



# Northumberland

## County Council

### CABINET

9 June 2020

---

## Financial Performance 2019-20 Provisional Outturn

Report of Chris Hand, Executive Director of Finance

Cabinet Member: Nicholas Oliver, Portfolio Holder for Corporate Services

---

### 1. Purpose of report

- 1.1 The purpose of the report is to provide members of the Cabinet with the Council's 2019-20 provisional outturn position for the Revenue and Capital budgets, and, the Housing Revenue Account; and, details of the movement in reserves and provisions.

### 2. Recommendations

- 2.1 Members are requested to:

- a. note the report.
- b. note the projected underspend of £2.069 million.
- c. approve the following use of the underspend:

- Creation of a provision for £0.190 million to meet claims under the Land Compensation Act

There are a number of claims that have been received in relation to a depreciation of property values under the Land Compensation Act Part 1 which have not yet been settled. The estimated value of these claims is £0.190 million.

- Increase in the Planning Delivery Grant Reserve of £0.203 million

Approval has now been received by the Council that the Local Plan can progress to the next stages of the examination. An increase to this reserve of £0.203 million is requested to meet the anticipated costs of an additional Inspector, the second hearing sessions and adoption of the plan.

- Create a reserve for Economy and Regeneration Investment commitments totalling £0.435 million

For a number of years the Regeneration Service has carried forward across financial years unspent balances for investment in future projects managed by the service. Schemes totalling £0.435 million have been identified by the service that will require funding over the next few years. It is recommended that a reserve is created in order to draw down this funding for individual projects when they are delivered. Details of the schemes totalling this sum are included at Appendix P.

- Creation of a reserve for tackling problematic empty properties for £0.050 million

The Council agreed on 8 January 2020 to use additional Council Tax collected from void properties to fund repairs to bring empty homes back into use. The creation of a reserve for £0.050 million in order to enable the Council to progress the interventions required to tackle problematic empty properties would avoid the need to use Council Tax receipts and provide the funding to draw down in the financial years that it was required.

- d. note the balance of £1.191 million remaining:

	£m
2019-20 Underspend	2.069
- Provision for compensation claims	0.190
- Planning Delivery Grant Reserve	0.203
- Economy and Regeneration Investment Reserve	0.435
- Reserve for tackling problematic empty properties	0.050
<b>Balance Available</b>	<b>1.191</b>

- e. approve the transfer of the remaining balance to the General Fund (provisional figure £1.191 million), noting that this balance may change and is subject to the impact of any technical accounting adjustments required in finalising the statement of accounts, including the calculation of the outturn collection fund, and, as a result of the Covid-19 crisis.

- f. note the creation of the following reserves:

- Covid-19 Grant Funding for £10.025 million

Government grant for Covid-19 received in 2019-20 which will be spent in 2020-21

- Haltwhistle Repairs Reserve for £0.013 million  
To fund future repairs on the property occupied by Adult Services clients in independent supported living accommodation
- Northumberland Line for £8.500 million  
Cabinet agreed on 11 February 2020 to transfer £8.500 million from the Strategic Management Reserve to meet the costs of the Rail Network Enhancements Pipeline design stage for the Northumberland Line capital project. A separate earmarked reserve has been created to enable the costs to be tracked.
- g. note the level of reserves at 31 March 2020 are £248.754 million as detailed in Appendix O.
- h. note the level of provisions at 31 March 2020 are £8.703 million as detailed in Appendix O.
- i. approve net reprofiling of £11.119 million (£18.941 million reprofiling from 2020-21 into 2019-20 and £30.060 million from 2019-20 into 2020-21) to the capital medium term financial plan which is in addition to £678.505 million that was approved by Council on 19 February 2020 as part of the 2020-2023 Medium Term Financial Plan. Total reprofiling of £36.191 million was previously approved by Cabinet on 17 September 2019 as part of the Financial Performance 2019 - Position at the end of July 2019 report.
- j. approve up to £1.000 million underspend in relation to demolition and playing field reinstatement works at Darras Hall Primary School capital scheme to be used towards the Ponteland Secondary School and Leisure Centre scheme and adjust the budget accordingly.
- k. approve the virements at Appendix A.
- l. approve the new grants and amendment to existing grants at Appendix B and the required changes to the budgets.
- m. note the delivery of the approved savings at Appendix C.
- n. authorise the Executive Director of Finance (Section 151 Officer), in consultation with the Portfolio Holder for Corporate Services, to finalise the outturn figures once the Statement of Accounts has been prepared and the external audit has been concluded.

### **3. Link to Corporate Plan**

- 3.1 The Council's budget is aligned to the priorities outlined in the Corporate Plan 2018-21 "A Council that Works for Everyone".

### **4. Key issues**

#### **4.1 Overall Position**

- 4.1.1 The report provides information and analysis on the Council's financial performance and use of resources to the end of the financial year 2019-20. The Council set its budget for 2019-20 on 20 February 2019 and this report focuses on the actual performance during 2019-20.
- 4.1.2 The Council is required to publish and submit its draft statement of accounts for external audit inspection by 31 August 2020. Work is ongoing to finalise the draft accounts for presentation to the Audit Committee, as the Council's nominated Committee, at its September meeting (at the latest). The deadlines are later than normal due to the Covid-19 crisis. This report sets out for Cabinet's consideration, in advance of publication, an outturn position relating to the General Fund revenue and capital accounts of the Council; and, its Housing Revenue Account.

### **5. Projected Revenue Outturn 2019-20**

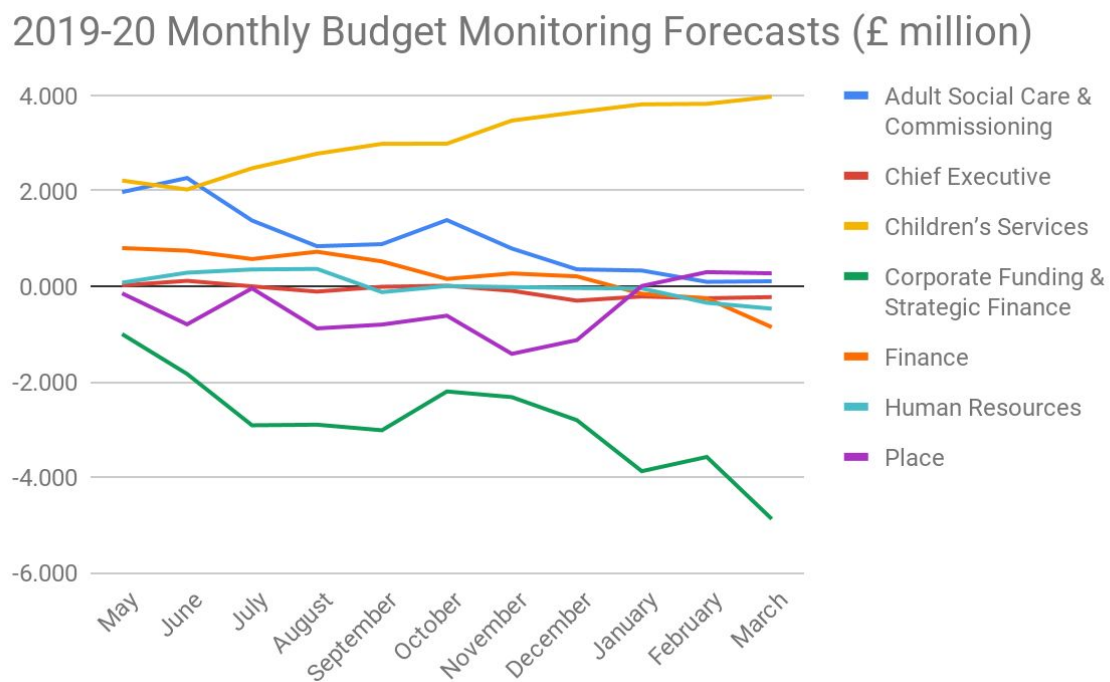
- 5.1 The Council's projected revenue outturn position, within each service area is shown in summary at Section 6 of the report (figures in brackets denote an underspend); and in detail within Appendices D - N of the report.
- 5.2 A summary of the significant variances within each service area, since the report to Cabinet on 11 February 2020 showing the position as at the end of December is contained within the report.
- 5.3 The Council's overall annual revenue expenditure is managed across a number of areas:
- a. The General Fund with a final net budget of £297.898 million, providing revenue funding for the majority of the Council's services;
  - b. The Dedicated Schools Grant (DSG) of £137.557 million in 2019-20, which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the Children's Services Directorate;
  - c. Public Health, a ring-fenced grant of £15.798 million in 2019-20, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within the Adult Services Directorate;
  - d. The Housing Revenue Account (HRA) with gross expenditure of £35.771 million in 2019-20, is ring-fenced, and reported separately from the General Fund, and is managed within the Place Directorate.

## 6. General Fund

6.1 The following table provides a summary of how each Directorate performed against the General Fund revenue budget for the 2019-20 financial year.

