

EY Club Item

Is your authority prepared for the different scenarios on the UK's exit from the EU?

a. Risk Assessments

The County Council were advised by the Ministry of Housing, Communities and Local Government (MHCLG) of several national-level planning assumptions which were to be considered in EU Exit planning. These concerned Travel, Freight and Borders; Disruption of Services; Information and Data Sharing; and Demonstrations and Disorder.

All services were involved in the production of Operational risk assessments leading to the production of a Strategic Risk Register which identified and described the following issues: Supply Chains; Workforce; Port of Blyth (and other Northumberland ports); Communications/Public Perceptions; Health and Wellbeing/Civil Contingencies; External Grant Funding; Northumberland Economy; Business Continuity Planning; and Increased Costs. Risk assessments consider three scenarios for EU Exit (no deal, extension or deal).

These risks are described in detail, together with identifying Risk Owners, Existing and Planned Controls and commentary on progress as the process has evolved.

b. NCC Response Arrangements

To manage and oversee the authority's response to these risks the NCC Corporate Business Continuity Plan was invoked and a Business Interruption Management Team (BIMT) was formed from representatives of all services, chaired by the Interim Executive Director: Place and supported by the Civil Contingencies Team.

The BIMT has met on four occasions to date since 28 January 2019.

A shared directory has been created to which all Executive Team and BIMT members have access. This provides access to all relevant documents and guidance notes produced locally, regionally and nationally.

c. Member briefings

Members were briefed formally via the Brexit and Devolution Member Working Group on two occasions to date (7 February 2019 and 10 April 2019). The Group's Terms of Reference on EU Exit being:

- (i) To receive and consider the risks of the forthcoming EU Exit and recommend actions to mitigate any adverse impact.
- (ii) To receive regular monitoring reports from the Officer Business Interruption Management Team to ensure proper accountability and oversight.

Further meetings of the Group will be arranged over the coming months to address new and emerging issues, including those arising from political change.

d. Local, Regional and National links

A structure for the management of planning and potential response was established by MHCLG which had several layers and various reporting mechanisms and requirements. The structure and management arrangements were part of a wider national contingency plan given the title “Operation Yellowhammer”.

Locally Civil Contingency planning was led by the Northumbria Local Resilience Forum (NLRF) at which both the County Council and the Fire and Rescue Service were represented. The NLRF established a Brexit Strategic Sub Group which was co-chaired between Northumbria Police and South Tyneside Council, leading for all Northumbria local authorities. The Strategic Sub Group met on several occasions and also conducted teleconferences when required.

Representation on the Strategic Sub Group included Northumbria Police, Northumberland and Tyne and Wear Fire and Rescue Services, North East Ambulance Service, the six local authorities, Newcastle International Airport, Port of Tyne, the Environment Agency, National Health Service agencies, Border Force and other agencies. The NLRF was required to submit weekly, then daily, situation reports to MHCLG in a prescribed format covering defined areas of concern and critical importance.

Regionally, the Association of North East Councils (ANEC) coordinated local authority issues and also coordinated a local authority specific weekly return to MHCLG. This was coordinated by South Tyneside Council.

e. Future Arrangements

It is recognised that it is highly likely that in the coming months EU Exit will again become a national focus and these risk assessments, planning structures, response arrangements and reporting mechanisms will all be capable of rapid escalation and scale-up as required.

Is your authority exposed to risk of borrowers’ default, if there is a fall in asset price?

No, the Council has security over the assets of its main borrowers.

How is your local authority dealing with the growing problem of homelessness?

The homelessness and housing options service was reconfigured to manage the increased numbers of people contacting the service. The Council introduced a triage system whereby all individuals seeking help are dealt with in the most appropriate way with individuals requiring advice and information being managed at the first point of contact along with those who are already homeless and requiring accommodation for that night. Appointments are made for households who are threatened with homelessness within 56 days.

To deal with new ways of working brought in by the Homelessness Reduction Act (HRA) and the increased workload a further two Homelessness and Housing options officers have been employed to meet the increasing demand on the team.

Gaps identified in provision resulted in the commissioning of two new services, one is to provide accommodation and support for homeless clients with very high and multiple support needs and chaotic lifestyles. The service includes three emergency beds and move on accommodation for up to 2 years. The Council also provided an accommodation and support service for young people up to the age of 25 years. Due to high demand these services continuously run at full capacity.

After a successful bid for Government funding we have recently commissioned a new service to work with rough sleepers, getting them off the streets and into settled accommodation.

