</b>

\*This figure is an estimate of the value the Authority will be claiming in relation to the funding available to support losses on Sales, Fees and Charges. Currently, this grant is only available in 2021/22 to cover losses incurred in April 2021 to June 2021.

## **SECTION 5 – SERVICE COMMENTARIES**

5.1 Meetings have been held between finance officers and budget managers to review the forecast positions for 2021/22, with forecasts being prepared on a prudent basis at this stage in the financial year. Challenge sessions are planned to review the quarterly financial position and service performance with the Elected Mayor, the Deputy Mayor, the Cabinet Member for Finance and Resources, and other relevant Cabinet Members. Service Directors and their senior teams also attend these challenge sessions to discuss plans in progress to mitigate any pressures.

### **5.2 Health, Education, Care & Safeguarding (HECS)**

5.2.1 HECS is showing a forecast variance of £6.972m against its £74.144m net controllable expenditure budget, an improvement of £0.309m from the July position of £7.281m. This position is after adjusting for a total of £9.763m of Covid-19 related cost and income pressures which are now shown within Central Items. The forecasted pressure is mostly within Children’s Services and excludes the application of contingency budgets set aside in Central Items for pressures in Children’s Services of £3.116m.

5.2.2 The HECS service continues to be impacted by the Covid-19 Pandemic and has put in place a range of responses to support existing clients and other residents directly affected by the virus who have required new support packages to be put in place on discharge from hospital or to prevent an admission. Work is also ongoing to support social care providers to maintain their vital services. Further details on Covid impacts are shown in Section 4 above.

#### **5.2.3 Table 16: Forecast Variation for HECS at September 2021**

	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
Corporate Parenting & Placements	15.802	21.244	5.442	5.720	(0.278)
RHELAC Service	0.008	0.008	0.000	0.000	0.000
Child Protection, Independent Assurance and Review	0.708	0.718	0.010	0.014	(0.004)
Early Help & Vulnerable Families	1.543	1.392	(0.151)	(0.172)	0.021
Employment & Skills	0.591	0.565	(0.026)	(0.021)	(0.005)

	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
Integrated Disability & Additional Needs Service	2.284	3.912	1.628	1.624	0.004
School Improvement	0.319	0.359	0.040	0.022	0.018
Regional Adoption Agency	0.000	0.000	0.000	0.000	0.000
<b>Children's Services Sub-total</b>	<b>21.255</b>	<b>28.198</b>	<b>6.943</b>	<b>7.187</b>	<b>(0.244)</b>
Central, Strategy and Transformation	1.131	1.163	0.032	0.030	0.002
Social Work and Associated Activity	7.211	7.446	0.235	0.394	(0.159)
Integrated Services	2.751	2.336	(0.415)	(0.412)	(0.003)
Business Assurance	0.296	0.340	0.044	0.082	(0.038)
<b>Sub-total Operations</b>	<b>11.389</b>	<b>11.285</b>	<b>(0.104)</b>	<b>0.094</b>	<b>(0.198)</b>
Commissioned Services – Wellbeing and Assessment	11.250	10.112	(1.138)	(1.072)	(0.066)
Commissioned Services – Learning Disability	25.435	25.364	(0.071)	(0.250)	0.179
Commissioned Services – Mental Health	3.312	4.623	1.311	1.291	0.020
Commissioned Services - Other	1.262	1.293	0.031	0.031	0.000
<b>Sub-total – Commissioned Services</b>	<b>41.259</b>	<b>41.392</b>	<b>0.133</b>	<b>0.000</b>	<b>0.133</b>
<b>Adult Services Sub-total</b>	<b>52.648</b>	<b>52.677</b>	<b>0.029</b>	<b>0.094</b>	<b>(0.065)</b>
Public Health	0.241	0.241	0.000	0.000	0.000
<b>Total HECS</b>	<b>74.144</b>	<b>81.116</b>	<b>6.972</b>	<b>7.281</b>	<b>(0.309)</b>



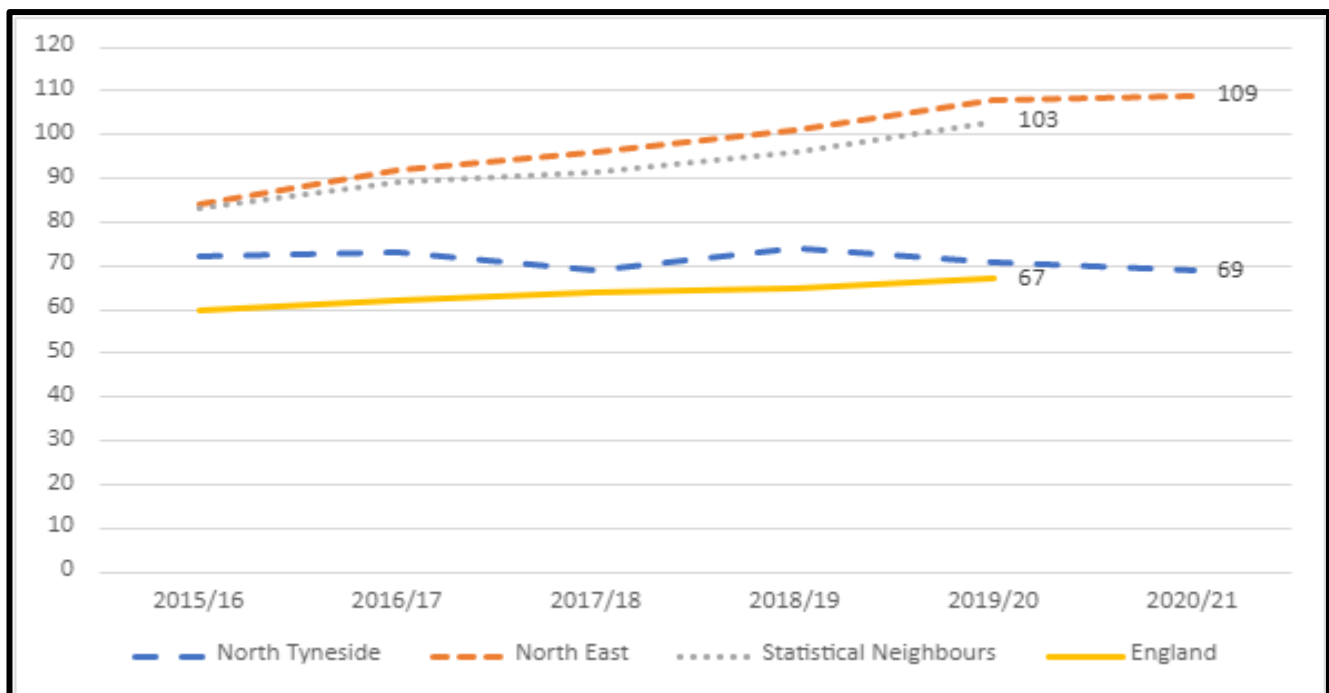
## **Main budget pressures across HECS**

- 5.2.4 In addition to its response to the Covid-19 pandemic, HECS continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but which have become more acute with the operational impact of Covid-19 on care homes and issues around high vacancy levels in a small number of care homes within the borough. Dialogue continues with care home providers around appropriate fee rates. Negotiations also continue around ensuring funding contributions from the NHS for clients with health needs as the North Tyneside Clinical Commissioning Group (NTCCG) themselves face continuing budget constraints.
- 5.2.5 The main factor behind the overall forecast position, however, is the significant pressure within Corporate Parenting and Placements in relation to care provision for children in care and care leavers. There is also a pressure relating to services for children with additional needs. In addition to care provision pressures, there are also on-going pressures in the workforce arising from staff retention costs and recruitment costs.

### **Children's Services**

- 5.2.6 In Children's Services the £6.943m forecast pressure relates mainly to pressures of £5.442m in Corporate Parenting and Placements and £1.629m in Integrated Disability and Additional Needs. The pressures were foreseen by Cabinet and backed by £3.116m of centrally held contingencies. This position excludes Covid-19 related pressures of £4.141m which have been transferred to Central Items.
- 5.2.7 The movement in the variance since the July report is mainly due to a net transfer of care costs for children in care to Central Items to be set against Covid grants. Additional Covid related costs were identified as part of a line-by-line review of each individual child's circumstances highlighting Covid related delays to the placement of children and young people in the most appropriate settings for their needs.
- 5.2.8 North Tyneside Council, unlike many authorities in the region, has managed to maintain the level of children in care at a stable rate during the Pandemic and at a rate which compares favourably with our neighbours.
- 5.2.9 The most recent available national comparators from 2019/20, as demonstrated by Chart 2 below, shows that North Tyneside, although above the England average, has historically performed well within the North East region in relation to the rates of children in care.

5.2.10 **Chart 2: Comparative Performance in Rates of Children in Care per 10,000 Children under 18**



5.2.11 Although an amount of £3.116m is held as a contingency budget for children’s services within Central Items, the budget within the service for the costs of looking after children who need to come into care is not sufficient for the relatively stable level of children who require these services. The costs for children who are formally not classed as in care but who required costed services also continues, as in previous years, to be significantly above budget. The service is currently undertaking an exercise in conjunction with colleagues in Finance, Performance and HR to identify growth requirements and saving opportunities as part of the ongoing development of the Medium-Term Financial Plan.

