



## CABINET

8 December 2020

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### **Financial Performance 2020-21 - Position at the end of September 2020**

Report of Chris Hand, Executive Director of Finance

Cabinet Member: Nicholas Oliver, Portfolio Holder for Corporate Services

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#### **1. Purpose of report**

- 1.1 The purpose of the report is to ensure that the Cabinet is informed of the current financial position for the Council against the Budget for 2020-21.

#### **2. Recommendations**

- 2.1 Members are requested to:

- a. note the report.
- b. note the projected overspend of £5.159 million.
- c. note the pressures currently identified, including the impact of Covid-19.
- d. note that the Council will receive further funding totalling £3.164 million to assist with the ongoing Covid-19 pressures.
- e. note that the Council will receive further funding in relation to the income that the Council has “lost” as a result of Covid-19. A claim of £1.568 million has been made for April to July and the full year is estimated to be £2.045 million.
- f. approve a further net re-profiling of £30.288 million to the capital programme; £35.992 million from 2020-21 to 2021-22; and £5.704 million from 2021-22 to 2020-21 to reflect estimated expenditure levels in the current financial year.
- g. note the new grants and amendments to existing grants at Appendix A and the required changes to the budgets.
- h. note the progress on the delivery of the approved savings at Appendix B.

### **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 September 2020. The Council set its budget for 2020-21 on 19 February 2020 and this report focuses on the financial performance to the end of September 2020 and the projected year end position at that point in time.

### **5. Projected Revenue Outturn 2020-21**

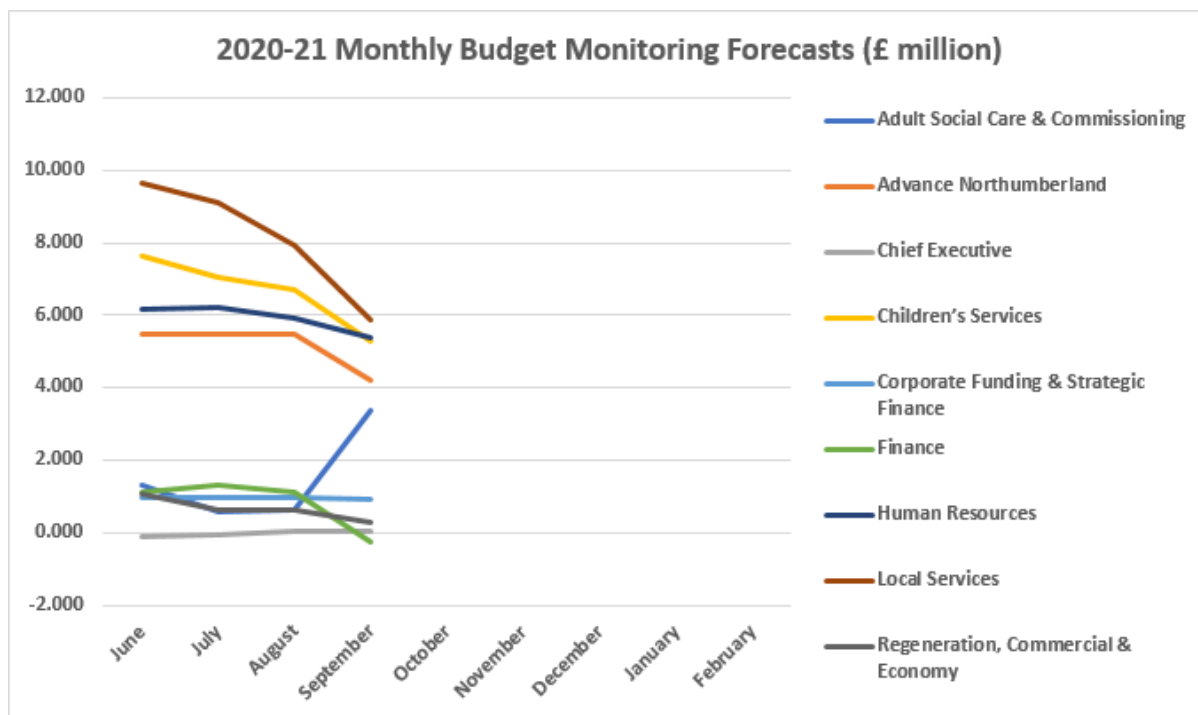
- 5.1 The Council's projected revenue outturn position at the end of September, within each service area is shown in summary at Section 6 of the report (figures in brackets denote an underspend); and in detail within Appendices C - N of the report.
- 5.2 The Council's overall annual revenue expenditure is managed across a number of areas:
- a. The General Fund with a net budget of £314.648 million, providing revenue funding for the majority of the Council's services;
  - b. The Dedicated Schools Grant (DSG) of £139.563 million in 2020-21, 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 £16.710 million in 2020-21, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within the Adult Social Care and Commissioning Directorate;
  - d. The Housing Revenue Account (HRA) with anticipated gross expenditure of £36.543 million in 2020-21, is ring-fenced, and reported separately from the General Fund, and is managed within the Economy, Regeneration and Commercial Directorate.