To ensure that the service meets the needs of clients in areas of high demand we have co-located officers within the Job Centre Plus and in the Council's customer service points which cover the whole of Northumberland. This means that homeless people can access the service wherever they are in the county.

We also upgraded our IT system, paperwork and procedures to incorporate the changes brought in by the HRA.

We have recently published our latest Homelessness and Rough Sleeper Strategy which recognises the issues around the increase in clients with multiple needs, rough sleepers and youth homelessness and sets out how the Council will address these issues across the county. [Link to Homelessness and Rough Sleeper Strategy](#)

2019–20 Local Government Settlement

Has your authority considered the impact of the 2019–20 finance settlement?

Yes. This has been reflected within the Council 2019-22 MTFP and 2019-20 budget which was approved by County Council 20 February 2019.

How has this been reflected in budget setting and medium term financial planning?

The MTFP approved by County Council 20 February 2019 reflects the outcome of the 2019-20 finance settlement.

Does your authority have a balanced and proportionate approach to commercialisation ventures?

The Council has a number of commercial activities that are well led and governed. NCC has recently established a Commercial Board with Terms of Reference. Each commercial activity is assessed against the strategic fit with NCC corporate objectives and values, sustainability and socio-economic impact.

Has your authority considered the potential impacts from the Government's Fairer Funding Review, and if so what those impacts will have on your authority?

Yes. The Council has considered and responded to the consultations issued by Government. Officers review policy documents issued in this respect and have attended various conferences on the matter.

However, it is currently uncertain if this review will be implemented for 2020-21 and therefore what the financial impact will be for the Council. Officers will continue to monitor the position closely and will update the Council's financial plans accordingly once more information is available.

NAO report: Local Authority Governance: Is your authority satisfied that appropriate governance arrangements are in place?

The Council has adopted a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance.

Does your s151 officer have the ability to raise concerns directly with the senior leadership team of the authority?

The Executive Director of Finance (Section 151 Officer) is a member of the Executive Team.

Accounting Standard IFRS 16 Leases

What plans does the authority have in place to ensure it will be ready to implement the IFRS 16 new accounting standard when it becomes effective on 1st April 2020?

Implementation has been delayed until April 2021. However, a working group has been established to consider the impact, processes and systems required to implement IFRS 16 by 1 April 2021.

The group has developed a template for circulation which will capture the relevant leasing information. This will be circulated for completion during the summer months. Work will be undertaken by the group to develop a system to capture the information centrally. However, in the longer term officers will consider if this can be achieved via a new asset management system.

We still await final guidance from CIPFA on IFRS16. We are also awaiting a view from the Council's external auditors setting out their requirements. Officers will work with Ernst Young over the coming months in this respect.

Does the authority have the appropriate information, processes and systems in place?

See above response.

CIPFA: Streamlining of the accounts

How has the authority reflected on the first year (2017–18) of the faster close accounts deadline?

A review of the 2017-18 process was undertaken by the Accountancy team. This involved all Accountancy staff involved in the process. Ideas for improvements for future years were gathered and where appropriate implemented for 2018-19. The Accountancy team undertakes an annual review of this to constantly improve the process.

In addition a group within the Accountancy team was established to lead on the improvement process. The group considered best practice from other LA's and streamlined the accounts where there was the opportunity to do so.

How has the authority considered what improvements and efficiencies can be achieved for the current year (2018–19)?

Yes; an annual review of the statement of Accounts is undertaken and improvements have been implemented where appropriate.

Has the authority reviewed how it can streamline its financial statements and year end closure processes?

This is an exercise that the Finance Team undertakes each year following the closure of the accounts. Please see response to the question above.

Financial Resilience in English Authorities

What was the outcome of CIPFA's financial resilience index for your authority?

We are not aware. Cipfa has developed a test version of a tool and has said previously that it would be running a series of development workshops with Finance Directors across the country in 2019 ahead of the release of a final version, when CIPFA also aims to publish a new Financial Management Code. Cipfa has said that following official publication of local authority revenue and expenditure outturn data in November 2019, the Index will be made publicly available online. CIPFA believes that councils are best placed to make good judgements on their financial resilience through the provision of consistent indicators of resilience to be advised by their CFO in statutory statements that accompany the budget report.

What is the medium term risk to financial resilience of your authority?

Potential loss of funding following implementation of the Fair Funding Review and Business Rates simplification.

Has your authority used the NAO's financial stability visualisation tool to identify the risks to financial stability compared to similar authorities?

No the Council has not used the NAO's financial stability visualisation tool.