Corporate Parenting and Placements

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

**Table 17: Analysis of Pressures in Corporate Parenting and Placements**

Type of Service	Budget £m	Variance Sept £m	Variance July £m	Change Since July £m
Care provision – children in care	9.188	2.922	3.189	(0.267)
Care provision – other children	3.147	0.926	0.917	0.009
Management & Legal Fees	(0.948)	0.699	0.808	(0.109)
Social Work	4.369	0.891	0.802	0.089
Safeguarding Operations	0.046	0.004	0.004	0.000
<b>Total</b>	<b>15.802</b>	<b>5.442</b>	<b>5.720</b>	<b>(0.278)</b>

5.2.13 The forecast has been developed based on the children in care as at the end of September 2021. The number in care at the end of September was 317 which was a net increase of 16 from the May figure of 301. The September forecast for the total number of care nights is now 109,473, an increase of 5,358 from the July forecast of 104,115, and is now higher than the total number of care nights delivered in 2020/21 which was 108,745.

**5.2.14 Table 18: Forecast cost, forecast variance, average placement cost and Placement mix**

Placement Type	2021/22 Sept Variance	Average Annual Placement cost (£m) *	Forecast Bed Nights Sept	Forecast Bed Nights July	Placement Mix	No. of children Sept 21	No. of children July 21
External Residential Care	1.320	0.275	8,140	8,553	7%	27	28
External Fostering	0.208	0.046	10,313	8,820	10%	26	28
In-House Fostering Service	0.455	0.024	67,915	65,762	62%	193	182
External Supported Accommodation	0.160	0.130	3,953	3,552	4%	17	16
Other*	0.779	various	19,152	17,428	17%	54	47
<b>Total</b>	<b>2.922</b>		<b>109,473</b>	<b>104,115</b>	<b>100%</b>	<b>317</b>	<b>301</b>

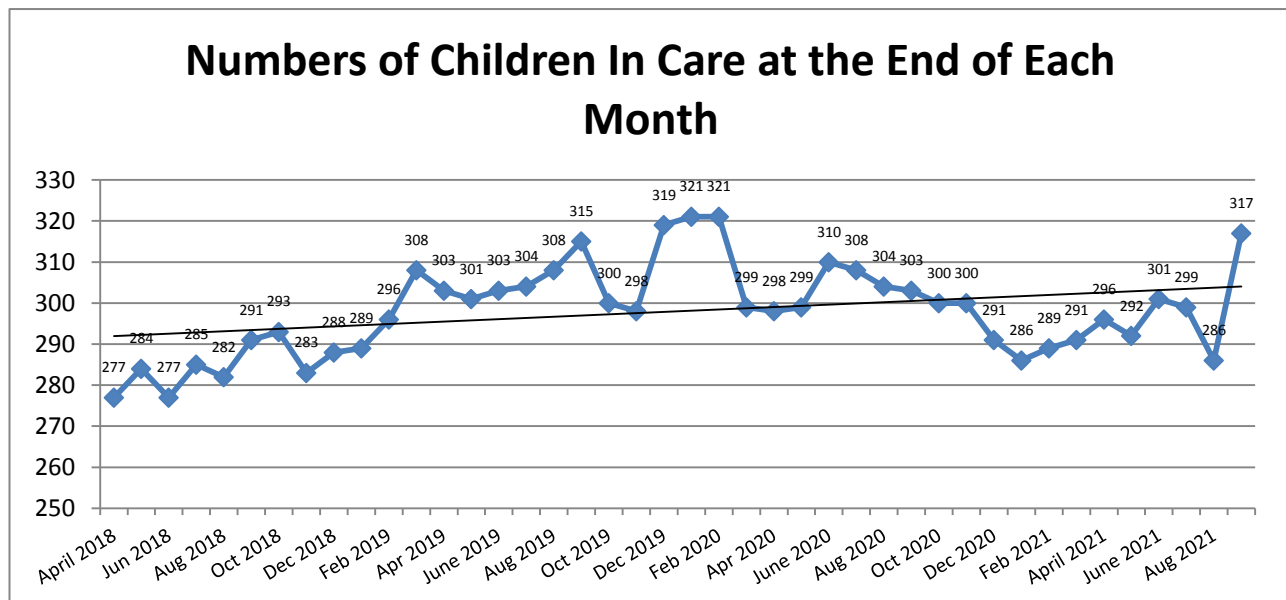
\*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility and NTC Children's Homes; the Annual Average Placement Cost represents the potential costs for a full year of those children in placements as at 30 September 2021.

5.2.15 The number of children in care can be volatile and costs for individual children can be very high. There is a potential risk that the forecast could increase if numbers of care nights delivered on complex cases starts to rise above current levels. There is a concern that there may be future spikes in numbers of children in care as the potential economic effects of the Covid-19 crisis impact on families.

Care Provision – Children in Care

5.2.16 Over recent years, there has been an increasing trend nationally in demand for children’s residential placements but with no corresponding increase in government-funded provision. The trend in North Tyneside over the last few years is that the overall number of children in care has mirrored the increases being felt nationally. There has been an increase in September to 317 children and this trend is being watched carefully.

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



Care Provision – Children not in care

5.2.18 The pressure of £0.926m (July variance, £0.917m) relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority’s policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. The contingency budget of £3.116m established in Central Items was, in part, intended to mitigate against these costs.

Management and Legal Fees

5.2.19 This area has a forecast pressure of £0.699m (July variance, pressure of £0.808m). The improvement relates mainly to reduce forecasts around interim management following a successful recruitment process. Pressures remain in relation to historic income targets and legal fees.

## Social Work

- 5.2.20 Within the overall pressure of £5.442m for Corporate Parenting and Placements, there are social work-related pressures of £0.891m (July, £0.802m). Of the £0.891m pressure, £0.656m relates to employee costs with £0.235m relating to non-pay costs. There is an additional team in place of 6 posts costing £0.244m and market supplements across the service amounting to £0.142m. There are s17 assistance costs forecasted above budget level by £0.051m, transport and travel pressures of £0.027m and legal and professional fee pressures of £0.105m. Cabinet is aware of the particular challenges faced across the children's social care sector nationally. Caseloads per social worker remain high at just over 20 compared to the national average of 16.3 (for 2020). The additional social work costs within Children's services reflects the commitment not to use agency staff within front line teams.

## Integrated Disability and Additional Needs (IDANS)

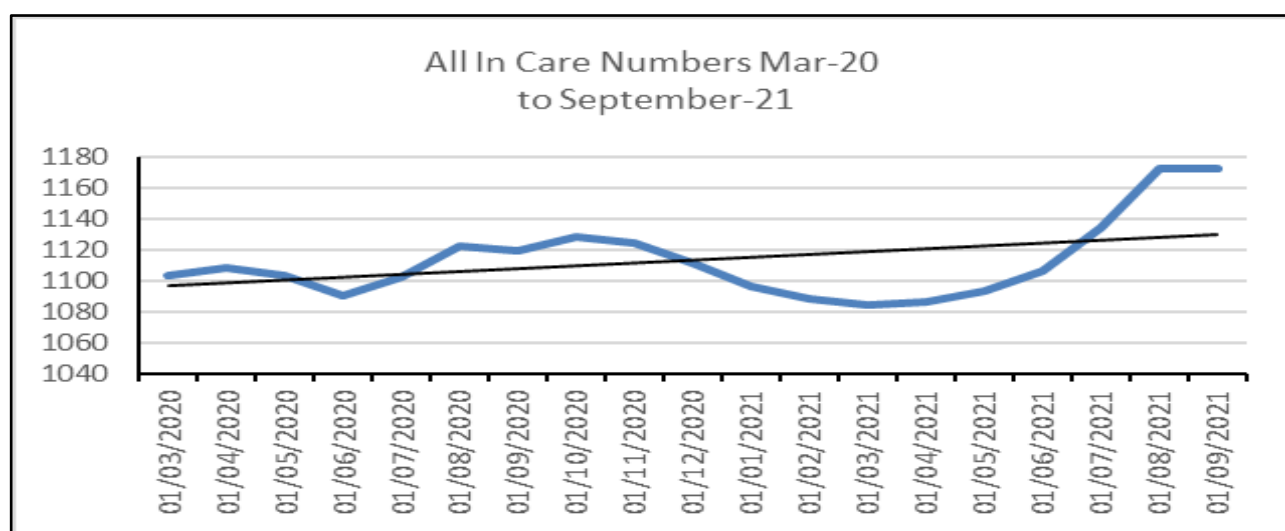
- 5.2.21 IDANS is forecasting a pressure of £1.628m (July variance was £1.624m). Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs). Within North Tyneside, the number of children with an EHCP has risen from 1102 in January 2018 to 2009 in September 2021. Within this service area the main pressures relate to operational staffing costs within in-house residential services of £0.239m and associated unachieved health income target of £0.213m. There are also forecast staffing pressures of £0.276m in Educational Psychology relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs. There are pressures of £0.670m on externally commissioned short breaks and staffing pressures of £0.195m across the Statutory Assessment and Review Team and the Disability Team.
- 5.2.22 The IDANS service is continuing to carefully review planned provision to identify any areas of spend which can be reduced without adverse impacts on the children and families receiving support.

## Adult Services

- 5.2.23 Adult Services are forecasted to show a pressure of £0.029m which compares to a forecast pressure of £0.094m in July. This position is after a total of £4.840m of Covid costs are transferred to Central Items to be offset against Covid related grants.
- 5.2.24 Adult Services continues to be heavily impacted by the Pandemic and other external factors. The lack of capacity in the homecare market reported in July has continued as care providers struggle to recruit and retain staff in a buoyant jobs market. The lack of homecare capacity has contributed to higher levels of short-term placements into residential care. Hospital discharges have fallen since the July level of around 275 per month to 229 and 222 respectively in August and September but remain higher than pre-Covid-19 levels of approximately 160.