## 6. General Fund

6.1 The following table provides a summary of how each Directorate is performing against the General Fund revenue budget for the 2020-21 financial year.

Service	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	99.252	102.631	3.379	(6.092)	9.471
Chief Executive	1.996	2.024	0.028	0.028	0.000
Children's Services	61.968	67.244	5.276	1.302	3.974
Finance	42.195	41.926	(0.269)	(2.474)	2.205
Human Resources	22.429	27.829	5.400	(0.603)	6.003
Local Services	71.927	77.808	5.881	0.480	5.401
Regeneration, Commercial & Economy	7.118	7.419	0.301	(0.637)	0.938
<b>Total Services</b>	<b>306.885</b>	<b>326.881</b>	<b>19.996</b>	<b>(7.996)</b>	<b>27.992</b>
Corporate Expenditure and Income	7.763	8.713	0.950	(0.083)	1.033
Advance Northumberland	0.00	4.200	4.200	0.000	4.200
<b>Total Net Expenditure</b>	<b>314.648</b>	<b>339.794</b>	<b>25.146</b>	<b>(8.079)</b>	<b>33.225</b>
<b>Budget funded by:</b>					
Council Tax	(200.886)	(200.886)	0.000	0.000	0.000
Retained Business Rates	(78.837)	(81.039)	(2.202)	(2.202)	0.000
Revenue Support Grant	(10.451)	(10.451)	0.000	0.000	0.000
Other Corporate Grants	(28.850)	(28.850)	0.000	0.000	0.000
Strategic Management Reserve	(2.160)	(1.000)	1.160	0.000	1.160
Other Earmarked Reserves	(0.000)	4.917	4.917	4.917	0.000
General Fund Reserve	6.536	6.536	0.000	0.000	0.000
Covid-19 Grant – Pressures	0.000	(21.817)	(21.817)	0.000	(21.817)
Covid-19 Grant – Sales, fees & charges	0.000	(2.045)	(2.045)	0.000	(2.045)
<b>Total Funding of Services</b>	<b>(314.648)</b>	<b>(334.635)</b>	<b>(19.987)</b>	<b>2.715</b>	<b>(22.702)</b>
<b>Net Total</b>	<b>-</b>	<b>5.159</b>	<b>5.159</b>	<b>(5.364)</b>	<b>10.523</b>

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



## 7. Other General Fund Items

7.1 During July, August and September the following has been released from the contingency:

	2020-21	2021-22
	£	£
Recurrent Items	700,530	*720,540
Non-recurrent Items	278,850	13,680

\* This is the full year effect of the 2020-21 approvals

7.2 Appendix A is a schedule of all new grants and amendments to existing grants (capital and revenue) which the Council has been awarded. It is recommended that Cabinet accepts the grants and that the 2020-21 budget (and subsequent years if required) is amended accordingly. In summary they are as follows:

Directorate	Grant Awarding Body	Grant	£
Adult Social Care & Commissioning	Department of Health and Social Care	Additional Adult Social Care Infection Control Ring Fenced Grant	3,987,013