Service	Base Budget	Final Budget	Provisional Outturn	Variance
	£m	£m	£m	£m
Adult Social Care & Commissioning	92.916	95.172	95.279	0.107
Chief Executive	1.710	1.719	1.494	(0.225)
Children's Services	60.447	65.723	69.695	3.972
Finance	36.725	39.165	38.310	(0.855)
Human Resources	18.257	21.188	20.720	(0.468)
Place	78.581	70.409	70.682	0.273
<b>Total Services</b>	<b>288.636</b>	<b>293.376</b>	<b>296.180</b>	<b>2.804</b>
Corporate Expenditure and Income	9.262	5.153	1.838	(3.315)
<b>Total Net Expenditure</b>	<b>297.898</b>	<b>298.529</b>	<b>296.468</b>	<b>(0.511)</b>
<b>Budget funded by:</b>				
Council Tax	188.947	188.947	188.947	-
Retained Business Rates	86.302	86.302	87.815	(1.513)
Other Corporate Grants	20.721	20.721	20.766	(0.045)
Strategic Management Reserve	1.928	1.928	1.928	-
General Fund Reserve	-	0.631	0.631	0.000
<b>Total Funding of Services</b>	<b>297.898</b>	<b>298.529</b>	<b>300.087</b>	<b>(1.558)</b>
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>(2.069)</b>	<b>(2.069)</b>

6.2 The following graph provides a trend analysis of the provisional outturn, by directorate over the year to date:



## 7. Adult Social Care & Commissioning - £0.107 million overspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
<b>Adult Services</b>	205.796	(110.624)	95.172	95.279	0.107
Outturn position forecast at month 9 - end of December					0.356
<b>Change in Forecast - reduction in the overspend</b>					<b>(0.249)</b>

7.1 The summary below highlights the significant movements within each area:

<b>Movement in Variance</b>	<b>£m</b>
Commissioned Services	(0.204)
In-House Services	0.178
Care Management	0.018
Adult Support Services	(0.241)
<b>Total Variances in Adult Social Care &amp; Commissioning</b>	<b>(0.249)</b>

7.2 There are no significant movements to report.

## 8. Chief Executive - £0.225 million underspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Chief Executive	3.616	(1.897)	1.719	1.494	(0.225)
Outturn position forecast at month 9 - end of December					(0.300)
Change in Forecast - decrease in the underspend					0.075

8.1 The summary below highlights the significant movements within each area:

Movement in Variance	£m
Transformation	(0.122)
Chief Executive	0.108
Improvement & Innovation	0.007
Procurement	0.082
<b>Total Variances in Chief Executives</b>	<b>0.075</b>

8.2 There are no significant movements to report.



## 9. Children's Services - £3.972 million overspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
<b>Children's Services</b>	88.075	(22.352)	65.723	69.695	3.972
Outturn position forecast at month 9 - end of December					3.648
<b>Change in Forecast - increase in the overspend</b>					<b>0.324</b>

9.1 The summary below highlights the significant movements within each area:

Movement in Variance	£m
Looked After Children	0.214
Social Work Teams	0.222
Minor Variances	(0.112)
<b>Total Variances in Children's Services</b>	<b>0.324</b>

9.2 The reasons for the significant movements in the position for Children's Services are outlined below:

- a. The Looked After Children underspend reduced by £0.214 million. The level of income from other local authorities at Kyloe House was £0.099 million lower than anticipated, of which £0.060 million relates to income lost for vacant beds that could not be filled due to COVID-19 in March 2020. The remainder consists of a number of small variances.
- b. The Social Work Teams underspend reduced by £0.222 million which relates to expenditure for various non staffing budgets being higher than anticipated due to the number of looked after children increasing from the beginning of February 2020 and the start of the COVID-19 lockdown. This had an impact on client transport and Section 17 payments.

## 10. Finance - £0.855 million underspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
<b>Finance</b>	135.101	(95.936)	39.165	38.310	(0.855)
Outturn position forecast at month 9 - end of December					0.209
<b>Change in Forecast - movement from overspend to underspend</b>					<b>(1.064)</b>

10.1 The summary below highlights the significant movements within each area:

Movement in Variance	£m
Revenues & Benefits	(0.293)
Customer Services	(0.011)
Internal Audit	(0.015)
Information Services	(0.117)
Corporate Finance	(0.019)
Fire & Rescue	(0.080)
Strategic Property	(0.529)
<b>Total Variances in Finance</b>	<b>(1.064)</b>

10.2 The reasons for the significant movements in the position for Finance are outlined below:

- a. The Revenues & Benefits position has improved by £0.293 million largely due to the recovery of legal fees in relation to council tax court costs.
- b. The Property Services position has improved by £0.529 million due largely to an underspend on utility costs of £0.205 million across the service along with a reduction in the cost of repairs and maintenance in relation to the Council's estate of £0.175 million. The remainder consists of a number of smaller variances.

## 11. Human Resources & OD - £0.468 million underspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
<b>Human Resources &amp; OD</b>	26.000	(4.812)	21.188	20.720	(0.468)
Outturn position forecast at month 9 - end of December					(0.036)
<b>Change in Forecast - increase in the underspend</b>					<b>(0.432)</b>

11.1 The summary below highlights the movements within each area:

Movement in Variance	£m
Human Resources	(0.141)
Democratic Services	(0.008)
Registrars and Coroners	(0.123)
Communications	(0.102)
Elections	(0.039)
Legal	(0.052)
Tourism, Culture, Leisure and Heritage	0.033
Policy	0.000
<b>Total Variances in HR &amp; OD</b>	<b>(0.432)</b>

11.2 There are no significant movements to report.

## 12. Place - £0.273 million overspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Place	135.359	(64.950)	70.409	70.682	0.273
Outturn position forecast at month 9 - end of December					(1.126)
Change in Forecast - movement from underspend to overspend					1.399

12.1 The summary below highlights the significant movements within each area:

Movement in Variance	£m
Economy & Regeneration	(0.497)
Housing & Public Protection	(0.182)
Neighbourhood Services	(0.178)
Waste PFI	(0.163)
Planning	0.620
Technical Services	1.785
Minor Variances	0.014
<b>Total Variances in Place</b>	<b>1.399</b>

12.2 The reasons for the significant movements in the position for Place are outlined below:

- a. The underspend for Economy & Regeneration has increased by £0.497 million. The underspend for Regeneration has increased due to a number of investments that have not yet taken place which were anticipated to be funded from unspent balances that have been generated over a number of years. Schemes totalling £0.385 million have been identified by the service that will require funding over the next few years and it is recommended that a reserve is created for this sum so that funding can be drawn down in the year the projects are delivered;
- b. The underspend for Housing & Public Protection has increased by £0.182 million, mainly relating to Housing Services. During the year the Ministry of Housing Communities and Local Government approved the transfer of a temporary accommodation unit (Lamb House) from the HRA to the general fund and consequently all rent income now falls to this budget.

- c. The underspend for Neighbourhood Services has increased by £0.178 million. This mainly relates to increased underspends for grounds maintenance activities and repairs and maintenance.
- d. The overspend for the Waste PFI budget has reduced by £0.163 million. This mainly reflects the impact of resolving some outstanding issues that had been raised with SUEZ as part of prior year end reconciliation agreements which had a positive impact of £0.200 million.
- e. The underspend for Planning Services has reduced by £0.620 million to an overspend of £0.165 million. This is mainly due to the S38/S278 income being less than predicted (£0.460 million) as several large scale schemes have slipped and the fee income is now expected to be received in 2020-21. The underachievement of planning fee income has increased by £0.104 million.
- f. There has been a significant movement in the position for Technical Services which is summarised below:
  - The budget for winter services has overspent by £1.034 million compared to a nil forecast in December. Despite the relatively mild winter, individual daily conditions involving combinations of precipitation and frost led to 15% more gritting runs being undertaken than the previous winter. As a consequence of the timing of the gritting runs, there were numerous occasions when drivers were unable to work their normal hours the following day in order to ensure legal compliance with driving/working regulations, significantly increasing the cost charged to winter services. There were significant snow levels in the west of the County at the beginning of February that resulted in staff working through the night and therefore they were not able to drive for a period of time the following day;
  - The overspend for the Construction Service budget has increased by £0.319 million, predominantly due to the impact of Covid-19 where the workforce was stood down for the last two weeks in March. The Council is therefore unable to capitalise the cost of their time which is £0.150 million per week;
  - The overspend for highways maintenance has increased by £0.424 million due to the need to repair the actionable defects identified through highways inspections and by third parties, which reflects issues with the condition of the network.

### 13. Other Corporate Expenditure and Income - £4.873 million underspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Strategic Finance	33.441	(28.288)	5.153	1.838	(3.315)
Corporate Funding	0.000	(298.529)	(298.529)	(300.087)	(1.558)
<b>Total</b>	<b>33.441</b>	<b>(326.817)</b>	<b>(293.376)</b>	<b>(298.249)</b>	<b>(4.873)</b>
Outturn position forecast at month 9 - end of December					(2.803)
<b>Change in Forecast - increase in the underspend</b>					<b>(2.070)</b>

13.1 The summary below highlights the significant movements within each area:

Movement in Variance	£m
Corporate Items	(1.214)
Treasury Management	(0.033)
Capital Financing	0.144
Corporate Funding	(0.967)
<b>Total Variances in Other Corporate Expenditure &amp; Income</b>	<b>(2.070)</b>

13.2 The reasons for the significant movements in the position are outlined below:

- a. Additional business rates income of £0.922 million was received. This mainly relates to £0.231 million from the distribution of the surplus on the national business rates levy account; £0.214 million additional section 31 business rates grant income; and, £0.193 million additional income from business rate income from renewable energy schemes.
- b. An additional £1.456 million of the Council's contingency budget was unspent at the year end.

## 14. Other General Fund Items

- 14.1 During January, February and March the following was released from the contingency:

	2019-20	2020-21
	£	£
Recurrent Items	(996,460)	*(1,581,980)
Non-recurrent Items	2,498,650	248,930

*\* This is the full year effect of the 2019-20 approvals*

- 14.2 Appendix A highlights the Virements that have been approved in accordance with the finance and contract rules for each Directorate during January, February and March.
- 14.3 Appendix B is a schedule of all new grants and amendments to existing grants (capital and revenue) which the Council has been awarded during January, February and March. It is recommended that Cabinet accept the grants and that the 2019-20 budget (and subsequent years if required) is amended accordingly. In summary they are as follows:

Directorate	Grant Awarding Body	Grant	£
Place	Ministry of Housing, Communities & Local Government	Carlisle Station Gateway and Citadels	250,000
Place	Ministry of Housing, Communities & Local Government	Town Funds	162,020
Place	Ministry of Housing, Communities & Local Government	Future High Street Funds	133,000
Place	Ministry of Housing, Communities & Local Government	Bord Waalk - National Bird Sculpture Trail	396,000
Place (Capital)	Department for Transport	Highways Maintenance Challenge Fund Tranche 2B	3,700,000
Place	Department for Transport	Northumberland Line Passenger Service Reinstatement Project	1,500,000

- 14.4 The Council at its meeting in February agreed to implement a range of savings and efficiencies totalling £12.798 million in 2019-20. A recent review of the delivery of those savings has been conducted and the results are illustrated at Appendix C. For those savings that were not delivered, compensating non-recurrent underspends were identified.