- 5.2.25 Forecasted costs associated with the operational management of the service are showing an underspend of £0.104m, reduced from the July position of a pressure of £0.094m. The reduction is due to changed assumptions around recruitment into vacancies. Pressures within social work teams are partially offset by an underspend in Integrated Services due to vacancies.
- 5.2.26 There is a pressure within Commissioned Services – Mental Health due to three new high-cost clients who entered the service in March and April 2021 (£0.940m). There are also pressures due to increased client numbers relating to residential and nursing care within Mental Health.
- 5.2.27 Forecasted pressures in Commissioned Services – Mental Health are offset by budget surpluses across Commissioned Services in Wellbeing and Assessment and Learning Disabilities. The overall numbers in residential and nursing care continued to rise in August before remaining steady in September.

**5.2.28 Chart 4: Overall Numbers of Clients in Residential and Nursing Care**



**5.3 Commissioning and Asset Management**

- 5.3.1 Commissioning and Asset Management (C&AM) is showing a pressure of £1.258m (July, pressure of £0.884m) as set out in Table 19.
- 5.3.2 C&AM has also been heavily impacted by the Covid-19 Pandemic, particularly in relation to supporting schools and in relation to lost income with details shown in Section 4.

5.3.3 **Table 19: Commissioning and Asset Management (C&AM) Forecast Variation**

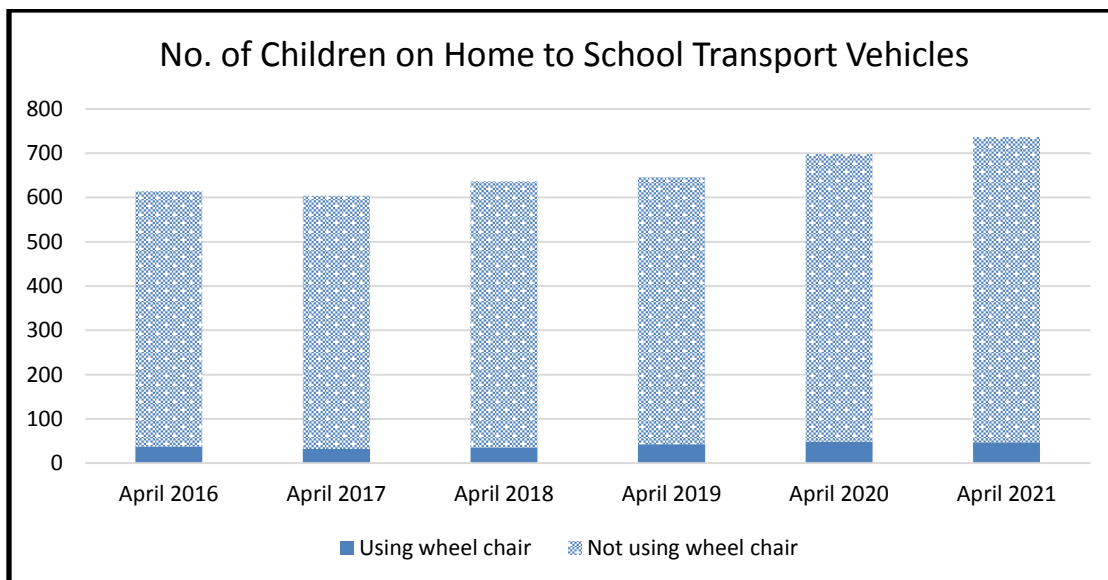
	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
School Funding & Statutory Staff Costs	5.410	5.308	(0.102)	(0.082)	(0.020)
Commissioning Service	0.406	0.417	0.011	0.023	(0.012)
Facilities & Fair Access	0.412	1.681	1.269	0.893	0.376
Community & Voluntary Sector Liaison	0.441	0.406	(0.035)	(0.029)	(0.006)
Strategic Property & Investment	1.918	2.040	0.122	0.080	0.042
High Needs Special Educational Needs	0.000	0.000	0.000	0.000	0.000
Property	(0.727)	(0.727)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.161	0.161	0.000	(0.001)	0.001
Procurement	(0.008)	(0.015)	(0.007)	0.000	(0.007)
<b>Grand Total</b>	<b>8.013</b>	<b>9.271</b>	<b>1.258</b>	<b>0.884</b>	<b>0.374</b>

5.3.4 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing forecast pressure of £1.269m (July, forecast pressure of £0.893m). The pressure mainly relates to Home to School Transport which has increased from £0.742m in July to £1.100m in September as additional routes have been added for the new school term. Pressures on the catering service have also risen to £0.182m (July; £0.161m) due to increasing numbers of benefit-based free school meals and the consequential impact on loss of paid income. Inflationary pressures within Catering are also have an impact. There is also a pressure of £0.059m on car parking income in relation to Quadrant.

5.3.5 The Home to School Transport position, a pressure of £1.100m, relates to the sustained and increase in children with complex needs attending special schools. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant (see paragraphs 6.5 to 6.10 for more details). As a result of the increase in demand for home to school transport for children with additional needs, the number of children in vehicles has risen from 614 in April 2016 to 736 in April 2021 as shown in Chart

5 below. Work is also continuing on route rationalisation using the new QRoute system however the requirement for continued social distancing has limited rationalisation opportunities.

**5.3.6 Chart 5: Increase in Numbers of Children Accessing Home to School Transport**



5.3.7 In addition to Facilities and Fair Access, within Strategic Property and Investment, the repairs and maintenance budget is forecasted to show a pressure of £0.150m due to the cost of essential repairs across the Authority’s buildings. This is partially offset by recharges to capital budgets and other savings across this service area.

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

5.4.1 EHL is forecasting an underspend of £0.156m against the £44.279m net budget, as set out in Table 20 below. The position includes a planned £0.583m draw-down of reserves for the street-lighting PFI contract and PFI buildings.

5.4.2 The Covid-19 Pandemic continues to impact on EHL mainly in relation to lost income with £3.193m of the £4.360m estimated impact is due to income-generating services being expected to operate at a lower level. This forecast is based on a high-level impact assessment of on-going income modelled on actual operating levels to September, with operations assumed to continue at lower than pre-pandemic levels for the remainder of the financial year.



#### 5.4.3 Table 20: Forecast Variation in Environment Housing & Leisure

<b>Service Areas</b>	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
Cultural Services	6.825	6.879	0.054	0.049	0.005
Local Environmental Services	7.528	7.538	0.010	(0.007)	0.017
Fleet Management	1.123	1.085	(0.038)	(0.038)	0.000
General Fund Housing	1.198	1.268	0.070	0.005	0.065
Head of Service and Resilience	0.245	0.245	0.000	(0.034)	0.034
Security & Community Safety	0.107	0.059	(0.048)	0.036	(0.084)
Sport & Leisure	2.719	2.642	(0.077)	(0.036)	(0.041)
Street Lighting PFI	4.717	4.717	0.000	0.000	0.000
Consumer Protection & Building Control	0.987	0.979	(0.008)	(0.009)	0.001
Planning	0.247	0.247	0.000	0.000	0.000
Transport and Highways	7.187	7.222	0.035	0.035	0.000
Waste	11.396	11.242	(0.154)	(0.037)	(0.117)
<b>GRAND TOTAL</b>	<b>44.279</b>	<b>44.123</b>	<b>(0.156)</b>	<b>(0.036)</b>	<b>(0.120)</b>

5.4.4 The variance reflects forecast pressures against Cultural Services & General Fund Housing of £0.054m and £0.070m with smaller pressures in Security and Community Safety and General Fund Housing which are mitigated by combined savings forecasted across Fleet Management, Sports & Leisure, Street Environment and Waste & Recycling Disposal. Technical Package budgets are balanced across the contract with Capita.

5.4.5 The following paragraphs outline the pressures in each service area with details of any variances or movement greater than £0.050m.

#### Sport & Leisure

5.4.6 Sport & Leisure is now expecting to report a forecast underspend of £0.077m which is an improvement of £0.041m from the last reported position. The main causes for the improved forecast underspend are a one off in-year £0.050m refund on water and sewerage costs at Tynemouth Pool, reduced operational activity and savings from vacancies during recruitment processes.

#### Waste Delivery & Management

5.4.7 Overall, the waste service areas are now expecting to report a forecast underspend of £0.154m which is an improvement of £0.117m from the last reported position. The main causes for the improved forecast underspend due to delays in filling posts, with vacancies being held open longer than previously predicted.

## Cultural Services

5.4.8 Cultural Services is forecasting a pressure of £0.054m. The service area has a pressure caused by the expected losses on the Playhouse due to reduced take-up in addition to income shortfalls against budget across other funding streams.

## **Regeneration and Economic Development**

5.5.1 Regeneration and Economic Development (RED) is forecasting a pressure of £0.174m at September 2021, as shown in Table 21 below.

### **5.5.2 Table 21: Forecast Variation for Regeneration and Economic Development**

<b>Service Areas</b>	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
Business & Enterprise	0.751	0.700	(0.051)	(0.004)	(0.047)
Regeneration	0.445	0.591	0.146	(0.009)	0.155
Resources & Performance	0.203	0.282	0.079	0.076	0.003
<b>Grand Total</b>	<b>1.399</b>	<b>1.573</b>	<b>0.174</b>	<b>0.063</b>	<b>0.111</b>

5.5.3 The £0.111m adverse change in variance since the last Cabinet report reflects actual unforeseen expenditure being incurred and forecast across the Swan Hunter site following the sale of the development in December 2020, with reduced income (from vacant non-tenanted space) as well as higher premises & external costs at Swans Centre for Innovation.