<b>Directorate</b>	<b>Grant Awarding Body</b>	<b>Grant</b>	<b>£</b>
Adult Social Care & Commissioning	Department of Health and Social Care	Additional Test and Trace Service Support Grant	605,640
Chief Executive	Ministry of Housing, Communities & Local Government	Local Authority Emergency Assistance Grant for Food and Essential Supplies	367,815
Education and Skills	Department for Education	Pupil Premium Catch up Grant	950,200
Education and Skills	Department for Education	Wellbeing for Education Return Grant	57,095
Finance	Department for Business, Energy and Industrial Strategy	Covid-19 Business Grants Schemes New Burdens	225,000
Local Services	Department for Transport	Transport Infrastructure Investment Fund	11,421,000
Regeneration, Commercial and Economy	Ministry of Housing, Communities & Local Government	Covid-19 Contingency Fund - Rough Sleepers. March 2020 to August 2020	11,080
Regeneration, Commercial and Economy	Ministry of Housing, Communities & Local Government	Local Authority Compliance and Enforcement Grant	165,529
Regeneration, Commercial and Economy	Ministry of Housing, Communities & Local Government	Rough Sleeping Initiative 2020-21	115,000
Strategic Finance (Corporate Funding)	Department for Business, Energy and Industrial Strategy	Covid-19 Business Grants Schemes: Small Business Grant Fund; Retail, Hospitality and Leisure Business Grant Fund; and, Discretionary Grant Fund.	97,716,000
Strategic Finance (Corporate Funding)	Ministry of Housing, Communities & Local Government	Covid-19 Hardship Fund	3,381,563

7.3 The Council at its meeting in February agreed to implement a range of savings and efficiencies totalling £9.800 million in 2020-21. A recent review

of the delivery of those savings has been conducted and the results are illustrated at Appendix B.

**8. Ring-fenced Accounts - Dedicated Schools' Grant (DSG) - £0.112 million forecast underspend**

2020-21 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Dedicated Schools' Grant	141.411	(141.411)	0.000	(0.112)	(0.112)

- 8.1 In 2020-21, the Council expects to receive Dedicated Schools' Grant totalling £139.563 million, which is ring-fenced and will be 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 amounts to a further £103.835 million for 2020-21.
- 8.2 There was a deficit of £0.607 million carried forward from 2019-20 and the 2020-21 grant allocation must be used to offset this position before any new commitments for the current year.
- 8.3 Despite a rise in school funding for 2020-21, there are 28 schools that are currently predicting a deficit position, of which 17 schools have an approved licensed deficit, 3 schools have a minor deficit of less than 0.05% of their budget; and, work is ongoing with the remaining 8 schools to work towards an achievable budget recovery plan.
- 8.4 The School Reserve has been reducing gradually each year as schools rely on their individual reserves to support their annual running costs. For 2020-21 it is expected schools across all phases (except High Schools) will reduce their reserves by a further £0.954 million. There are two High Schools with significant deficits and budget recovery plans in place which should see an increase of £0.844 million in their reserves overall.

	Closing School Reserve	Closing School Reserve	Estimated School Reserve
	2018-19	2019-20	2020-21
	£m	£m	£m
Primary/First	3.057	2.381	1.994
Middle	0.871	0.714	0.538
Secondary/High	(1.503)	(1.669)	(0.825)
Special/PRU	1.095	0.872	0.481
Overall	3.520	2.298	2.188

- 8.5 The impact of Covid-19 on individual school budgets at the end of the Summer term is not clear. There are some schools reporting pressures due

to loss of income, but there are many schools with reduced expenditure due to school closures. With the re-opening of schools for the Autumn term, Headteachers are already reporting concerns around the impact on their budget for increased staffing, cleaning and PPE costs. Schools have a duty to submit an indicative budget position by 1 December 2020 which will clarify their current position.



## 9. Ring-fenced Accounts - Public Health

- 9.1 The Council's Public Health service will receive grant funding of £16.710 million in 2020-21. This funding is ring-fenced for the provision of services to improve the health of the local population and reduce health inequalities.
- 9.2 The terms of the grant allow unspent allocations to be carried over into the next financial year. Public Health carried forward a reserve of £5.039 million to the financial year 2020-21; £4.629 million carried over from previous years underspends and £0.410 million from the 2019-20 allocation.
- 9.3 The plan was to utilise £0.563 million from the Public Health reserve in 2020-21 to support service delivery. However, there is an overall underspend anticipated in relation to Public Health activities which is shown in the table below.