## 15. Ring-fenced Accounts - Dedicated Schools' Grant (DSG) - £0.607 million overspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
<b>Dedicated Schools' Grant</b>	140.473	(140.473)	0.000	0.607	0.607
Outturn position forecast at month 9 - end of December					0.765
<b>Change in Forecast - decrease in the overspend</b>					<b>(0.158)</b>

- 15.1 In 2019-20, the Council received Dedicated Schools' Grant totalling £137.559 million, which is ring-fenced and passported through to fund schools; with an element retained centrally by the Council to provide a range of support to schools. Schools that have transferred to academy status receive their funding directly from the Department for Education – this amounted to a further £95.152 million for 2019-20.
- 15.2 There was a deficit of £1.236 million carried forward from 2018-19 and the 2019-20 grant allocation must be used to offset this position before any new commitments for the current year.
- 15.3 Additional grant for 2018-19 has been received of £0.087 million relating to the Early Years block allocation and a further £0.206 million is expected for the 2019-20 allocation following confirmation of the January census data. This has been accounted for and used to reduce the deficit position.
- 15.4 There are 34 schools ending the financial year with a deficit budget, work is ongoing with those schools to ensure a realistic budget recovery plan is in place for 2020-21 and beyond.
- 15.5 There has been a decrease of £0.158 million in the forecast overspend position of £0.607 million since the period 9, end of December 2019 report. This is the result of a minor improvement in the forecast position across all blocks in the Dedicated Schools Grant.

## 16. Ring-fenced Accounts - Public Health

- 16.1 The Council's Public Health service received grant funding of £15.798 million in 2019-20. This funding is ring-fenced for the provision of services to improve the health of the local population and reduce health inequalities.
- 16.2 The terms of the grant allow unspent allocations to be carried over into the next financial year. Public Health carried forward a reserve of £5.214 million to the financial year 2019-20.
- 16.3 The plan was to utilise £0.395 million from the Public Health reserve in 2019-20. This was to ensure that there was no impact on service delivery despite the reduction in grant funding, and to fund expenditure incurred to support commitments reallocated from Adult Social Care. An additional £0.190 million was also transferred from the Public Health reserve during the year to fund new health initiatives. However, there is an overall underspend in relation to various Public Health activities which is shown in the table below.
- 16.4 The summary below analyses the planned Public Health expenditure:

	Current Budget	Provisional Outturn	Variance
	£m	£m	£m
Staffing and Support Costs	1.239	1.127	(0.112)
Stop Smoking Initiatives	0.776	0.755	(0.021)
Drug & Alcohol Services	3.421	3.382	(0.039)
Sexual Health Services	2.127	2.037	(0.090)
0-19 Public Health Services	6.085	6.032	(0.053)
Other Health Initiatives	2.735	2.640	(0.095)
<b>Total Variances in Public Health</b>	<b>16.383</b>	<b>15.973</b>	<b>(0.410)</b>

- 16.5 Public Health will carry forward a reserve of £5.039 million to financial year 2020-21; £4.629 million carried forward from previous years underspends and £0.410 million from the 2019-20 underspend.
- 16.6 Public Health will receive grant funding of £16.710 million for 2020-21 which is an increase of 5.8%. However, this will be consumed by the additional costs relating to increases to the Agenda for Change pay and pensions in NHS provider organisations.
- 16.7 A new service providing antiviral drugs to people at risk of HIV will be introduced in 2020-21. NHS England will fund the cost of the drugs with local authorities being responsible for delivering the service as part of the Public Health sexual health service provision. The Department of Health and Social Care will provide £16.000 million funding to Local Authorities in 2020-21 to support the delivery of the service.

## 17. Ring-fenced Accounts - Housing Revenue Account (HRA) - £1.006 million underspend

2019-20 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
<b>Housing Revenue Account</b>	35.771	(36.244)	(0.473)	(1.479)	(1.006)
Outturn position forecast at month 9 - end of December					(0.381)
<b>Change in Forecast - increase in the underspend</b>					<b>(0.625)</b>

17.1 There has been an increase in the underspend position of £0.625 million since the period 9, end of December 2019 report. The summary below highlights the significant movements within each area:

Variance	£m
Housing Special	(0.159)
Repair and Maintenance	(0.276)
Housing Capital works	(0.186)
Other HRA Services	(0.154)
HRA Income	0.106
Minor Variances	0.044
<b>Total Variances in the Housing Revenue Account</b>	<b>(0.625)</b>

17.2 The significant movements in the position for the HRA are outlined below:

- a. The Housing Special budget includes an underspend for salary budgets of £0.098 million, mainly relating to vacant posts. Electricity and gas budgets were also underspent by £0.062 million.
- b. The Repair and Maintenance budget includes an underspend for salary budgets of £0.134 million, mainly due to the delay in implementing the restructure. A recharge of £0.072 million has been made to the Asylum Seekers and Refugee Scheme for the cost of repairs to houses and the budget for consumables underspent by £0.071 million.
- c. The underspend for the Housing Capital works budget has increased mainly due to productive hours being higher than budgeted as result of a reduction in sickness levels.
- d. The underspend on Other HRA Services includes £0.091 which remained in the contingency budget and £0.081 million underspend on professional services budgeted for the delivery of new homes, not yet called upon.

- e. HRA Income has moved due to a reduction in Dwelling Rent income arising from sickness within the voids team having an impact on turnaround times along with the effect of long term void properties.

## **18. CAPITAL PROGRAMME**

- 18.1 The capital programme for 2019-20 totalling £159.006 million was agreed by full Council on 20 February 2019.
- 18.2 The capital programme has changed during the year as the phasing of schemes was reviewed at the end of last financial year (£18.343 million reprofiled from 2018-19 to 2019-20). At the Cabinet meeting of 17 September 2019 reprofiling of £46.577 million from 2019-20 to 2020-21; and £10.386 million from 2020-21 to 2019-20 was approved to reflect estimated expenditure levels in the current financial year. In addition, approval totalling £8.695 million for additional schemes and resourcing was agreed.

18.3 The following table sets out the position as at Provisional Outturn:

Directorate	2019-20 Approved Budget Full Council 20.02.19	Approved Adjustments	Revised 2019-20 Budget	Provisional Outturn	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	4.320	(2.034)	2.286	1.883	(0.403)	0.002	(0.405)
Chief Executive's	1.000	0.464	1.464	0.532	(0.932)	(0.100)	(0.832)
Children's Services	40.020	(4.111)	35.909	45.404	9.495	0.009	9.486
Finance	50.563	(0.596)	49.967	36.388	(13.579)	0.497	(14.076)
Human Resources & OD	2.000	0.231	2.231	4.973	2.742	0.067	2.675
Place	61.103	(3.107)	57.996	50.366	(7.630)	0.337	(7.967)
<b>Total Programme</b>	<b>159.006</b>	<b>(9.153)</b>	<b>149.853</b>	<b>139.546</b>	<b>(10.307)</b>	<b>0.812</b>	<b>(11.119)</b>
<b>Financed by:</b>							
External Grants	51.872	(1.025)	50.847	44.662	(6.185)	0.581	(6.766)
Capital Receipts	4.343	-	4.343	4.929	0.586	0.586	-
GF Revenue Contributions	0.755	-	0.755	1.345	0.590	0.590	-
HRA Contributions	11.113	(2.625)	8.488	8.598	0.110	(0.129)	0.239
GF Borrowing	90.923	(5.503)	85.420	80.012	(5.408)	(0.816)	(4.592)
<b>Total Financing</b>	<b>159.006</b>	<b>(9.153)</b>	<b>149.853</b>	<b>139.546</b>	<b>(10.307)</b>	<b>0.812</b>	<b>(11.119)</b>

- 18.4 The major areas of capital investment during the year were as follows:
- a. £33.167 million invested in transport schemes including infrastructure, traffic management and integrated transport schemes.
  - b. £45.404 million invested in school buildings, including the construction of new schools at Morpeth and Ponteland.
  - c. £4.533 million invested in fleet replacement.
  - d. £8.787 million invested in the Council's housing stock.
- 18.5 There is a net underspend of £10.307 million across the 2019-20 Capital Programme comprising of a further £11.119 million reprofiling (£18.941 million reprofiling from 2020-21 into 2019-20 and £30.060 million from 2019-20 into 2020-21) and £0.812 million net overspend (£1.815 million overspend and £1.003 million underspend). The following is a summary of the significant variances:
- a. Adult Services - £0.002 million overspend and £0.405 million reprofiling from 2019-20 to 2020-21 as follows:
    - i. £0.122 million reprofiling from 2019-20 to 2020-21 in relation to Disabled Facilities Grant based on the current level of applications.
    - ii £0.283 million reprofiling from 2019-20 to 2020-21 in relation to Community Capacity Grant as no further business cases are expected to be approved in this financial year.
  - b. Chief Executive's - £0.100 million underspend and £0.832 million reprofiling from 2019-20 to 2020-21 due to an underspend on the Installation of Ground Source Heat Pump projects, reprofiling on a number of Ground Source Heat Pump projects (£0.192 million) and reprofiling on the Warm Homes Fund (£0.640 million), due to the Council being granted an extension to the scheme until August 2020, which is also when the final project report is due.
  - c. Children's Services - £0.009 million overspend, £3.209 million reprofiling from 2019-20 to 2020-21 and £12.695 million reprofiling from 2020-21 to 2019-20 as follows:
    - i £0.161 million reprofiling from 2019-20 to 2020-21 in relation to developing two children's homes within the County to accommodate up to four young people. Sites at Pegswood and Hadston have now been identified and planning permission is expected by the end of June 2020.