## **Corporate Strategy**

5.6.1 Corporate Strategy is forecasting to report a £0.030m pressure. The variance changes from the previous reported position are as a result of improving income forecasts across Policy, Performance & Research, as well as increased staff recharges administering the Holiday Activities and Food Programme which have contributed to reduce the pressure from £0.077m down to £0.030m.

5.6.2 Included within the forecast are assumptions a mix of corporate reserves and Covid-19 grant will be drawn down to meet the employee costs associated with the Customer Service and Covid-19 Recovery Programme posts, mitigating the impact of the income target pressure.

### 5.6.3 Table 22: Forecast Variation Corporate Strategy

Service Areas	Budget £m	Forecast Sept £m	Variance Sept £m	Variance July £m	Change since July £m
Children's Participation & Advocacy	0.258	0.243	(0.015)	(0.005)	(0.010)
Corporate Strategy Management	0.006	0.147	0.141	0.102	0.039
Elected Mayor & Executive Support	0.018	0.026	0.008	0.007	0.001
Marketing	0.289	0.245	(0.044)	(0.002)	(0.042)
Policy Performance and Research	0.140	0.080	(0.060)	(0.025)	(0.035)
<b>Grand Total</b>	<b>0.711</b>	<b>0.741</b>	<b>0.030</b>	<b>0.077</b>	<b>(0.047)</b>

## 5.7 Resources and Chief Executive Office

5.7.1 Overall Resources and Chief Executive Office are currently forecasting a joint pressure of £0.486m.

### 5.7.2 Table 23: Forecast Variation Resources and Chief Executive

Service Areas	Budget £m	Forecast Sept £m	Variance Sept £m	Variance July £m	Change since July £m
Chief Executive	(0.078)	(0.109)	(0.031)	(0.031)	0.000
Finance	0.002	0.378	0.376	0.228	0.148
ICT	0.538	0.539	0.001	0.140	(0.139)
Human Resources	2.876	3.016	0.140	0.001	0.139
<b>Grand Total</b>	<b>3.338</b>	<b>3.824</b>	<b>0.486</b>	<b>0.338</b>	<b>0.148</b>

5.7.3 Within the Finance service there continues to be forecast pressures due to the impact of funding managed by the Revenues and Benefits service, an increased pressure of £0.148m since the July report. This is due mainly to the full case reviews, which are currently being undertaken and are expected to continue. The full pressure for Revenues & Benefits is made up of:

- Subsidy reporting an overall pressure of £0.176m, which has increased from an underspend of £0.058m, due to eligible overpayments for which the Authority only receives 40% from the Department of Work and Pensions. The payments to Private and Council Tenants are starting to show a levelling out trend based on data for the last 12 weeks.
- Overpayment income is now showing a reduced pressure of £0.075m compared to £0.240m the previous month, due to the additional overpayment income generated during the full case reviews.

- The Bad Debt Provision is showing a pressure of £0.275m, which is an increase from £0.197m last month due to the additional overpayment income raised.
- Enforcement income is currently forecasted to be in line with budget and will be updated on a monthly basis using the cost of collection statistics.

These forecasts are being carefully managed by the service management and will continue to be refined as the year progresses.

- 5.7.4 The Finance service is forecasting staffing savings across nearly all teams which mitigates these pressures. These staffing savings are a mix of vacancy savings and additional funding where the service area supports external organisations such as North of Tyne Combined Authority.
- 5.7.5 There is a pressure within ICT as a result of the transfer of Education ICT income targets with a forecast £0.140m shortfall in SLA income within the service.
- 5.7.6 The remaining service areas within Resources are all forecasting small underspends for the year.
- 5.7.7 The Chief Executive's office is showing a saving of £0.031m, due to forecast savings in staffing and other operational spend.

## 5.8 Law and Governance

- 5.8.1 Law and Governance is forecasting a £0.485m pressure. This variance reflects forecasted cost pressures in Legal Services of £0.288m relating to the employment of Locums and other staff costs and £0.175m pressure for delivering North Tyneside Coroner services.

### 5.8.2 **Table 24: Forecast Variation for Law and Governance**

<b>Service Areas</b>	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
Customer, Governance & Registration	(0.071)	(0.041)	0.030	0.033	(0.003)
Democratic and Electoral Services	0.031	0.098	0.067	0.094	(0.027)
Information Governance	0.159	0.084	(0.075)	(0.068)	(0.007)
Legal Services	(0.105)	0.183	0.288	0.251	0.037
North Tyneside Coroner	0.294	0.469	0.175	0.108	0.067
<b>Grand Total</b>	<b>0.308</b>	<b>0.793</b>	<b>0.485</b>	<b>0.418</b>	<b>0.067</b>

- 5.8.3 The variance change compared from the last reported forecast to Cabinet is due to higher forecast expenditure delivering North Tyneside Coroners service demands (£0.046m; Body Storage & Post Mortem charges), together with

increased operational expenditure forecast across the service (£0.022m; varied cross service costs).

## 5.9 **Central Items**

5.9.1 Central Items is forecasted to be in surplus by £7.448m, an improvement of £0.236m from the July report. The surplus figure of £7.448m includes the contingency budgets of £5.404m of which £3.116m of that budget provision relates to the pressure being experienced in Children’s Services. The other main areas impacting the position are summarised below:

- Strain on the fund savings of £1.074m, due to minimum in-year costs anticipated this financial year. This saving has reduced by £0.314m since the July report;
- Minimum revenue provision savings of £0.550m, an improvement of £0.200m since the July report; and,
- Interest savings on borrowing of £0.500 (July, £0.150m), both of these arising from re-profiling of the Investment Programme and use of cash balances to minimise borrowing.

5.9.2 Corporate and Democratic Core may see savings in 2021/22 due to anticipated pressures not being seen to materialise to date and the costs of pensions out of revenue but is prudently forecasted to be balanced at this stage in the year. This may reduce across the rest of the year and provide some sustainable savings.

### 5.9.3 **Table 25: Forecast Variation Central Budgets and Contingencies**

<b>Service Areas</b>	<b>Budget £m</b>	<b>Forecast Sept £m</b>	<b>Variance Sept £m</b>	<b>Variance July £m</b>	<b>Change since July £m</b>
Corporate & Democratic Core	4.315	4.315	0.000	0.000	0.000
Other Central Items	(6.366)	(13.814)	(7.448)	(7.212)	(0.236)
<b>Grand Total</b>	<b>(2.051)</b>	<b>(9.499)</b>	<b>(7.448)</b>	<b>(7.212)</b>	<b>(0.236)</b>

## **SECTION 6 - SCHOOLS FINANCE**

### **Update on School Budgets**

- 6.1 There is no update on school finances since the position reported previously to cabinet. A report of this update will be presented to cabinet in the next finance report.

### **National Funding Formula Consultation for 2022/23**

- 6.2 The method for allocating funding to schools is still set by a local funding formula (LFF), though DfE are considering making their national funding formula (NFF) mandatory in the future. For 2021/22, North Tyneside have agreed with Schools Forum to adopt the NFF factors in their LFF.
- 6.3 For 2022/23 the Authority will ask Schools Forum to consider modelling a potential option to transfer the maximum funding from Schools Block to High Needs. Guidance states that a local authority can transfer up to 0.5% with agreement from the local Schools Forum. This would amount to approximately £0.700m on indicative grant values. If the Schools Forum do not agree to the transfer, the local authority can ask the Secretary of State to approve the transfer, although this is usually only agreed by exception.
- 6.4 Modelling scenarios will be presented to schools during October/November. The preferred model will then be confirmed with Schools Forum in November then taken to Cabinet for final agreement as part of the Authority's budget setting process.

### **High Needs Block**

- 6.5 Cabinet will recall from the previous finance report that the High Needs block of the Dedicated Schools Grant (DSG) was anticipating an in-year pressure of £3.491m in July, which would raise the cumulative pressure on the block to £12.291m.
- 6.6 The forecast for the High Needs Block at September 2021 is now an anticipated in-year pressure of £3.673m reflecting a further rise in demand for special school places within the Authority. A breakdown of the in-year pressure is shown in Table 26.

6.7 **Table 26: Breakdown of High Needs Pressures at September 2021**

<b>Provision</b>	<b>Budget £m</b>	<b>Forecast Variance September £m</b>	<b>Comment</b>
Special schools and PRU	15.520	2.050	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder
ARPs/Top ups	4.120	0.825	Pressures in pre 16 top ups e.g. Norham ARP
Out of Borough	2.890	0.737	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.888	0.061	
<b>Subtotal</b>	<b>26.418</b>	<b>3.673</b>	
2020/21 Balance		8.720	
Adjustment		0.160	
<b>Subtotal</b>	<b>26.418</b>	<b>12.553</b>	

### High Needs Recovery Plan

- 6.8 As previously noted, North Tyneside is an outlier in terms of the total number of Education Health and Care Plans (EHCPs) currently maintained. The most recent figures (January 2021) suggest that the Authority is around 1% above the national average in terms of whole population which equates to around 500 more plans than would be seen to be typical. The Authority also has a significantly higher proportion of children in specialist provision than the England average (40.6% compared with 35.8%). Conversely, the proportion of children in mainstream schools is much lower than the England average (32% compared with 39.9%). These factors are the main contributors to the pressures on the High Needs Block. They also have a significant impact on all the services that work with our children and young people with additional needs.
- 6.9 A proposed High Needs Recovery Plan was shared with the Education Skills and Funding Agency (ESFA) in August. The Authority is awaiting formal feedback on this proposal. In the meantime, an officer working group has continued to develop appropriate workstreams to take action and reduce the pressure on the High Needs Block. The programme of work to reduce pressures on the High Needs Block will need significant time and committed resource to ensure delivery in line with our ambition. In addition, there is ongoing consultation and engagement with Schools Forum and North Tyneside head teachers around the recovery plan and how best

to use the Authority's resources. A new senior officer Strategic Education & Inclusion Programme Board has been established to provide the governance and oversight for this work.