9.4 The summary below analyses the planned Public Health expenditure:

	Current Budget	Forecast Outturn	Variance
	£m	£m	£m
Staffing and Support Costs	1.641	1.403	(0.238)
Stop Smoking Initiatives	0.763	0.657	(0.106)
Drug & Alcohol Services	3.911	3.787	(0.124)
Sexual Health Services	1.923	1.896	(0.027)
0-19 Public Health Services	6.246	6.246	0.000
Other Health Initiatives	2.789	2.595	(0.194)
<b>Total Variances in Public Health</b>	<b>17.273</b>	<b>16.584</b>	<b>(0.689)</b>

- 9.5 It is anticipated that £0.689 million will be carried forward and added to the reserve balance at the end of 2020-21.

**10. Ring-fenced Accounts - Housing Revenue Account (HRA) - £1.953 million forecast overspend**

2020-21 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Housing Revenue Account	37.772	(38.214)	(0.442)	1.511	1.953

10.1 The HRA is forecast to overspend by £1.953 million and the details explaining the factors leading to this variance are contained within Appendix N.

**11. CAPITAL PROGRAMME**

11.1 The capital programme for 2020-21 totalling £234.936 million was agreed by full Council on 19 February 2020.

11.2 The capital programme has changed during the year as the phasing of schemes was reviewed at the end of the previous financial year with £11.119 million re-profiled from 2019-20 to 2020-21 and a mid-year review resulting in a net in-year reprofiling of £67.370 million from 2020-21 to 2021-22. In addition, further approvals totalling £17.302 million for additional schemes and resourcing has been agreed.

11.3 The following table sets out the position as at the end of September:

Directorate	2020-21 Approved Budget Full Council 19.02.20	Approved Adjustments	Revised 2020-21 Budget	Expenditure to date	Forecast Expenditure	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	2.224	(0.410)	1.814	0.244	1.340	(0.474)	-	(0.474)
Chief Executive's	4.627	(2.001)	2.626	0.062	0.913	(1.713)	(0.446)	(1.267)
Children's Services	71.739	(23.480)	48.259	21.985	53.343	5.084	0.083	5.001
Corporate Finance	49.290	0.256	49.546	12.078	32.064	(17.482)	0.007	(17.489)
Human Resources & OD	18.041	2.010	20.051	3.425	9.988	(10.063)	-	(10.063)
Local Services	48.249	10.278	58.527	16.789	55.745	(2.782)	0.048	(2.830)
Regeneration, Commercial and Economy	40.766	(25.602)	15.164	3.463	11.642	(3.522)	(0.356)	(3.166)
<b>Total Programme</b>	<b>234.936</b>	<b>(38.949)</b>	<b>195.987</b>	<b>58.046</b>	<b>165.035</b>	<b>(30.952)</b>	<b>(0.664)</b>	<b>(30.288)</b>
<b>Financed by:</b>								
Capital Receipts	4.671	-	4.671					
External Grants	57.663	3.209	60.872					
GF Borrowing	149.771	(31.726)	118.045					
GF Revenue Contributions (RCCO)	0.755	-	0.755					
HRA Borrowing	5.940	(5.940)	0.000					
HRA Contributions (MRR & RCCO)	16.136	(4.492)	11.644					
<b>Total Financing</b>	<b>234.936</b>	<b>(38.949)</b>	<b>195.987</b>					

11.4 Year-to-date capital expenditure is £58.046 million. The major areas of capital investment during the first four months of the year were as follows:

- a. £15.544 million invested in transport schemes including infrastructure, traffic management and integrated transport schemes.

- b. £21.985 million invested in school buildings, including the construction of new schools at Morpeth and Ponteland.
  - c. £1.637 million invested in fleet replacement.
  - d. £3.592 million invested in leisure facilities.
  - e. £2.238 million invested in the Council's housing stock.
- 11.5 There is a net forecast underspend of £30.952 million across the 2020-21 Capital Programme comprising of £30.288 million reprofiling (£35.992 million from 2020-21 to 2021-22 and £5.704 million from 2021-22 to 2020-21) and £0.664 million underspend. A summary of the significant variances can be found at Appendix O.
- 11.6 It is recommended that Cabinet approve a net re-profiling of £30.288 million; £35.992 million from 2020-21 to 2021-22; and £5.704 million from 2021-22 to 2020-21.