- ii £0.570 million reprofiling from 2019-20 to 2020-21 in relation to the Schools' Capital Investment Programme based on the programme manager's forecast expenditure.
- iii £0.049 million reprofiling from 2019-20 to 2020-21 in relation to Morpeth First School. The school opened in September 2019 with some snagging works and potential roundabout works expected in 2020-21.
- iv £0.169 million reprofiling from 2019-20 to 2020-21 in relation to Stannington First School Additional Places with the installation of the modular classrooms expected to be completed by August 2020.
- v £0.477 million reprofiling from 2019-20 to 2020-21 in relation to Devolved Formula Capital as grant conditions allow schools three years to spend their allocations.
- vi £1.206 million reprofiling from 2019-20 to 2020-21 in relation to demolition and playing field reinstatement works at Darras Hall Primary School. Upon final completion it is estimated there will be an underspend of approximately £1 million on the budget and it is recommended that this is used to fund the increased costs on the Ponteland Secondary School and Leisure Centre scheme.
- vii £0.032 million reprofiling from 2019-20 to 2020-21 in relation to the Seaton Valley Federation of Schools with works planned to be completed by March 2022.
- viii £0.545 million reprofiling from 2019-20 to 2020-21 in relation to a number of schemes at Kylloe House. The works are expected to be completed during 2020 in line with the grant providers' conditions.
- ix £9.334 million reprofiling from 2020-21 to 2019-20 in relation to Ponteland Secondary School and Leisure Centre. The schemes are progressing ahead of the original programme with the fire station already completed. It is expected that the construction of the Secondary School and Leisure Centre will be completed by October 2020.
- x £2.306 million reprofiling from 2020-21 to 2019-20 in relation to School Reorganisation in the West of the County. The schemes are progressing ahead of the original programme and it is expected that Haydon Bridge Secondary School will be



completed by the end of May 2020 with the works at Bellingham Children's Centre complete by December 2020.

- xi £0.790 million reprofiling from 2020-21 to 2019-20 in relation to Hexham Schools. The contractor commenced on site during February 2020 with Phase 1 due for completion by September 2021 and Phase 2 by April 2022.
  - xii £0.262 million reprofiling from 2020-21 to 2019-20 in relation to the Wise Academy Trust in Haltwhistle. A contractor has been appointed with works commencing in 2020-21.
  - xiii £0.003 million reprofiling from 2020-21 to 2019-20 in relation to the Basic Needs schemes at Blyth Horton Grange and New Delaval Primary which are now complete.
- d. Finance - £0.497 million overspend, £16.102 million reprofiling from 2019-20 to 2020-21 and £2.026 million reprofiling from 2020-21 to 2019-20 as follows:

Corporate Finance

- i £0.421 million underspend in relation to the loans to the North East Local Enterprise Partnership (NELEP) for the East Sleekburn, Bates and Ashwood enterprise zone sites where the overall loan values have been less than originally anticipated.
- ii £0.700 million reprofiling from 2019-20 to 2020-21 in relation to Strategic Regeneration Projects. Projects continue to be approved but due to delivery timelines it has been necessary to reprofile.
- iii £1.455 million reprofiling from 2019-20 to 2020-21 in relation to Bedlington Town Centre Grant following an update in the expenditure profile of the scheme.
- iv £3.000 million reprofiling from 2019-20 to 2020-21 in relation to Portland Park Grant following an update in the expenditure profile of the scheme.
- v £0.352 million reprofiling from 2019-20 to 2020-21 in relation to loans to third parties to cover costs of projects going forward.
- vi £2.236 million reprofiling from 2019-20 to 2020-21 in relation to a loan to the NELEP for the Bates Enterprise Zone. The scheme has recently started but there was work needing to be completed on the quay before the main contract can commence.

- vii £1.774 million reprofiling from 2019-20 to 2020-21 in relation to a loan to the NELEP for Ashwood Business Park. The tripartite agreement between the Council, NELEP and Advance Northumberland has recently been signed but no expenditure will be incurred until 2020-21.
- viii £4.000 million reprofiling from 2019-20 to 2020-21 in relation to a loan to the NELEP for East Sleekburn. The tripartite agreement has recently been signed but expenditure relating to the grant element of the scheme will not be incurred until 2020-21.

#### Information Services

- i £0.070 million reprofiling from 2019-20 to 2020-21 along with an overspend of £0.500 million in relation to the upgrading of the County Hall IT Infrastructure. Additional capacity has been included compared to the original estimate, and cabling changing from Cat 5 to 6 for future proofing as well as fire regulations have increased the cost.
- ii £0.149 million reprofiling from 2019-20 to 2020-21 in relation to the Office 365 implementation to support moving from the pilot phase to live status which is due to commence in 2020.
- iii £1.639 million reprofiling from 2020-21 to 2019-20 in relation to the Desktop Refresh Programme. A budget of £3.000 million has been included within the Medium Term Financial Plan (approved on 19 February 2020) for the period 2020-21 to 2022-23.

#### Property Services

- i £0.103 million overspend against the approved budget in relation to Prudhoe Eastwood although this additional cost has been recovered from Northumbrian Water, the Football Foundation and Section 106 contributions.
- ii £0.062 million underspend on the acquisition of the Land Mineral Sites at Choppington Road. A budget estimate of £0.400 million was included in the programme but a cost of £0.338 million was negotiated.
- iii £0.493 million overspend on the renovation works at Alnwick Playhouse although £0.447 million has been received from the Trust as a contribution towards the work reducing the Council's overspend to £0.046 million.

- iv      £0.510 million reprofiling from 2019-20 to 2020-21 in relation to the refurbishment of County Hall with the expenditure profile amended to reflect the latest Phase 1 target completion dates.
- v        £0.096 million reprofiling from 2019-20 to 2020-21 in relation to Alnwick Lindisfarne Site with asbestos removal commencing in March and the main construction now occurring in 2020-21.
- vi       £0.350 million reprofiling from 2019-20 to 2020-21 in relation to the grant to Morpeth Town Council to allow them to undertake backlog maintenance and refurbishment work at Storey Park, St James Community Centre and Carlisle Park Pavilion prior to a Community Asset transfer. The reprofiling is necessary due to a delay in the planning approval.
- vii      £0.491 million reprofiling from 2019-20 to 2020-21 in relation to leisure buildings essential remedial work. A programme of work continues to be undertaken across the portfolio with priorities continually being assessed.
- viii     £0.068 million reprofiling from 2019-20 to 2020-21 in relation to the construction of Alnwick Juniors 3G pitch.
- ix       £0.068 million reprofiling from 2020-21 to 2019-20 in relation to the Property Stewardship Fund due to an acceleration of the work on key toilet blocks.
- x        £0.176 million reprofiling from 2020-21 to 2019-20 primarily in relation to Cowley Road Depot Refurbishment and Car Park. The access road to the salt barn has been constructed earlier than originally scheduled.

#### Fire and Rescue

- i        £0.068 million underspend on the replacement of Fire Service equipment, Emergency Control Centre project and the installation of Solar Panels at Pegswood Fire Station.
- ii       £0.658 million reprofiling from 2019-20 to 2020-21 in relation to four replacement fire appliances as delivery is expected during 2020.
- iii      £0.079 million reprofiling from 2019-20 to 2020-21 in relation to the Officers' Pooled Car scheme. The scheme is currently being reviewed in relation to the number of vehicles currently provided with a possible update to the budget required following completion.

#### Advance Northumberland

- i £0.061 million underspend primarily on Ashington Town Centre due to funds due to be repaid to the Council
  - ii £0.114 million reprofiling from 2019-20 to 2020-21 in relation to the Ashington North East Quarter redevelopment phase 2 in preparation for the next phase of works.
  - iii £0.143 million reprofiling from 2020-21 to 2019-20 in relation to East Sleekburn Enterprise Zone as expenditure is slightly ahead of profile.
- e. Human Resources & OD - £0.067 million overspend, £0.019 million reprofiling from 2019-20 to 2020-21 and £2.694 million reprofiling from 2020-21 to 2019-20 as follows:
- i £0.067 million overspend in relation to the relocation of Northumberland Adult Learning Service in Wentworth Leisure Centre due to additional changing room works and the installation of a comfort cooling system within the gym area.
  - ii £0.019 million reprofiling from 2019-20 to 2020-21 in relation to Haltwhistle Football Project in anticipation of phase 2 works being claimed in 2020-21.
  - iii £1.243 million reprofiling from 2020-21 to 2019-20 in relation to Berwick Leisure Centre with the contractor commencing on site 27 January 2020. The scheme has progressed ahead of the original anticipated programme.
  - iv £0.770 million reprofiling from 2020-21 to 2019-20 in relation to Blyth Sports Centre due to an acceleration of the pool refurbishment works.
  - v £0.681 million reprofiling from 2020-21 to 2019-20 in relation to the provision of leisure facilities within Morpeth. The planning application has been submitted and was due to be considered in April but due to the Covid-19 outbreak the meeting was cancelled. A virtual committee meeting will take place in the near future where this scheme will be considered. The scheme has gone out to tender so that it is running concurrently with the planning process. The scheme has progressed ahead of the original anticipated programme included within the MTFP.
- f. Place - £0.337 million overspend, £9.493 million reprofiling from 2019-20 to 2020-21 and £1.526 million reprofiling from 2020-21 to 2019-20 as follows:

#### Housing Revenue Account

- i The implementation of the Housing Management System cost slightly less than anticipated and resulted in an underspend of £0.019 million.
- ii New Affordable and Existing Housing Programme (HRA) overspent by £0.023 million due to the repayment of an HCA grant following the completion of a right to buy sale.
- iii The Empty Homes Purchase and Repair scheme has now completed with an underspend of £0.047 million. A new scheme is being implemented by the Homes and Communities Agency in 2020-21 with revised funding due to come into being.
- iv £0.794 million reprofiling from 2019-20 to 2020-21 in relation to the programme of HRA reprovion and new build. The site at Foggins Yard will now be purchased in 2020-21 with the redevelopment then commencing which is later than originally anticipated.
- v £0.983 million reprofiling from 2020-21 to 2019-20 in relation to the Major Repairs programme on existing housing stock. The budget was realigned earlier in the financial year by £1.000 million but significant progress has been made to recover the position.
- vi £0.050 million reprofiling from 2020-21 to 2019-20 in relation to the award of a Section 106 grant as a result of the planning conditions in Blyth. It was previously anticipated that the grant would be paid in the financial year 2020-21.