- 6.10 As noted previously, the themes of the recovery plan link clearly to our SEND Inclusion Strategy and our Ambition for Education Strategy:
- Improved SEND Graduated Approach to support more young people to have success in their local school;
  - Review of commissioned services with a focus on maintaining young people in their local school;
  - Annual EHCP reviews are focussed, timely and include 'value for money';
  - The banding and mechanisms the Authority uses to fund schools are brought in line with our graduation aspirations;
  - Use of capital funding to address issues around capacity;
  - More effective place planning to ensure that there are sufficient resources in place; and,
  - Working with our partners and stakeholders across education, health and care.



## **SECTION 7 - HOUSING REVENUE ACCOUNT**

### **Forecast Outturn**

7.1 The forecast set out in Table 27 below is based on the results to September 2021. Currently the HRA is forecasting an underspend of £0.381m, which includes £0.016m of Covid-19 related costs (see Table 28). Throughout the year, costs will be monitored closely across all areas with additional focus on Rent Arrears and the effect this has on the bad debt provision. In addition, changes to prudent assumptions around rental income, Council Tax voids, Contingency and staffing vacancies will be monitored which could lead to improvements in the forecast position.

### **7.2 Table 27: Forecast Variance Housing Revenue Account**

	<b>Budget £m</b>	<b>Current Forecast £m</b>	<b>Variance £m</b>
Management – Central	2.520	2.482	(0.038)
Management – Operations	4.767	4.737	(0.030)
Management – Strategy & Support	3.588	3.610	0.022
Capital Charges – Net Effect	12.969	12.969	0.000
Contingencies, Bad Debt & Transitional Protection	1.280	0.793	(0.487)
Contribution to Major Repairs Reserve – Depreciation	13.276	13.276	0.000
Interest on Balances	(0.050)	(0.050)	0.000
PFI Contracts – Net Effect	2.043	2.343	0.300
Rental Income - Dwellings, Direct Access Units, Garages	(60.995)	(61.091)	(0.096)
Rental Income – HRA Shops and Offices	(0.356)	(0.403)	(0.047)
Revenue Support to Capital Programme	10.551	10.551	0.000
Repairs	12.350	12.345	(0.005)
<b>Total</b>	<b>1.943</b>	<b>1.562</b>	<b>(0.381)</b>

7.3 The Covid-19 costs for HRA relate to unproductive workforce costs, as can be seen in Table 28 below.

7.4 **Table 28: Forecast Impact of Covid-19 on HRA for 2021/22**

Service Area	Covid Cost Pressure £m	Covid Income Pressure £m	Total Covid Pressure £m	Description
HRA – Workforce	0.016	0.000	0.016	Costs of carrying unproductive staff resource and related support costs during downtime, for staff delivering HRA-related work
<b>Total</b>	<b>0.016</b>	<b>0.000</b>	<b>0.016</b>	

**Rental Income**

7.5 There have been some small trending improvements in different elements of Rental Income which have led to the previous on budget forecast increasing to an overall forecast underspend of (£0.143m). This is made up of improvements in General Needs Income (£0.005m); Service Charge Income (£0.057m); Garage Rents (£0.034m); and rental income from other properties (£0.047m). This improving position will be monitored closely to see if there could be any further shift in the forecast during the second half of the year.

**Bad Debt Provision and Management Contingency**

7.6 Main changes in the forecast relate to the Bad Debt Provision, as Arrears continue to rise but at a much slower rate than anticipated this will result in a forecast £0.301m underspend in-year. In addition, the Management Contingency is forecast to be significantly underspent (£0.186m), which accounts for the overall £0.487m underspend in this area.

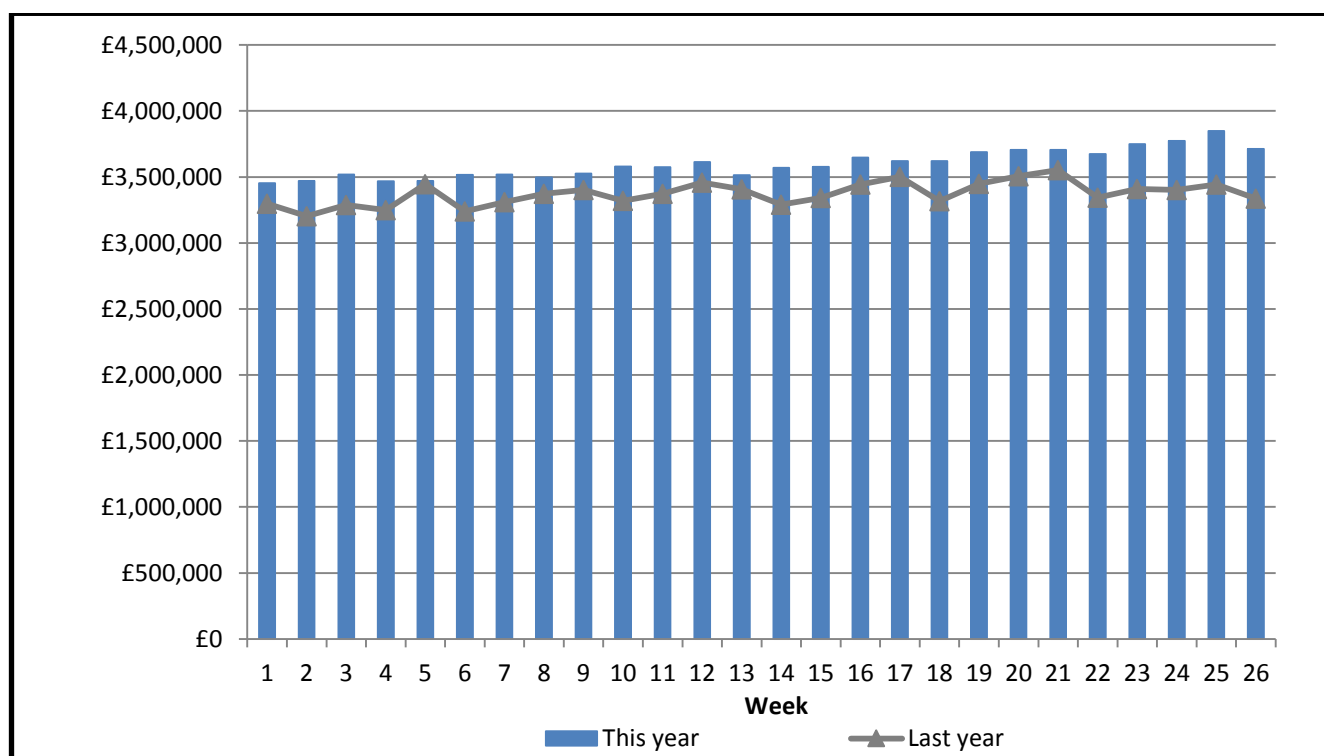
**PFI Contract Costs**

7.7 Following the precedent set in the previous two years because of the forecast overall improved position relating mainly to the Bad Debt Provision, the Authority is proposing to make an additional in-year contribution to the North Tyneside Living PFI Reserve (£0.300m), in order to bring the position back in line with the financial model more quickly, following a number of Use of Reserves decisions which borrowed over £4.000m from the Reserve, namely purchase of the HPC Fleet and the one-off £1.5m Settlement Agreement signed with the PFI Construction Contractor.

## Rent Arrears

7.8 The impact of rent arrears has risen in the first six months of 2021/22 as compared to 2020/21, however the rate of increase during the first six months is slower than originally forecast, with current arrears increasing by around £0.260m during the period since the start of April 2021. Chart 5 below shows the value of current rent arrears in 2021/22 compared to the same period in 2020/21. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. Last year saw a significant underspend against the bad debt provision, which had overspent for the previous two years. Based on the current rate of increase in arrears and the anticipated amount of bad debt to be written off has led to the underspend declared above. This will also be considered in relation to the refresh of the HRA Business Plan which forms the basis of the budget proposals being considered by this meeting of Cabinet. The impact of Universal Credit (UC) continues to be monitored, as significant increases in numbers on UC could adversely affect the rate at which arrears grow.