## **12. Capital Receipts**

- 12.1 The level of 2020-21 Capital Receipts available to support the 2020-21 capital programme was estimated to be £4.671 million (after costs and HRA pooling). The in-year position is currently difficult to assess. However, the maximum receipts estimated to be achieved during this financial year is £1.250 million. Covid-19 has had a major effect on the confidence of occupiers and investors to commit to property deals nationally and locally. This has impacted on the transactions the Council is working on. For the proportion of the capital receipts not achieved then replacement borrowing would be required, at an estimated cost of £0.051 million per £1.000 million of additional borrowing required. The disposal programme has to date achieved no General Fund gross cash receipts in the year and the following table demonstrates the current position with regard to asset disposals:

<b>General Fund Capital Receipts Activity During 2020-21</b>	<b>Actual £m</b>
Completed and available for use in year	-
On the market	0.075
Terms Agreed	2.340
Contracts exchanged	0.325

- 12.2 The closing balance on the capital receipts reserve at 31 March 2020 was £3.102 million. This is available to support the capital programme in 2020-21.

### 13. TREASURY MANAGEMENT

13.1 The Treasury Management Strategy Statement for 2020-21 was agreed by full Council on 19 February 2020.

13.2 The following table summarises the Council's in-month borrowing activity for September 2020:

	Previous Month	Movement September 2020	Current
Outstanding principal - at month end (£m)	787.714	(0.004)	787.710
Weighted average interest rate - year to date (%)	2.926	(0.000)	2.926
Month end external borrowing as % of Operational Boundary (Borrowing)	78.216	(0.001)	78.215

13.3 Whilst the Council has an overall cap on borrowing through an Authorised Limit, the Operational Boundary is where the Council would expect its borrowing to be. At the end of September 2020, the Council's external borrowing represented 78.22% of its Operational Boundary, which was approved as part of the Treasury Management Strategy for 2020-21. The Operational Boundary is only a guide and may be breached or undershot without significant concern, with borrowings driven by economic and market considerations as well as interest rates.

13.4 The following table provides an analysis by type of the in-month borrowing activity for September 2020:

Lender Category	Repayment Type	Opening Balance	Repaid – September 2020	New Borrowing September 2020	Closing Balance
		£m	£m	£m	£m
PWLB	EIP	17.752	0.000	0.000	17.752
PWLB	Annuity	0.624	0.000	0.000	0.624
Salix	EIP	0.034	(0.004)	0.000	0.030
PWLB	Maturity	445.704	0.000	0.000	445.704
Other Local Authorities	Maturity	78.000	0.000	0.000	78.000
Other/Market	Maturity	245.600	0.000	0.000	245.600
<b>Total</b>		<b>787.714</b>	<b>(0.004)</b>	<b>0.000</b>	<b>787.710</b>

13.5 The following table summarises the Council's in-month investment activity for September 2020:

	<b>Previous Month</b>	<b>Movement September 2020</b>	<b>Current</b>
Outstanding principal - at month end (£m)	182.600	(6.550)	176.050
Weighted average interest rate - year to date (%)	0.875	(0.022)	0.853

13.6 The following table provides an analysis by type of the in-month investment activity for September 2020:

<b>Category</b>	<b>Opening Balance</b>	<b>Repaid – September 2020</b>	<b>New Investment September 2020</b>	<b>Closing Balance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Term Deposit Banks	10.000	(10.000)	10.000	10.000
Term Deposit Building Societies	5.000	0.000	0.000	5.000
Term Deposit Other Local Authorities	36.250	0.000	5.000	41.250
Money Market Funds	111.350	(58.480)	36.930	89.800
Notice Accounts	20.000	0.000	10.000	30.000
<b>Total</b>	<b>182.600</b>	<b>(68.480)</b>	<b>61.930</b>	<b>176.050</b>

13.7 The new investments made during September 2020 consisted of:

- £10.000 million fixed term deposit which was transferred to a notice account (at 0.200%);
- £10.000 million fixed term deposit for six months (at 0.450%); and,
- £5.000 million fixed term deposit for one month (at 0.050%) with a local authority.

There was a net repayment of Money Market Funds of £21.550 million. The movement in the Money Market Funds represents daily deposits and withdrawals to manage cashflow.

## Implications

<b>Policy</b>	This is the fourth 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 checked="" 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 2020 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 11 February 2020 and Council 19 February 2020: Medium Term Financial Plan and 2020-22 and Budget 2020-21.