#### Housing General Fund

- i. £0.117 million reprofiling from 2019-20 to 2020-21 in relation to the Community Housing Fund as only one grant was made during the financial year with the remainder due in 2020-21.
- ii. £0.041 million reprofiling from 2019-20 to 2020-21 in relation to Empty Homes Repair and Lease with the four remaining properties due to be completed in 2020-21.

#### Technical Services

- i. £0.267 million overspend in relation to the Lady's Walk river collapse scheme in Morpeth. As a result of ecological

restrictions placed on the Council by the Environment Agency the costs have increased as the works were delayed during the Crayfish breeding season and, whilst the Council made some progress during this period, it increased the overall duration and cost of the works.

- ii. £0.104 million overspend in relation to the Morpeth Surface Water scheme as a result of difficult ground conditions being encountered following high rainfall and the need to redesign some of the plans on site due to unexpected utility issues that were encountered.
- iii. £0.028 million underspend on the Aln Valley Cycleway scheme as it was delivered at a lower than anticipated cost.
- iv. £0.116 million reprofiling from 2019-20 to 2020-21 along with an £0.087 million overspend in relation to Seahouses Pier. The project is now complete with a forecast £0.325 million increase in costs due to the need to address some pre-construction uncertainties and the realisation of some risks associated with working in a coastal location. Whilst most of the increased cost has been met from the contingency within the Environment Agency Grant, any costs incurred above the maximum £3.110 million grant was at the Council's risk. Therefore, the remaining £0.087 million will need to be funded by the Council subject to the final account being settled.
- v. £0.679 million reprofiling from 2019-20 to 2020-21 in relation to the Local Transport Plan to complete planned schemes that were approved as part of the 2019-20 programme but are yet to be either delivered or completed.
- vi. £0.116 million reprofiling from 2019-20 to 2020-21 in relation to the construction of the new salt barns for winter services. Schemes completed since 1 April 2019 are Powburn, Blyth, Allendale and Rothbury. Salt barns at Bellingham, Morpeth and Otterburn are subject to securing planning agreements.
- vii. £0.157 million reprofiling from 2019-20 to 2020-21 in relation to Berwick Quayside Car Park as the land has only recently been acquired. Work is expected to conclude in the financial year 2020-21.
- viii. £0.342 million reprofiling from 2019-20 to 2020-21 in relation to the Car Park Improvement programme of works.

- ix. £1.793 million reprofiling from 2019-20 to 2020-21 in relation to the Street Lighting Replacement and Modernisation Programme.
- x. £0.999 million reprofiling from 2019-20 to 2020-21 in relation to the DfT Challenge Fund Bid Support for steel structures. The Council was successful in its bid for funding (£3.700 million DfT and £1.100 million NCC) to refurbish eight steel structure bridges. The programme of works will be undertaken over the next two financial years.
- xi. £0.717 million reprofiling from 2019-20 to 2020-21 in relation to the Flood and Coastal schemes at Beadnell, Hexham, Loansdean, Ovingham and Chathill. The schemes will now commence in the summer when ground conditions are more favourable.
- xii. £0.323 million reprofiling from 2019-20 to 2020-21 in relation to Union Chain Bridge. The contract for works has now been awarded with negotiations on-going around safe working and commencement on site and timelines due to Covid-19.
- xiii. £0.086 million reprofiling from 2020-21 to 2019-20 in relation to Members' Local Improvement Schemes as the budget is slightly ahead of profile.

#### Neighbourhood Services

- i. The implementation of the Vehicle Tracking System has resulted in a further saving of £0.059 million. All new equipment installations are attached as part of the vehicle cost from the Fleet Replacement Programme.
- ii. There were snagging works to conclude at the Alnwick Lionheart Depot and Fire Station resulting in expenditure of £0.016 million during 2019-20.
- iii. Originally the Alexandra Park scheme was to be undertaken by the Council with a contribution from the Town Council. However, the funding and delivery arrangements changed resulting in the County Council securing an underspend of £0.035 million against the Council's budget.
- iv. The Gallagher Park scheme is now complete with an overspend of £0.014 million although this has been covered from income received a number of years ago.
- v. £2.710 million reprofiling from 2019-20 to 2020-21 in relation to the Fleet Replacement Programme. There were 162 vehicles

that were not replaced prior to 31 March 2020 as a result of various reviews which are on-going (e.g. fleet decarbonisation and switch to electric vehicles, weight capacity issues, utilisation and manufacturers lead in times for delivery).

- vi. £0.052 million reprofiling from 2019-20 to 2020-21 in relation to Hirst Park Improvements with final works expected to be completed by June 2020.
- vii. £0.137 million reprofiling from 2019-20 to 2020-21 in relation to the Country Parks Improvement Programme at Bolam Lake and other sites with works being completed during 2020.
- viii. £0.066 million reprofiling from 2020-21 to 2019-20 in relation to the Country Parks Improvement Programme at Druridge Bay with works due to be completed during 2020 with expenditure ahead of the original profile.
- ix. £0.006 million reprofiling from 2020-21 to 2019-20 in relation to Ridley Park (Water Play Equipment) with the small overspend being funded from the 2020-21 programme.

#### Planning and Economy

- i. £0.200 million reprofiling from 2019-20 to 2020-21 in relation to the construction of the Blyth Relief Road. The scheme continues to be developed and is currently funded from the revenue budget due to uncertainties around the external funding and timing of delivery.
- ii. £0.200 million reprofiling from 2019-20 to 2020-21 in relation to the implementation of Community Broadband. There have been delays in the implementation due to BT suspending the scheme whilst the overall broadband scheme was reviewed so that a way forward could be agreed as part of the wider Borderlands programme.
- iii. £0.335 million reprofiling from 2020-21 to 2019-20 in relation to Local Growth Fund as the projects have been delivered faster than the original profile.

18.6 It is recommended that Cabinet approve a net reprofiling of £11.119 million: £30.060 million from 2019-20 to 2020-21; and £18.941 million from 2020-21 to 2019-20. Total reprofiling of £36.191 million was approved by Cabinet on 17 September 2019 as part of the Financial Performance 2019 - Position at the end of July 2019 report.



## 19. Capital Receipts

- 19.1 The level of 2019-20 Capital Receipts to support the 2019-20 capital programme is £8.031 million (after costs and HRA pooling). The disposal programme has now achieved General Fund gross cash receipts of £4.832 million in the year and the following table demonstrates the current position with regard to asset disposals:

<b>General Fund Capital Receipts Activity During 2019-20</b>	<b>Actual £m</b>
Completed and available for use in year	4.832
On the market	0.075
Term Agreed	0.200
Contracts exchanged	0.325

- 19.2 The movement on the capital receipts reserve and the value of capital receipts shown in paragraph 18.3 of £4.929 million to support the capital programme in 2019-20 is shown in the table below:

<b>Useable Capital Receipts Reserve 2019/20</b>	<b>Actual £m</b>
Opening balance	1.606
Proceeds from General Fund new sales in year	4.832
Net impact of long term debtor principal repayments	0.013
Costs of General Fund disposals	(0.111)
Net HRA proceeds	1.690
Capital receipts applied to financing in year	(4.928)
<b>Closing balance</b>	<b>3.102</b>

## Implications

<b>Policy</b>	This is the third year of this Administration's Medium Term Financial Plan; and, it fully supports the priorities outlined in the Corporate Plan 2018-21 - A Council that Works for Everyone.
<b>Finance and value for money</b>	The report is of a financial nature and the detail is contained within the body of the report.
<b>Legal</b>	There are no specific legal implications within this report.
<b>Procurement</b>	There are no specific procurement implications within this report.
<b>Human Resources</b>	There are no specific human resources implications within this report.
<b>Property</b>	There are no specific property implications within this report.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	There are no specific equalities implications within this report.
<b>Risk Assessment</b>	The risks associated with the budget were considered in February 2019 and were considered to be acceptable.
<b>Crime &amp; Disorder</b>	There are no specific crime and disorder implications within this report.
<b>Customer Consideration</b>	There are no specific customer consideration implications within this report.
<b>Carbon reduction</b>	There are no specific carbon reduction implications within this report.
<b>Health &amp; Wellbeing</b>	The Council's budget is founded on the principle of promoting inclusivity.
<b>Wards</b>	All wards.

## Background papers

Cabinet 12 February 2019 and Council 20 February 2019: Medium Term Financial Plan and 2019-22 and Budget 2019-20.

## Report sign off

	Name
Monitoring Officer/Legal	Liam Henry
Executive Director of Finance & Section S151 Officer	Chris Hand
Relevant Executive Director	Chris Hand
Chief Executive	Daljit Lally
Portfolio Holder(s)	Nick Oliver

## Author and Contact Details

Alison Elsdon

Service Director Finance

Telephone: 01670 622168

[Alison.Elsdon@northumberland.gov.uk](mailto:Alison.Elsdon@northumberland.gov.uk)

**Schedule of Budget Virement Approved January, February and March 2020**

<b>Directorate</b>	<b>Reason for Virement</b>	<b>Virement from</b>	<b>Virement to</b>	<b>£</b>
Place	To fund Voicescape	HRA General Management - Communications and Furniture not attached to Buildings	HRA General Management - Professional Services	2019-20 - 24,000  2020-21 - 6,000

<b>Directorate:</b>	Place
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Carlisle Station Gateway and Citadels
<b>Purpose:</b>	To improve the railway station's access and its surrounding areas.
<b>Value:</b>	£250,000
<b>Recurrent/Non-recurrent:</b>	Non Recurrent
<b>Profiling:</b>	Grant received in two instalments, September and March

<b>Directorate:</b>	Place
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Town Funds
<b>Purpose:</b>	This funding will help to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills and culture.
<b>Value:</b>	£162,020
<b>Recurrent/Non-recurrent:</b>	Non Recurrent
<b>Profiling:</b>	Grant received in January

<b>Directorate:</b>	Place
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Future High Street Funds
<b>Purpose:</b>	It will support places by co-funding transformative, structural changes to overcome challenges in their area. It will support wider economic growth within local areas, delivering investment and growth across regions in England to deliver our modern Industrial Strategy
<b>Value:</b>	£133,000
<b>Recurrent/Non-recurrent:</b>	Non Recurrent
<b>Profiling:</b>	Grant received in January

<b>Directorate:</b>	Place
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Bord Waalk - National Bird Sculpture Trail
<b>Purpose:</b>	To create several artist-developed sculptures and installations at points along the coastline between Hauxley Nature Reserve, around Amble and along the river to Warkworth.
<b>Value:</b>	£396,000
<b>Recurrent/Non-recurrent:</b>	Recurrent
<b>Profiling:</b>	£180,000 received in July, £216,000 to be received in 2020-21

<b>Directorate:</b>	Place (Capital Programme)
<b>Grant Awarding Body:</b>	Department for Transport
<b>Name of Grant:</b>	Highways Maintenance Challenge Fund Tranche 2B
<b>Purpose:</b>	Refurbishment of 8 steel structures within the Council's capital programme. The allocation is matched with £1.100 million of NCC funding.
<b>Value:</b>	£3,700,000
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	2020-2021 £2.400 million; 2021-2022 £1.300 million. All funding will be received in 2019-20.