7.9 **Chart 6: Rent Arrears in Weeks 1-26 (April-Sept) 2021/22 compared to 2020/21**

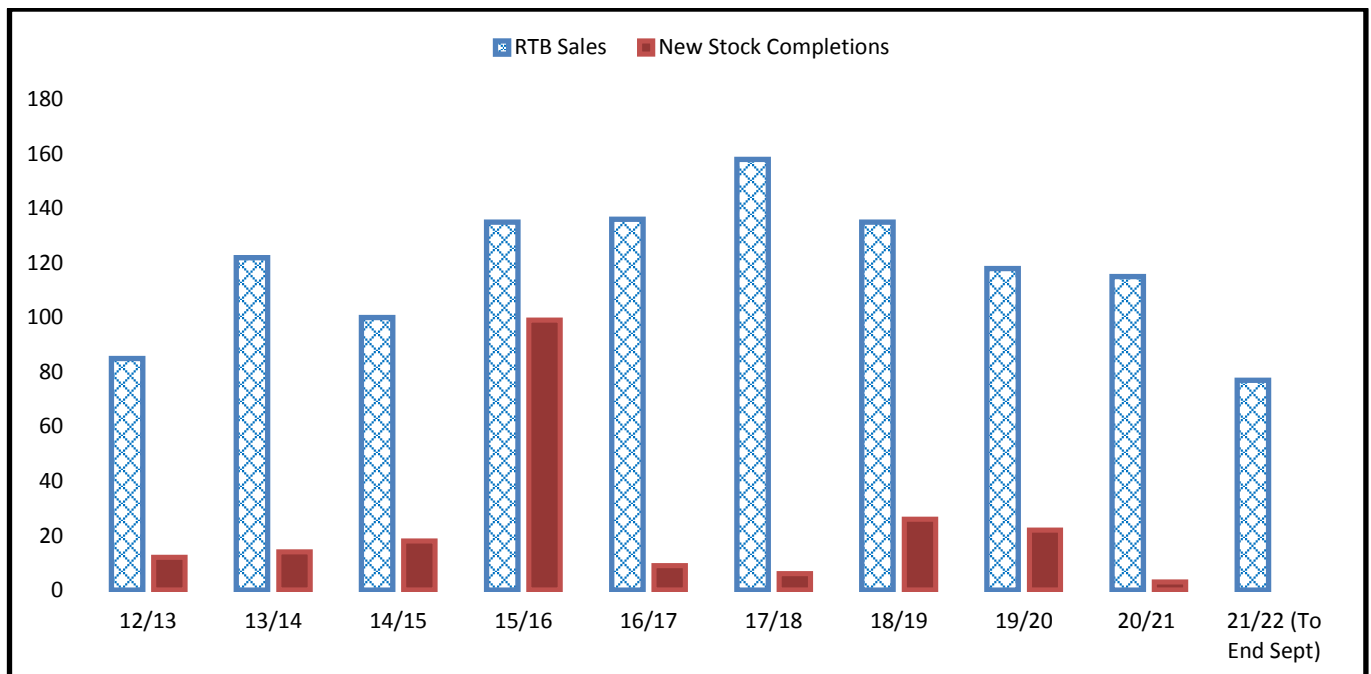


7.10 Universal Credit was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. At 31 March 2021 there were 3,306 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.689m. By the end of September 2021 there were 3,505 tenants on Universal Credit (increase of 199 tenants) with related arrears of £2.804m (increase of £0.115m). These figures seem to bear out the reduced rate of increase in arrears mentioned above.

## Right to Buy (RTB) Trends

7.11 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 7 below shows the trend in RTB sales since that time. There has been an upturn in sales in 2021-22, as 77 properties were sold in the first quarter compared to 54 at the same stage last year.

7.12 **Chart 7: Yearly RTB Sales v New Stock Completions**



## **SECTION 8 - INVESTMENT PLAN**

- 8.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers continue to plan the delivery of those key projects included within the 2021/22 Investment Plan and regularly review the impact of Covid-19.
- 8.2 There is currently an emerging risk around the supply of materials and increased cost that could impact the works and services the Authority delivers. This is a national issue with material supply not being able to keep pace with delivery programmes alongside a range of rising costs. Work is on-going with both material suppliers and the wider supply chain to understand how significant these impacts could be on the delivery and cost of works and services during this year. Specific areas of concern are around the supply and costs of all steel based and softwood products, along with growing concerns around the supply of cement and glazing. A risk register around material supply is currently being developed to monitor the likelihood and impact of these risks materialising, however it looks increasing likely that the Authority will have some supply issues and increased costs that will impact our works and services over the coming months. This will be reported through the bi-monthly monitoring reports to Cabinet.
- 8.3 Some of the key highlights of the Investment Plan due to be delivered during 2021/22 are summarised below:

### **Affordable Homes New Build and Conversion Works**

- 8.4 There are currently 4 affordable home projects that will progress during 2021/22, these include:
- The construction of 12 new affordable homes on the former site of the Cedars, North Shields;
  - The construction of 9 new affordable homes on the former site of Bawtry Court, Battlehill;
  - Refurbishment and remodelling works to create 7 new affordable units at Charlotte Street, Wallsend; and,
  - Convert a Brownfield garage site in Falmouth Road, into 9 new affordable homes.

### **Housing Investment Work**

- 8.5 The Housing Capital delivery programme will see the following works delivered across the borough during 2021/22:
- Kitchens and bathrooms to 678 homes;
  - Heating upgrades to 600 homes;
  - Window and doors replacements to 30 homes;
  - Boundary improvements to 830 homes;
  - Roof replacements to 227 homes;
  - External Brickwork Repairs to 223 homes;
  - Damp Proof Course restoration works to 26 homes;
  - Footpath repairs throughout the borough; and,
  - Fire door replacement to 55 communal blocks.

## **Education Investment Works**

- 8.6 Delivery of the priority condition related projects across the school estate as part of the Schools Condition Investment Programme

## **Asset Investment works**

- 8.7 Delivery of the priority condition related projects across the asset property estate as part of the Asset Condition Investment Programme

## **Highways and Infrastructure Works**

- 8.8 The main Highways & Infrastructure works include:
- Delivery of the LTP including the annual resurfacing programme and integrated transport projects. Larger projects are the construction phase of the Pier Road stabilisation scheme the demolition of Borough Road Bridge;
  - Delivery of the Additional Highway Maintenance Programme including footway improvements in line with the Mayor's priorities; and,
  - Progression of the Tanners Bank highway improvement scheme at various junctions in North Shields.

## **Regeneration Works**

- 8.9 Regeneration Works for 2021/22 include:
- North Shields – continuation of works for the North Shields Heritage Action Zone scheme for Northumberland Square and Howard Street and initial works for the transport hub;
  - Segedunum – completion of the project initiation document to enable the development of proposals and a strategy to secure match funding;
  - Work is ongoing examining the potential options for the enhancement of the facilities at Killingworth Lake; and,
  - Development of outline scope for the Waggonways project.

## **Variations to the 2021-2026 Investment Plan**

- 8.10 Variations of £10.470m and reprogramming of £0.637m to the Investment Plan have been identified and are included in tables 29 and 30 below. Further details are provided in paragraph 8.11.

8.10.1 **Table 29: 2021 - 2026 Investment Plan changes identified**

	2021/22 £m	2022/23 £m	2023/24 £m	2024-26 £m	Total £m
<b>Approved Investment Plan – Council 18 February 2021</b>	<b>68.611</b>	<b>43.305</b>	<b>42.858</b>	<b>90.796</b>	<b>245.570</b>
<b>Previously Approved Reprogramming/Variations</b>					
2020/21 Monitoring	11.398	0.000	0.000	0.000	11.398
2020/21 Outturn	13.497	0.000	0.000	0.000	13.497
2021/22 August Cabinet	5.087	0.237	0.000	0.000	5.324
2021/22 September Cabinet	(10.480)	8.446	2.886	1.500	2.352
<b>Approved Investment Plan</b>	<b>88.113</b>	<b>51.988</b>	<b>45.744</b>	<b>92.296</b>	<b>278.141</b>
<b>Aug/Sep 21 Monitoring Variations</b>					
Reprogramming	6.155	1.475	2.650	0.190	10.470
	(0.637)	0.637	0.000	0.000	0.000
<b>Total Variations</b>	<b>5.518</b>	<b>2.112</b>	<b>2.650</b>	<b>0.190</b>	<b>10.470</b>
<b>Revised Investment Plan</b>	<b>93.631</b>	<b>54.100</b>	<b>48.394</b>	<b>92.486</b>	<b>288.611</b>

8.11 Details of the main variations are shown below:

- (a) **BS030 Public Sector Decarbonisation (Low Carbon Skills) £0.450m** – Alongside the tender process for the main works the Project Team took the opportunity to also include some additional essential mechanical works required at Waves Pool which were outside of the SALIX funding arrangements but had been included as a priority project within the 2021/22 Asset Planned Maintenance Programme. The associated Asset Planned Maintenance Funding for this element of additional works is £0.350k is to be included in this project. Also following the return of all tenders, a detailed value engineering exercise was carried out by the Project Team to ensure that the Authority was getting value for money on all aspects of the project and to ensure the four projects could be delivered with the available funding, this identified a shortfall of £0.100m which has been requested to be funded from Project EV091 Other Initiatives Climate Change;
- (b) **BS026 Asset Planned Maintenance £0.350m credit** – See (a) above;
- (c) **EV091 Other Initiatives Climate Change £0.100m credit** – See (a) above;
- (d) **DV067 Northern Promenade £0.150m** – Officers have now concluded the formal tender process for this project which has resulted in receiving tenders for £0.950m (£0.150m above the current £0.800m budget). The additional costs are a direct result of inflation, market conditions and covid risks arising from the pandemic. Cabinet is requested to approve the allocation of £0.150m from the contingencies budget to support the delivery of the Northern Promenade Project;
- (e) **GEN03 Contingencies £0.150m credit** – See (d) above;

- (f) **DV077 Tyne Brand Development Site £4.340m** - Funding from the North of Tyne Combined Authority's Brownfields Housing Fund has been secured for the former Tyne Brand Site. It will provide for the commissioning of professional surveys, land acquisition and remediation of the land. This will facilitate the construction of at least 114 new homes. The new development is a key site within the North Shields Master Plan and will improve the built environment at one of the access points to the Fish Quay. Its successful development would complete the transformation of this economically important area and open the area immediately adjacent to much wider development potential;
- (g) **DV074 Heritage Action Zone £0.590m** – Two additional grants have been awarded from Historic England's Heritage Action Zone fund. The first £0.300m towards Howard Street Public Realm works and £0.290m towards works at the Saville Exchange;
- (h) **DV064 Council Property Investment £1.300m** - The Authority has been successful in bidding for North of Tyne Brownfield Funding in relation to the demolition and remediation of the site;
- (i) **EV034 Local Transport Plan £1.000m** – As part of the 2021/22 capital allocations from central government the annual maintenance block grant was unexpectedly reduced. Alongside this £1.253m of Pothole funding was awarded. It is recommended that £1.000m of the pothole funding be used to alleviate the grant reduction in the LTP. The allocation of the remaining £0.253m is still to be determined; and,
- (j) **EV094 Transforming Cities Tranche 2 £3.240m** – The North East Transport Committee has agreed advanced funding for the North Shields Transport Interchange.