## Report sign off

	Name
Deputy Monitoring Officer/Legal	Helen Lancaster
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)

<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health and Social Care
<b>Name of Grant:</b>	Additional Adult Social Care Infection Control Ring Fenced Grant
<b>Purpose:</b>	To provide support to all adult social care providers in the County to reduce the rate of Covid-19 transmission and support wider workforce resilience to deliver infection control.
<b>Value:</b>	£3,987,013
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	2 instalments paid in October and December 2020

<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health and Social Care
<b>Name of Grant:</b>	Additional Test and Trace Service Support Grant
<b>Purpose:</b>	To provide support towards expenditure incurred in relation to the mitigation against and management of local outbreaks of Covid-19.
<b>Value:</b>	£605,640
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	October 2020



<b>Directorate:</b>	Chief Executive
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Local Authority Emergency Assistance Grant for Food and Essential Supplies
<b>Purpose:</b>	The Local Authority Emergency Assistance Grant for Food and Essential Supplies is for local authorities in England to use to support people who are struggling to afford food and other essentials due to Covid-19.
<b>Value:</b>	£367,815
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	July – October 2020

<b>Directorate:</b>	Education and Skills
<b>Grant Awarding Body:</b>	Department of Education
<b>Name of Grant:</b>	Pupil Premium Catch up Grant
<b>Purpose:</b>	Funding at individual school level to ensure schools have the financial support they need to help all pupils make up for lost teaching time as a result of the unprecedented disruption to their education.
<b>Value:</b>	Estimated £950,200 in 2020-21 and £678,600 in 2021-22
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	Termly from Autumn 2020, Spring 2021 and Summer 2021

<b>Directorate:</b>	Education and Skills
<b>Grant Awarding Body:</b>	Department of Education
<b>Name of Grant:</b>	Wellbeing for Education Return Grant
<b>Purpose:</b>	To better equip education settings to support pupils and students' wellbeing and psychosocial recovery as they return to full time education.
<b>Value:</b>	£57,095
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	30 September 2020

<b>Directorate:</b>	Finance
<b>Grant Awarding Body:</b>	Department for Business, Energy & Industrial Strategy
<b>Name of Grant:</b>	Covid-19 Business Grants Schemes New Burdens
<b>Purpose:</b>	Funding for the administration of the Business Grants Schemes.
<b>Value:</b>	£225,000
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	July 2020

<b>Directorate:</b>	Local Services
<b>Grant Awarding Body:</b>	Department for Transport
<b>Name of Grant:</b>	Transport Infrastructure Investment Fund: Local Transport Capital Block Funding (Pothole and Challenge Fund) Specific Grant Determination (2020/21) No.31/5072
<b>Purpose:</b>	Additional investment in road maintenance in addition to the annual LTP allocation
<b>Value:</b>	£11,421,000
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	2020-21

<b>Directorate:</b>	Regeneration, Commercial and Economy
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Covid-19 Contingency Fund - Rough Sleepers March 2020 to August 2020
<b>Purpose:</b>	To support rough sleepers living on the streets by moving them to bed and breakfast accommodation; and then assisting them to access and move on to more permanent accommodation.
<b>Value:</b>	£11,080
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	August

<b>Directorate:</b>	Regeneration, Commercial & Economy
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Local Authority Compliance and Enforcement Grant
<b>Purpose:</b>	The funding made available is ringfenced for any activity which will support compliance and enforcement of measures to control the spread of Covid-19 across individuals, businesses and in the community.
<b>Value:</b>	£165,529
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	October 2020

<b>Directorate:</b>	Regeneration, Commercial and Economy
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Rough Sleeping Initiative 2020-21
<b>Purpose:</b>	Joint North East Bid with Durham County Council as the lead. Funding is part of the Government's Rough Sleeping Strategy and is to be used to support vulnerable people living on the streets into services and accommodation.
<b>Value:</b>	£115,000
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	August and March

<b>Directorate:</b>	Strategic Finance (Corporate Funding)
<b>Grant Awarding Body:</b>	Department for Business, Energy & Industrial Strategy
<b>Name of Grant:</b>	Covid-19 Business Grants Schemes: Small Business Grant Fund; Retail, Hospitality and Leisure Business Grant Fund; and, Discretionary Grant Fund.
<b>Purpose:</b>	To provide grants to support local businesses in response to Covid-19.
<b>Value:</b>	£97,716,000
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	April 2020