<b>Directorate:</b>	Place
<b>Grant Awarding Body:</b>	Department for Transport
<b>Name of Grant:</b>	Northumberland Line Passenger Service Reinstatement Project
<b>Purpose:</b>	Contribution to the preparation of the Outline Business Case and associated deliverables for the reintroduction of Passenger Rail Services on the Northumberland Line.
<b>Value:</b>	£1,500,000
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	2019-20 £1.500 million. Funding was received in 2019-20.

## Savings Analysis

## Appendix C

	2019-20		
			Total
	£m	£m	£m
Adults	0.200	6.086	6.286
Children's		0.580	0.580
Finance	0.710	1.092	1.802
HR & OD		0.100	0.100
Place	0.599	3.431	4.030
<b>Total</b>	<b>1.509</b>	<b>11.289</b>	<b>12.798</b>

### Key

Red - Not delivered

Green - Fully delivered - both activities and savings

### NOTES - SAVINGS NOT DELIVERED

#### Adults

- a. Savings totalling £0.200 million were not delivered as planned comprising of:
  - i. £0.500 million anticipated income from Northumberland CCG in respect of the support work provided by Adult Services for commissioning Continuing Health Care. Negotiations secured an additional £0.300 million income resulting in a £0.200 million pressure for the service.
  - ii. No compensating savings were found. However, Northumberland CCG did allocate an additional £0.500 million in year to support winter pressures which reduced the overall pressure on Adults Social Care.
  - iii. Northumberland CCG has committed to fund the full income target in 2020-21.

#### Finance

- b. Savings totalling £0.710 million were not delivered as planned comprising of:
  - i. £0.410 million in relation to One Council savings and cross directorate review of printing, stationery and agency. This is a cross-Directorate saving and although no identifiable compensating savings were delivered the Finance Directorate underspent overall to cover this. Savings totalling £0.200 million have already been identified in 2020-21.

- ii. £0.270 million in relation to Information Services software licences. No compensating savings were found in year, but the budget has been amended recurrently from 2020-21.
- iii. £0.030 million in relation to a shortfall of external training income within the Fire & Rescue budget. The shortfall was met by the general underspend within the service. The target remains within the budget for 2020-21 and this may be at risk due to the current position on Covis-19 which prevents delivery of training.

**Place**

- c. Savings totalling £0.599 million were not delivered as planned comprising of:
  - i. £0.300 million in relation to highway maintenance. Whilst measures were put in place to change the nature of bridge maintenance work in order to capitalise the costs the budget has overspent in general and consequently the saving has not been delivered from highway maintenance activities. Pressures on this budget will continue into the future meaning that this saving is unlikely to be delivered. No compensating savings have been identified.
  - ii. £0.250 million in relation to winter maintenance. The budget for winter maintenance has overspent for the last 2 years following relatively mild conditions. Based on the cost of operational activities experienced over the course of this winter period it is unlikely that this saving can be delivered in the future. No compensating savings have been identified.
  - iii. £0.049 million in relation to Housing Services enhanced trading activities which have not progressed in the year. Given the current situation, it is unlikely that this will be delivered before the financial year 2021-22.



**Period 12 Revenue Outturn - Detailed budget summary by Service**
**Service: Adult Services**

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Commissioned Services	65.483	66.918	1.435
In-house Services	10.472	9.930	(0.542)
Care Management	12.786	12.492	(0.294)
Support & Other Services	6.431	5.939	(0.492)
<b>Total Adult Services</b>	<b>95.172</b>	<b>95.279</b>	<b>0.107</b>

**NOTES - Predicted Year End Variances of £0.250 million or more**

The main reasons for the outturn position for Adult Services are outlined below:

- a. The pressure on the demand for Commissioned Services resulted in an overspend of £1.435 million. This is due to a continuing upward trend in the growth in the demand for services to support vulnerable people with complex care needs; in particular supported and independent living services. The Risk and Independence Team's continuous review of care packages to ensure that clients have the correct level of support to allow them to maintain their independence in their own homes has assisted in controlling the pressure by reducing the level of care committed.
- b. The underspend within In-House Services relates to income being £0.531 million in excess of budget. This is income received from Northumberland CCG for service users who have been assessed as being eligible for Continuing Health Care or Section 117 funding.
- c. The Care Management budget is underspent by £0.294 million. There are various non-significant underspends across a variety of non-staffing budgets totalling £0.274 million.
- d. The budget for Support & Other Services is underspent by £0.492 million. This is mainly due to staff turnover which has resulted in an underspend of £0.360 million against staffing relating budgets.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Appendix E

### Period 12 Revenue Outturn - Detailed budget summary by Service

#### Service: Adult Services: Public Health

Summary by Service	Budget	Expenditure	Variance
Service	£m	£m	£m
Public Health	0.000	0.000	0.000
Northumberland Sport	0.000	0.000	0.000
<b>Total Public Health</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

#### NOTES - Predicted Year End Variances of £0.250 million or more

There are no significant variances to report within the Public Health budgets.

The Council transferred the activities and the associated assets of Northumberland Sport to the North-North-East Active Partnership on 1 January 2020. There are 43 Active Partnerships across England that work collaboratively with local partners to promote and encourage active lifestyles.

## Appendix F

### Period 12 Revenue Outturn - Detailed budget summary by Service

#### Service: Chief Executive

Summary by Service	Budget	Expenditure	Variance
Service	£m	£m	£m
Transformation	0.291	0.163	(0.128)
Chief Executive	0.477	0.581	0.104
Improvement & Innovation	0.399	0.406	0.007
Procurement	0.552	0.344	(0.208)
<b>Total Chief Executive</b>	<b>1.719</b>	<b>1.494</b>	<b>(0.225)</b>

#### NOTES - Year End Variances of £0.250 million or more

The underspend in Procurement relates largely to an overachievement of Feed in Tariff income.

## Appendix G

### Period 12 Revenue Outturn - Detailed budget summary by Service

#### Service: Children's Services: Children's Social Care

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Adolescent Services	3.631	3.637	0.006
Family Placement	10.746	11.100	0.354
Purchase Budgets	2.282	7.097	4.815
Early Intervention and Prevention	4.923	4.590	(0.333)
Local Children's Safeguarding Board	0.131	0.097	(0.034)
Looked after Children	3.584	3.235	(0.349)
Social Work Teams	9.460	9.143	(0.317)
District Admin Offices	0.743	0.639	(0.104)
Family and Disability Services	2.635	2.573	(0.062)
Safeguarding Standards	1.109	1.110	0.001
Other Children's Services	2.391	2.228	(0.163)
<b>Total Children's Social Care</b>	<b>41.635</b>	<b>45.449</b>	<b>3.814</b>

### NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Children's Services are outlined below:

- a. The Family Placement budgets overspent by £0.354 million. This is due to the following:
  - i. Family Placement is overspent by £0.299 million on Fostering Services due to a higher volume of payments than anticipated;
  - ii. An overspend of £0.278 million on Adoption Agency payments. NCC placed 4 children with adopters this year; and,
  - ii. A staff restructure has resulted in a one-off staffing underspend of £0.247 million.
- b. The Purchase budgets overspent by £4.815 million. This is due to the following:
  - i. Out of county residential care placements cost £5.693 million more than budget. This includes the cost of additional agency staff required to support short term placements in

emergency accommodation where no immediate placement can be found. There are currently 40 placements with the most expensive placement costing £0.267 million per year.

- ii. The overspend on Purchase budgets is offset by £0.900 million additional income from Northumberland CCG in respect of jointly funded clients.
- c. The Early Intervention and Prevention Service was underspent by £0.327 million on staff. This was a result of a number of staff taking voluntary severance and several staff vacancies during the year.
- d. The budget for Looked after Children was underspent by £0.349 million. This was due to the following:
  - i. The Kyloe House secure unit budget underspent by £0.176 million, with income from Other Local Authorities that purchase placements exceeding the budget by £0.256 million; and,
  - ii. There was an underspend on the Family Support Service of £0.136 million as there was a delay in appointing to newly created posts when the service transferred in house.
- e. The Social Work Teams budget was underspent by £0.317 million. Staff turnover and vacant posts resulted in an underspend of £0.896 million on staff costs, offset by £0.704 million agency costs which were not included in the budget.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Appendix H

### Period 12 Revenue Outturn - Detailed budget summary by Service

#### Service: Children's Services: Education & Skills

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Director of Education & Skills	0.366	0.336	(0.030)
Curriculum & Learning	2.169	2.157	(0.012)
Alternative Education (Virtual Headteacher)	0.018	0.018	0.000
Special Educational Needs & Disability	5.537	5.854	0.317
School Organisation	15.986	15.981	(0.005)
School Improvement	0.012	(0.100)	(0.112)
<b>Total Education &amp; Skills</b>	<b>24.088</b>	<b>24.246</b>	<b>0.158</b>

#### NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Children's Services are outlined below:

- a. An overspend on SEN Home to School transport of £0.316 million has arisen due to an increase of 64 pupils over the last financial year.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Period 12 Revenue Outturn - Detailed budget summary by Service

## Service: Children's Services: Dedicated Schools' Grant

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Schools Block	85.886	85.238	(0.648)
Central Schools Block	3.127	3.241	0.114
High Needs Block	30.351	31.570	1.219
Early Years Block	17.253	17.175	(0.078)
<b>Total Dedicated Schools' Grant</b>	<b>136.617</b>	<b>137.224</b>	<b>0.607</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for the Dedicated Schools' Grant are outlined below:

**Schools Block:**

- a. There was an underspend of £0.637 million on the schools' contingency budget. This included a contribution of £0.030 million towards additional support to prevent permanent exclusions. The underspend increased following the closure of Haltwhistle Upper School as £0.432 million was returned to the Local Authority and only £0.184 million was required for redistribution to other schools for direct pupil funding.