8.12 In addition to the variations reported, there has been £0.637m reprogramming identified. The reprogramming is reflected in the following projects:

- (a) **GEN03 Contingencies £0.500m** – Funding is to be reprogrammed into 2022/23 as it is not required in 2021/22; and,
- (b) **EV096 Tanners Bank £0.137m** – In order to ensure the highways works are coordinated with North Shields regeneration work.



8.13 The impact of the above changes on capital financing is shown in table 30 below.

8.13.1 **Table 30: Impact of variations on Capital financing**

	2021/22 £m	2022/23 £m	2023/24 £m	2024-26 £m	Total £m
<b>Approved Investment Plan</b>	<b>88.113</b>	<b>51.988</b>	<b>45.744</b>	<b>92.296</b>	<b>278.141</b>
Council Contribution	(0.500)	0.500	0.000	0.000	0.000
Grants and Contributions	6.018	1.612	2.650	0.190	10.470
<b>Total Financing Variations</b>	<b>5.518</b>	<b>2.112</b>	<b>2.650</b>	<b>0.190</b>	<b>10.470</b>
<b>Revised Investment Plan</b>	<b>93.631</b>	<b>54.100</b>	<b>48.394</b>	<b>92.486</b>	<b>288.611</b>

### Capital Receipts – General Fund

8.14 General Fund Capital Receipts brought forward at 1 April 2021 were £2.583m. The capital receipts requirement for 2021/22, approved by Council in February 2021, was £0.423m (2021-26 £0.677m). There was reprogramming of capital receipts from 2020/21 of £0.342m giving a revised requirement of £0.765m for 2021/22 (2021-26 £1.019m). To date £0.100m useable capital receipts have been received in 2021/22, that are to be used to repay debt. In addition, £4.125m has been received from Aurora to repay loans. The receipts position is shown in table 31 below.

8.14.1 **Table 31: Capital Receipt Requirement – General Fund**

	2021/22 £m	2022/23 £m	2023/24 £m	2024-26 £m	2021-26 Total £m
Requirement reported to 8 February 2021 Council	0.423	0.254	0	0	0.677
Reprogramming 2020/21 Outturn	0.342	0	0	0	0.342
<b>Revised Requirement</b>	<b>0.765</b>	<b>0.254</b>	<b>0</b>	<b>0</b>	<b>1.019</b>
Receipts Brought Forward	(2.583)	(1.818)	(1.564)	(1.564)	(2.583)
Total Receipts received 2021/22	(4.225)	0	0	0	(4.225)
Receipts used to repay capital loans	4.125	0	0	0	4.125
Receipts used to repay debt	0.100				0.100
<b>Net Useable Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus Receipts</b>	<b>(1.818)</b>	<b>(1.564)</b>	<b>(1.564)</b>	<b>(1.564)</b>	<b>(1.564)</b>

### Capital receipts – Housing Revenue Account

8.15 Housing Capital Receipts brought forward on 1 April 2021 were £8.263m. The housing receipts are committed against projects included in the 2021-2026

Investment Plan. The approved Capital Receipt requirement for 2021/22 was £0.750m. This, together with the reprogramming and variations reported to Cabinet, gives a revised requirement of £2.047m. To date, receipts of £4.335m have been received in 2021/22. Previously pooling of receipts was paid quarterly to Central Government but the requirement has changed to an annual pooling payment. Therefore, subject to future pooling, this leaves a surplus balance of £10.551m to be carried forward to fund future years.

#### 8.15.1 Table 32: Capital Receipt Requirement - Housing Revenue Account

	2021/22 £m	2022/23 £m	2023/24 £m	2024-26 £m	2021-26 £m
Requirement reported to February 2021 Council	0.750	1.886	2.871	5.673	11.180
Reprogramming 2020/21 Outturn	1.124	0.000	0.000	0.000	1.124
Variations August 21 Cabinet	0.173	0.000	0.000	0.000	0.173
<b>Revised Requirement</b>	<b>2.047</b>	<b>1.886</b>	<b>2.871</b>	<b>5.673</b>	<b>12.477</b>
Receipts Brought Forward	(8.263)	(10.551)	(8.665)	(5.794)	(8.263)
Receipts Received 2021/22	(4.335)	0.000	0.000	0.000	(4.335)
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
<b>(Surplus)/ Balance To be generated to fund future years (subject to further pooling)</b>	<b>(10.551)</b>	<b>(8.665)</b>	<b>(5.794)</b>	<b>(0.121)</b>	<b>(0.121)</b>

*The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2021/22.*

#### Investment Plan Monitoring Position to 30 September 2021

8.16 Actual expenditure for 2021/22 in the General Ledger was £20.715m; 22.12% of the total revised Investment Plan at 30 September 2021. This is after adjusting for £0.060m of accruals relating to 2020/21 expenditure.

#### 8.16.1 Table 33: Total Investment Plan Budget & Expenditure to 30 September 2021

	2021/22 Revised Investment Plan £m	Actual Spend to 30 Sept 2021 £m	Spend as % of revised Investment Plan %
General Fund	61.884	11.095	17.93%
Housing	31.747	9.620	30.30%
<b>TOTAL</b>	<b>93.631</b>	<b>20.715</b>	<b>22.12%</b>

## **SECTION 9 – TREASURY MANAGEMENT & CASH POSITION**

### **Current Cash Position**

9.1 The Authority's current available cash balance as at the end of September 2021 is £47.258m, with £25.000m invested externally with other UK Local Authorities. All investments are made in line with the approved Treasury Management Strategy.

#### **9.2 Table 34: Investment Position as at 30/09/2021**

<b>Counterparty</b>	<b>Type</b>	<b>Amount (£m)</b>	<b>Maturity</b>
DMO	Term	40.000	01 Oct 2021
Barclays	Call	2.258	n/a
Lloyds Bank	Call	5.000	n/a
Inter – LA	Fixed	25.000	30 Aug 2022*

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

9.3 Due to the continued low interest rate environment the strategy will remain to repay maturing debt.

Short-term cash investment rates remain at all-time lows and an opportunity has been taken to maximise investment returns by investing longer and locking in investment returns by undertaking forward dated transactions. Forecast investment income for the FY 2021/22 excluding DMO investment is anticipated to be £0.081m.

9.4 The approach of maintaining low cash balances has been part of the strategy for a number of years and has generated substantial savings year on year. The government's Debt Management Office (DMO) have been paying on average 0.01% into the quarter ending Sept 2021, taking into account CHAPS transfers fees and principal invested, it can cost the Authority to invest surplus cash. Therefore, the Authority is investing longer to reduce transactional costs as well as maximise returns. The temporary borrowing market is currently very liquid with significant cash available at very low rates. A summary of rates available is shown in table 35 below. PWLB rates also continue to remain low due to the low Gilt yields, which they are tracked against.

#### **9.5 Table 35: Summary of Borrowing Levels**

<b>Temporary Market</b>		<b>PWLB</b>	
<b>Tenor</b>	<b>Level</b>	<b>Tenor</b>	<b>Level</b>
1 week	0.01%	2 years	1.36%
1 month	0.01%	5 years	1.65%
3 months	0.01%	10 years	2.06%
6 months	0.04%	20 years	2.42%
9 months	0.05%	30 years	2.43%
12 months	0.07%	50 years	2.23%

*\*Please note interest rates are as 07 Oct 2021*

*PWLB rates do not include certainty rate reductions,*

- 9.6 Any shortfalls in cashflow are covered by in year temporary borrowing, which is a quick and cost-effective method of cash management in the current situation.

### **Borrowing Position**

- 9.7 Table 36 shows the Authority's current debt position, the current total borrowing maturing in 2021/22 of £5.000m.  
The final temporary borrowing loan maturing on the 1<sup>st</sup> Oct 2021

**Table 36: Current Debt Position**

	<b>PWLB (£m)</b>	<b>LOBO (£m)</b>	<b>Temp (£m)</b>	<b>Total (£m)</b>
Total Outstanding Borrowing Debt	377.443	20.000	5.000	402.443
Debt Maturing 2021/22	0.000	0.000	5.000	5.000

### **Covid-19 Impact on Cash**

- 9.8 The Authority continues to remain relatively liquid and has done throughout the pandemic, the drawdown of £25.000m of PWLB in March 2020 as well as several large front loaded COVID grants have bolstered the Authority's cashflow position. The Authority has taken a prudent and cautious approach to new borrowing and has repaid debt as its matured without the need to take on new borrowing.

However, this position may unwind in future years as the impact of COVID reverses and enabled the Authority to return to business as usual.

There remains uncertainty around future interest rates. Rates remain at historical lows; therefore, the risk is on the upside to interest rates.

The Authority has not taken any new borrowing since March 2020 and the Authority has repaid all outstanding temporary borrowing.

The Authority remains under-borrowed to the amount of £95.166m.

There is also the added uncertainty of unspent COVID grants requiring to be paid back to central government. There continues to be a programme to distribute COVID grants however the unspent amounts will not be known until COVID support measures are withdrawn fully.