**High Needs Block:**

- a. There was an overspend of £0.524 million which was the shortfall between the actual deficit carried forward from 2018-19 and the funds that had been set aside to meet the deficit previously.
- b. There was an overspend of £0.539 million on special school sixth form funding. From August this funding was transferred into the DSG High Needs block, but this was not built into the budget previously set by the Schools Forum in February 2019 and funds had already been allocated elsewhere across the block.
- c. There was an overspend on the cost of placements at Independent Special Schools of £0.413 million, this was following an increase in demand for placements of 14 over the last academic year to 186 as at March 2020.
- d. There was an overspend of £0.501 million on the cost of alternative provision for permanently excluded pupils. Due to a shortage in suitable provision and increased demand, some high cost

placements had to be commissioned in some areas of the county.

- e. There was an underspend of £0.361 million on Education and Health Care Plan and Short Term Additional Resource funding across a number of areas including a particular reduction in the level of support required at specialist college placements.
- f. There was an underspend across SEN Support services and the Virtual School Service of £0.346 million mainly on staffing following several members of the staff leaving the service under the voluntary severance scheme.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.



## Period 12 Revenue Outturn - Detailed budget summary by Service

## Service: Finance

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Revenues & Benefits	2.257	1.491	(0.766)
Customer Services	1.971	1.738	(0.233)
Internal Audit	0.556	0.564	0.008
Information Services	7.681	8.770	1.089
Corporate Finance	7.475	6.968	(0.507)
Fire & Rescue	13.847	13.935	0.088
Strategic Property	5.378	4.844	(0.534)
<b>Total Finance</b>	<b>39.165</b>	<b>38.310</b>	<b>(0.855)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Finance are outlined below:

- a. The Revenues and Benefits Service underspent by £0.766 million due to:
  - i. An overspend of £0.461 million on the Cost of Benefits in relation to Rent Allowance and Rent Rebate payments due to an increased number of overpayments which cannot be claimed through the subsidy but will be recovered over time. There was also a change to the scheme in relation to supported accommodation resulting in an increased number of claims that do not attract 100% subsidy. This is offset by an over recovery of in year and historic overpaid benefits identified during the year;
  - ii. Additional new burdens grant income of £0.298 million was received, mainly for the transition to Universal Credit;
  - iii. A number of full and part year staff vacancies amounting to £0.442 million; and,
  - iv. There was an over recovery of legal fees associated with council tax court costs of £0.257 million.

- b. Information Services overspent by £1.089 million. This was mainly due to the following:
- i. An overspend on software of £0.743 million mainly as a result of additional non-recurrent expenditure on Google and Microsoft licences totalling £0.274 million; an extension to the Oracle R12 contract costing £0.280 million; and, a recurrent shortfall on the software budget of £0.190 million;
  - ii. An efficiency saving target for the current financial year of £0.080 million in this area which was not achieved;
  - iii. An unallocated savings target from previous years relating to a restructure within IT of £0.171 million which was not achieved, offset in year by staff vacancies amounting to £0.131 million;
  - iv. A recurrent overspend against data lines of £0.208 million; and,
  - v. An under recovery of schools' SLA income of £0.271 million.

Note - £1.223 million has been added to the Information Services budget in 2020-21 to remove the unallocated savings targets and meet the recurrent pressures relating to software, hardware and licence costs.

- c. Corporate Finance underspent by £0.507 million. This is largely due to the following:
- i. An underspend of £0.141 million in relation to a number of part year vacant posts;
  - ii. An underspend on professional services of £0.141 million; and,
  - iii. An overachievement of income of £0.171 million in relation to schools' SLA and SMART benefits and one off VAT recovery.
- d. Strategic Property underspent by £0.534 million. This was largely due to the following:
- i. Strategic Estates underspent by £0.174 million due to an underspend on building costs in relation to the surplus properties budget; and,
  - ii. Caretaking, Cleaning and Property Assets underspent by £0.282 million due to a reduction in building running costs across a number of properties, mainly relating to utilities and repairs & maintenance, along with improved income collection in the County Hall Restaurant and the County Coffee Cart.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Appendix K

### Period 12 Revenue Outturn - Detailed budget summary by Service

#### Service: Human Resources & OD

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Human Resources	2.804	2.562	(0.252)
Democratic Services	2.840	2.650	(0.177)
Registrars & Coroners	1.450	1.408	(0.026)
Communications	0.981	0.991	0.100
Elections	0.469	0.509	0.068
Legal	2.164	2.262	0.146
Tourism, Culture, Leisure & Heritage	10.416	10.274	(0.203)
Policy	0.064	0.064	0.000
<b>Total Human Resources &amp; OD</b>	<b>21.188</b>	<b>20.720</b>	<b>(0.468)</b>

#### NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Human Resources & OD are outlined below:

- a. The Human Resources Service underspent by £0.252 million due to an underspend on staffing related costs of £0.317 million due to vacant posts across the Service and an underspend on staff training.
- b. Tourism, Culture Leisure & Heritage underspent by £0.203 million due to an underspend of £0.187 million on Central Library Services due largely to vacant posts across the service.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Period 12 Revenue Outturn - Detailed budget summary by Service

Service: Place

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Economy & Regeneration	2.372	1.816	(0.556)
Executive Directors of Regeneration, Commercial & Economy and Place	24.346	24.360	0.014
Head of Local Services	0.963	0.961	(0.002)
Housing & Public Protection	3.631	3.414	(0.217)
Neighbourhood Services	10.108	9.763	(0.345)
Waste PFI Contract	8.623	9.485	0.862
Planning	0.910	1.075	0.165
Technical Services	19.456	19.808	0.352
<b>Total Place</b>	<b>70.409</b>	<b>70.682</b>	<b>0.273</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for the Place Directorate are outlined below:

- a. The Economy & Regeneration budget has underspent by £0.556 million.
  - i. The concessionary travel scheme budget has underspent by £0.114 million due to reduced patronage numbers.
  - ii. Regeneration has underspent by £0.458 million due to unspent balances that have been generated over a number of years and carried forward for investment in future projects managed by the service. Schemes totalling £0.385 million have been identified by the service that will require funding over the next few years and it is recommended that a reserve is created for this sum so that funding can be drawn down in the year the projects are delivered. The schemes are detailed at Appendix P.
- b. The budget for Neighbourhood Services has underspent by £0.345 million. This is mainly attributable to an overachievement of income in the Waste service from commercial activities and recycling income.
- c. The Waste PFI budget has overspent by £0.862 million as a consequence of additional waste volumes and a prolonged and unexpected shut down of the Energy from Waste Plant in July. The

growth in waste volumes evident in the early part of the year reduced from October for the remainder of the year. Waste growth at the kerbside and Household Waste Recovery Centres is likely to be a consequence of on-going residential house building increasing the overall number of households across Northumberland, whilst seasonal climatic conditions exert a strong influence on compost volumes. The Energy from Waste plant continued to operate without interruption following the unexpected shut down in July and the plant continued at normal capacity for the remainder of the financial year.

- d. Technical Services has overspent by £0.352 million which is mainly due to the following:
- i. There was an overspend of £0.083 million due to claims that were settled relating to compensation for depreciation of property values under the Land Compensation Act Part 1. These sums cannot be charged to the capital scheme. There is a recommendation to create a provision to meet the remainder of the claims which have not yet been settled totalling £0.190 million;
  - ii. The budget for construction has overspent by £0.419 million, predominantly due to the impact of Covid-19 where the workforce was stood down for the last two weeks in March. The Council is therefore unable to capitalise their costs which were £0.150 million per week;
  - iii. The budget for Winter Services has overspent by £1.034 million. Despite the relatively mild winter, individual daily conditions involving combinations of precipitation and frost led to 15% more gritting runs being undertaken than the previous winter. As a consequence of the timing of the gritting runs there were numerous occasions when drivers were unable to work their normal hours the following day to ensure legal compliance with rest periods and drivers hours in accordance with driving/working regulations, significantly increasing the cost charged to winter services. There were significant snow levels in the west of the County at the beginning of February that resulted in staff working through the night and therefore not being able to drive for a period of time the following day;
  - iv. The budget for highways maintenance has overspent by £0.779 million, mainly due to additional expenditure on general maintenance activities in the North and Central areas in order to repair the actionable defects identified through highways inspections and by third parties, which reflects issues with the condition of the network. There has also been an under-recovery of costs in relation to the operation of tar bound road planings recycling activities at Powburn. However it is envisaged that this material will now be used during 2020-21;
  - v. Additional income from Road Closure Fees and Penalty notices, partially offset by increased advertising costs means the Streetworks budget has underspent by £0.242 million;
  - vi. The Parking budget has underspent by £0.362 million. Income from car parking charges exceeded the budget by £0.270 million due to the introduction of charging at various coastal locations that commenced in August 2019 with the full year budget adjustment commencing from April 2020. Parking Fines exceeded the budget by £0.196 million and the sale of parking discs by £0.058 million. Expenditure on rents and leases overspent by £0.137 million

due to the implementation of some new lease arrangements with the owners of the land that the car parks occupy.