### **Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2020/21**

- 9.9 In line with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) a Treasury Management mid-year report detailing the requirements as laid out within the Code are set out and addressed in Appendix 3.

## **SECTION 10 – COLLECTION FUND: COUNCIL TAX AND BUSINESS RATES RECOVERY**

### **Council Tax and Business Rates Collection**

- 10.1 The budgeted Council Tax debit for 2021/2022 is £118.315m, of which the retained share for the Authority is £104.330m. For Business Rates (NNDR) the opening net debit for 2021/2022 is £27.417m, following adjustment for the previous year's deficit position on NNDR, the budget retained share for the Authority for 2020/21 is £13.449m. Business Rates income is supplemented by a top up grant from Government of £20.505m, providing an anticipated combined budgeted income from Business Rates to the Authority of £33.954m. Tables below set out the in-year collection performance against the Council Tax and Business Rates net debit.
- 10.2 As at 30 September 2021, the actual current year Council Tax net liability has increased to £120.774m. The Authority has collected £63.670m (52.7%) compared to £60.867m (52.6%) at the same point in 2020/21. Further details are shown in table 37 below.
- 10.3 Collection is slightly ahead of 2020/21 but behind against the percentage collected in 2019/20 at the same point. All working age Council Tax Support claimants received additional support of up to £150.00 again this year to help pay their Council Tax and this meant around 58% had no liability for 2021/22 to pay. This reduced the liability to collect by around £1.500m. More households have moved onto 12 monthly instalments rather than 10 as households feel the challenge of meeting household bills and there are now 35,457 households (35.4%) paying over 12 months. However long-term rate of collection is expected to be maintained at the budgeted level of 98.5%.

**Table 37: Council Tax Collection as at 30 September**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Dwellings administered	95,874	96,428	97,123	98,199	99,315	99,795	100,245
In year collection £m	44.477	49.574	52.751	55.923	59.009	60.867	63.670
In year %	52.39	55.19	54.7	53.8	53.4	52.6	52.7
Target %	53.19	52.39	55.0	55.0	55.0	55.0	55.0

- 10.4 In relation to Business rates, as at 30 September 2021, the Authority had collected £24.761m (47.0%) of the current net liability of £52.691m compared to £16.908m (53.0%) at the same point in 2020/21. The reduced liability and the amount being collected to date are reflective of the increased reliefs being offered by Government as a result of Covid-19. Further details are shown in table 38 below.

**Table 38: Business Rates Collection as at 30 September**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Properties administered	5,464	5,564	5,618	6,031	6,046	6,190	6,218
In year collection £m	35.783	35.770	35.564	34.780	34.828	16.908	24.761
In year %	59.1	57.0	58.7	57.4	57.6	53.0	47.0
Target %	57.7	59.1	56.5	56.5	56.5	56.5	56.5

## **SECTION 11 – SUPPORT TO RESIDENTS**

- 11.1 Section 4 looks specifically at the Covid-19 grants the Authority has received and provides a snapshot of the position as at 30 September 2021. As the Authority transitions from recovery to building a better North Tyneside, this section will look in more detail at the support the Authority has been able to offer to its residents, how it has utilised the funding provided by Government and how it has also put forward funding of its own to keep the most vulnerable in the Borough safe and supported during the pandemic.
- 11.2 From the start of the pandemic, the Government has provided the Authority with £7.841m of Covid-19 grants aimed at supporting Residents, a further £4.110m of grant funding has been supplied to the Authority to support Residents during the recovery from Covid-19 during 2021/22. Cabinet created the Poverty Intervention Fund in 2020/21, allocating £1.000m to support its most vulnerable Residents. In total £13.305m has been earmarked to supporting Residents. Table 39 breaks down this funding in more detail.

**Table 39: Funding to Support Residents**

<b>Name of Grant / Source</b>	<b>Amount Awarded £m</b>	<b>Expenditure (Inception to Date) £m</b>	<b>Amount Committed £m</b>	<b>Amount Available £m</b>
<b>Covid-19 Grants</b>				
Test & Trace Grant	(1.140)	0.795	0.345	0.000
Test & Trace Support Payments	(1.535)	1.058	0.477	0.000
Hardship Grant 2020/21	(2.024)	1.734	0.290	0.000
Emergency Assistance Grant	(0.256)	0.200	0.056	0.000
Practical Support Framework	(0.354)	0.010	0.344	0.000
Clinically Extremely Vulnerable	(0.705)	0.284	0.421	0.000
Winter Grant	(0.845)	0.845	0.000	0.000
Rapid Testing in the Community	(0.225)	0.284	(0.059)	0.000
Local Support Grant	(0.756)	0.986	(0.230)	0.000

<b>Name of Grant / Source</b>	<b>Amount Awarded £m</b>	<b>Expenditure (Inception to Date) £m</b>	<b>Amount Committed £m</b>	<b>Amount Available £m</b>
<b>Other Government Funding</b>				
Hardship Fund 2021/22	(2.066)	1.918	0.148	0.000
Holiday Activities & Food Programme	(0.789)	0.556	0.233	0.000
Household Support Grant	(1.610)	0.000	1.610	0.000
<b>Authority Support</b>				
Poverty Intervention Fund	(1.000)	0.282	0.718	0.000
<b>Total</b>	<b>(13.305)</b>	<b>8.952</b>	<b>4.353</b>	<b>0.000</b>

11.3 The £8.952m has been utilised in a number of ways to ensure the residents of the Borough stayed safe. The key highlights of the activity undertaken during the height of the pandemic are summarised below:

- £0.845m of the Covid-19 Winter Grant was used to cover costs of food and warmth for vulnerable residents including funding food vouchers, replacement household goods, clothing, food, hot meals and utility bills;
- 1,242 residents impacted financially by the need to isolate were supported through the Test & Trace Support grant;
- A Local Support System was developed which redeployed 85 employees and made over 19,000 welfare calls to our vulnerable residents who had to shield. Such innovations helped North Tyneside Council to be hailed as 'best practice' by the then Ministry for Housing, Community and Local Government;
- Over 28,000 copies of a series of magazines entitled 'Navigating or Living Well' were delivered to residents on the shielding list;
- Our residents without a permanent home were provided with emergency bed and breakfast accommodation to ensure they were safe and had access to essential hygiene supplies;
- 87 schools were provided with a hybrid school meal offer for vulnerable students or students of critical workers to ensure all pupils were offered a meal who needed one;
- Customer Services established a dedicated Covid-19 line to support residents who were required to shield or self-isolate;
- Volunteers from the customer services team supported the voluntary sector in preparing 300 Christmas food parcels for those who were shielding;
- System developed to enable residents to pre-pay for their shopping and £0.081m of payments were processed enabling vulnerable residents to stay safe and self-isolate; and,
- Administered a meal voucher scheme to provide vouchers during the school holidays for those children entitled to free school meals. 7,021 vouchers were



issued by the summer term 2021, providing support to those families in greatest need.

11.4 We know that we must continue to live alongside the virus. The successful completion of the recovery programme signalled a response to the Authority's emergency response and a return to a business-as-usual state, with the focus on building a better North Tyneside, creating the conditions for a Borough that continues to thrive. As part of that and a refreshed Our North Tyneside Plan the Authority will continue to support its Residents through the allocation of the remaining funding outlined in the above table. Some of the key projects are:

- As restrictions started to lift focus moved to how best to help Clinically Extremely Vulnerable residents to reintegrate; many had not left their homes and doing so caused extreme anxiety. The Authority used the CEV funding to increase capacity within the Good Neighbours project to support people with a buddy service, supporting with going shopping, going for a walk and helping residents leave their home and navigate new ways of life i.e. with shopping (wearing masks / one way systems etc);
- Funding was given to Age UK for a project using people to visit Older People who had become frailer and needed help to rebuild muscle tone and confidence before they felt able to leave the house;
- Supported LD:NE (Learning Disability North East) who worked to support residents to attend activities – resulting in 715 activities being accessed by people with a Learning Disability;
- Ran training for staff and volunteers on loss and bereavement, due to the success of this the Authority will be running further sessions over the coming months;
- Funding provided to Citizens Advice Bureau to increase support for debt work;
- Additional funding provided to the Foodbank to recognise an increase in demand for their services;
- Run the Spirit of North Tyneside awards to celebrate the contribution made by our residents to improving the lives of others and the environment;
- Planning a grant fund of £400,000 for VCSE organisations that will be a collaboration between NTC and North Tyneside CCG and administered by VODA. The funding will be aimed at delivering initiatives aimed at people affected by the pandemic and health inequalities.
- Developing a Covid Exhibition and memorial to covid centred on our waggon ways.
- Through the Household Support Grant Cabinet has committed to continue to support free school meals during the school holidays and will support the Bread-and-Butter programme; a project aiming to provide a link between food banks and supermarkets, allowing residents to purchase food at reduced costs;
- A range of other projects are being developed using the Household Support Grant which include;
  - Support for direct help to residents through the Welfare Provision Team as demand grows from residents struggling due to reduction in income or losses through Universal Credit and those struggling with rising fuel costs as we enter the winter period;

- Support for Care Leavers via a one-off grant to help with food or fuel costs. Often these are young people who can struggle to manage costs of independent living;
- Continued support to the Community and Voluntary Sector, who have played a vital role so far in supporting residents and helping the Authority deliver assistance via support for food, fuel and essential items;
- Support for housing costs for those that fall out of main support available via Housing Benefit, Universal Credit or Discretionary housing payments with grant could help;
- Support for clothing and school uniforms; and
- Support to reduce fuel poverty via grants to help repair or replace boilers where needed and also help clear fuel arrears' or help with winter fuel costs.