- vii. The Home to School Transport budget underspent by £1.534 million which is a continuation of the 2018-19 underspend in relation to Post 16 transport and control of costs across the home to school transport network. It has been possible to continue to accommodate a significant proportion of post 16 transport requirements through the existing school transport network arrangements at minimal additional cost.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Period 12 Revenue Outturn - Detailed budget summary by Service

## Service: Other Corporate Expenditure and Income

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Corporate Items	13.891	10.846	(3.045)
Treasury Management	(26.610)	(25.747)	0.863
Capital Financing	17.872	16.739	(1.133)
Corporate Funding	(298.529)	(300.087)	(1.558)
<b>Total Other Corporate Expenditure &amp; Income</b>	<b>(293.376)</b>	<b>(298.249)</b>	<b>(4.873)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reason for the outturn position for the Other Corporate Expenditure and Income is outlined below:

- a. Corporate Items underspent by £3.045 million. This is due to a £2.956 million underspend in relation to the contingency provision within the budget; an over-recovery of pension deficit recharges from grant funded budgets of £0.459 million; a reduction in the number of enhanced pension claimants resulting in an underspend of £0.057 million; offset by a corporate savings target of £0.410 million that was not achieved in year.
- b. Treasury Management overspent by £0.863 million. There was an underachievement of investment interest of £1.631 million. This was largely due to the early repayment of a number of Advance Northumberland loans in the previous financial year which has meant that the balance of loans outstanding was lower than anticipated. This was offset by a dividend received in relation to the Airport of £0.786 million which was not anticipated.
- c. Capital Financing underspent by £1.133 million. Recent borrowing was at a lower interest rate than that which was assumed in the budget, resulting in an underspend on interest payable. There was an underspend on the Minimum Revenue Provision (MRP) payment in year which is also as a result of the early repayment of Advance Northumberland loans in the previous financial year.
- d. Within Corporate Funding additional Business Rates income of £1.513 million is forecast due to additional net business rates income achievable and the distribution of the surplus on the national

business rates levy account. The final NNDR outturn position is still to be established. This has been delayed due to the late release of the NNDR3 form which quantifies the final outturn position on business rates.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.



## Period 12 Revenue Outturn - Detailed budget summary by Service

## Service: Housing Revenue Account Expenditure and Income

Summary by Service	Budget	Forecast Expenditure	Variance
Service	£m	£m	£m
Housing Management	5.853	5.581	(0.272)
Housing Special	0.601	0.541	(0.060)
Repairs and Maintenance	7.811	7.722	(0.089)
Housing Capital Works	0.592	0.382	(0.210)
Other HRA Services	13.917	13.274	(0.643)
HRA Income	(29.247)	(28.979)	0.268
<b>Total HRA Expenditure &amp; Income</b>	<b>(0.473)</b>	<b>(1.479)</b>	<b>(1.006)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for the Housing Revenue Account are outlined below:

- a. Salary budgets are underspent by £0.384 million due to a number of vacant posts and the implementation of the new structure from 23 September 2019 rather than 1 April which had been assumed in the budget. There is also an underspend of £0.085 million on the North Of Tyne Project as a result of the scheme starting part way through the year;
- b. The housing capital team has underspent by £0.210 million mainly as a result of productivity levels being higher which is due to less absence compared to when the budget was set;
- c. There has been a £0.091 million underspend on the contingency provision which was not required during the year;
- d. There has been a £0.081 million underspend on professional services, consultancy fees and hired and contracted services to support delivery of new homes within Northumberland.
- e. Reduction in interest payable on HRA loans of £0.267 million due to the refinancing of an existing loan at a more favourable rate;
- f. Increase in the interest received on balances of £0.168 million;

- g. Reduction in the contribution to the provision for bad debts of £0.149 million due to the impact of the roll-out of Universal Credit across Northumberland being less than predicted within the MTFP. Currently only new tenants and existing tenants with a change in circumstances are being enrolled on to the new benefit;
- h. Void rates have been higher than those assumed in the budget giving rise to a shortfall in dwelling rent income of £0.268 million and an increase in Council Tax charges on void properties of £0.236 million.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Reserves and Provisions

## Appendix O

	Balance at 1 April 2019	(Increase)/ Decrease	Proposed Movement	Balance at 31 March 2020
	£m	£m	£m	£m
<b>General Reserves/Balances</b>				
General Fund Reserve	(55.433)	0.631	(2.069)	(56.871)
<b>Total General Reserve</b>	<b>(55.433)</b>	<b>0.631</b>	<b>(2.069)</b>	<b>(56.871)</b>
<b>Ring Fenced Reserves/Balances</b>				
Earmarked Reserves - HRA	(2.894)	(0.552)	-	(3.446)
HRA	(28.812)	0.521	-	(28.291)
HRA Investment Reserve	(2.000)	(2.000)	-	(4.000)
<b>Total Ring Fenced Reserves/Balance</b>	<b>(33.706)</b>	<b>(2.031)</b>	<b>-</b>	<b>(35.737)</b>
<b>Specific Reserves/Balances</b>				
Capital Receipts - GF	(0.064)	0.011	-	(0.053)
Capital Receipts - HRA	(1.541)	(1.508)	-	(3.049)
Capital Grants Unapplied	(27.875)	(3.208)	-	(31.083)
<b>Total Specific Reserves/Balances</b>	<b>(29.480)</b>	<b>(4.705)</b>	<b>-</b>	<b>(34.185)</b>

## Appendix O

	Balance at 1 April 2019	(Increase)/ Decrease	Proposed Movement	Balance at 31 March 2020
	£m	£m	£m	£m
<b>Earmarked Reserves</b>				
ADC Parks and Open Spaces	(0.042)	0.011	-	(0.031)
ADC Section 106 Monies	(0.058)	0.004	-	(0.054)
Balances held by schools	(4.810)	2.399	-	(2.411)
Community Led Housing	(1.099)	0.128	-	(0.971)
Council Transformation Fund	(8.177)	0.059	-	(8.118)
Covid-19 Grant Funding	-	(10.025)	-	(10.025)
Economy & Regeneration Investments	-	-	(0.435)	(0.435)
Estates Rationalisation	(11.519)	1.353	-	(10.166)
Haltwhistle Repairs Reserve	-	(0.013)	-	(0.013)
Insurance Reserve	(8.263)	(0.706)	-	(8.969)
Invest to Save	(10.784)	0.277	-	(10.507)
Legal Challenge	(1.000)	0.263	-	(0.737)
Local Authority Mortgage Scheme	(0.424)	-	-	(0.424)
NCC Economic Regeneration Reserve	(0.083)	-	-	(0.083)
Northumberland Newcastle Rail Line	(3.460)	1.758	-	(1.702)
Northumberland Sport	(0.355)	0.355	-	0.000
Planning Delivery Grant	(0.453)	0.211	(0.203)	(0.445)
Problematic Empty Properties	0.000	-	(0.050)	(0.050)
Regeneration Additional Capacity Reserve	(0.660)	0.138	-	(0.522)
Regeneration Development Reserves	(2.550)	0.184	-	(2.366)
Revenue Grants	(8.221)	1.435	-	(6.786)
Rural Growth Network	(0.057)	(0.018)	-	(0.075)
School Library	(0.025)	(0.022)	-	(0.047)
Section 106 Reserve	(5.814)	(2.132)	-	(7.946)
Severe Weather Reserve	(2.500)	-	-	(2.500)
Social Fund	(0.900)	0.098	-	(0.802)
Sports Development	(0.141)	(0.139)	-	(0.280)
Strategic Management Reserve	(46.753)	3.154	-	(43.599)
Winter Services Reserve	(2.000)	-	-	(2.000)

<b>Total Earmarked Reserves</b>	<b>(120.148)</b>	<b>(1.228)</b>	<b>(0.688)</b>	<b>(122.064)</b>
<b>Total Usable Reserves</b>	<b>(238.767)</b>	<b>(7.333)</b>	<b>(2.654)</b>	<b>(248.754)</b>

	<b>Balance at 1 April 2019</b>	<b>(Increase)/ Decrease</b>	<b>Proposed Movement</b>	<b>Balance at 31 March 2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Provisions</b>				
Active Northumberland Job Evaluation	(0.863)	0.863	-	-
Compensation Claims	-	-	(0.190)	(0.190)
Equal Pay	(2.764)	2.264	-	(0.500)
Estate Rationalisation	(0.577)	-	-	(0.577)
MMI Liability	(0.078)	-	-	(0.078)
NNDR Appeals *	(5.102)	(1.653)	-	(6.755)
Redundancy Costs	(0.118)	(0.485)	-	(0.603)
<b>Total Provisions</b>	<b>(9.502)</b>	<b>0.989</b>	<b>(0.190)</b>	<b>(8.703)</b>
<b>Total Reserves and Provisions</b>	<b>(248.269)</b>	<b>(6.344)</b>	<b>(2.844)</b>	<b>(257.457)</b>

\*estimated movement in provision balance

## Proposed Economy & Regeneration Investments Reserve

## Appendix P

	£m	Description
Hexham High Street Action Zone Revenue Match Funding	0.080	Required as match funding for Hexham HAZ Programme for Community Events and Evaluation
Town Deals Community Engagement	0.085	Revenue funding for Community Engagement in Town Deals with Blyth confirmed as an eligible town with an expectation that more will follow
Regeneration Investment Group Programme Management and Claims Monitoring Software	0.075	Purchase of programme management software required for development of RIG engagement and monitoring; and, to upgrade the Hanlon system for claims
Borderlands Programme Development	0.073	Development capacity for Northumberland engagement in Borderlands programmes where revenue support is required. Borderlands funding is capital and is therefore unable to support the Council's revenue activity
Rural Business Growth Fund Management Match Funding	0.040	Funding to meet a potential gap in management costs if private sector match funding is lower than forecast
Match Funding requirements for regional ERDF/ESF projects	0.022	Commitments for match funding for a number of projects
Fisheries Local Action Group Evaluation	0.010	Payment for FLAG evaluation which is due to be completed by September 2020
Northumberland Line	0.050	To fund ad hoc costs during the design stage.
<b>Total Proposed Economy and Regeneration Commitments</b>	<b>0.435</b>	