<b>Directorate:</b>	Strategic Finance (Corporate Funding)
<b>Grant Awarding Body:</b>	Ministry of Housing, Communities & Local Government
<b>Name of Grant:</b>	Covid-19 Hardship Fund
<b>Purpose:</b>	To provide relief to support to council taxpayers in response to Covid-19.
<b>Value:</b>	£3,381,563
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	April 2020

## Savings Analysis

## Appendix B

		2020-21				
						Total
	£m	£m	£m	£m	£m	£m
Adults		-	3.014	-	-	3.014
Children's	1.279	-	-	-	1.763	3.042
Finance		-	-	0.183	0.229	0.412
HR & OD		-	0.100	-	0.300	0.400
Local Services	0.513	0.057	0.086	0.894	1.219	2.769
Regeneration, Commercial & Economy	0.020	0.080	-	-	0.063	0.163
<b>Total</b>	<b>1.812</b>	<b>0.137</b>	<b>3.200</b>	<b>1.077</b>	<b>3.574</b>	<b>9.800</b>

### Key

Purple - unlikely that saving will be achieved in the year

Red - plans not in place or not fully developed

Amber - plans in place - awaiting delivery

Yellow - plans in place, progressing well, high confidence level that activities and savings will be delivered

Green - fully delivered - both activities and savings

## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Adult Services

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Commissioned Services	66.918	70.546	75.336	4.790	(4.530)	9.320
In-house Services	9.930	8.709	8.314	(0.395)	(0.410)	0.015
Care Management	12.492	13.657	13.195	(0.462)	(0.566)	0.104
Support & Other Services	6.412	6.340	5.786	(0.554)	(0.586)	0.032
<b>Total Adult Services</b>	<b>95.752</b>	<b>99.252</b>	<b>102.631</b>	<b>3.379</b>	<b>(6.092)</b>	<b>9.471</b>

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

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

- a. Commissioned Services is forecast to overspend by £4.790 million. This is due to the following:
  - i. It is forecast that Commissioned Services will incur additional expenditure of £8.850 million supporting external providers in response to Covid-19. This includes £6.191 million to increase fees by a minimum of 5% to the end of the financial year; £1.000 million held to cover potential additional cost pressures; and £1.659 million for the provision of PPE;
  - ii. It is anticipated that £0.470 million income will be lost as a result of Covid-19. An uplift to client charging rates was put on hold temporarily to help service users and will come into effect in October rather than April as budgeted. In addition, there was a loss of client contributions for day care whilst the service was suspended during lockdown but payments to providers continued in order to support the market; and,
  - iii. The arrangement where Northumbria CCG funded the social care provision for people being discharged from hospital during the Covid-19 crisis ended on 31 August. The CCG will continue to fund placements in the interim until the backlog of care assessments is complete. Due to the unprecedented level of turnover in purchased care in the first half of the year an underspend of £4.530 million is forecast.

- b. In-House Services is forecast to underspend by £0.395 million. This is due to the following:
- i. Staffing-related budgets are forecast to underspend by £0.261 million. During the temporary suspension of day care services due to Covid-19, there has been no requirement to fill vacant posts. In addition, the day care staff have been used to provide support in other areas of In-House services reducing the need for overtime and the use of casual staff in those areas;
  - ii. It is anticipated that income will be £0.197 million in excess of budget. This income is received from Northumberland CCG for service users who have been assessed as being eligible for Continuing Health Care or Section 117 funding;
  - iii. Non-staffing related budgets are forecast to underspend by £0.401 million. The temporary closure of day care services has resulted in a forecast underspend of £0.266 million on catering provisions, client transport, vehicle hire and fuel; and,
  - iv. The unprecedented reduction in the level of purchased care has limited the need for support from the Short-Term Support Service resulting in a shortfall of recharge income of £0.464 million.
- c. Care Management is forecast to underspend by £0.462 million. This is due to the following:
- i. Staffing-related budgets are forecast to underspend by £0.325 million as a result of vacant posts. Additional costs of £0.101 million have been paid which relate to allowances and additional hours worked by staff to support the response to Covid-19.
- d. Support & Other Services is forecast to underspend by £0.554 million. This is due to the following:
- i. Staffing-related budgets are forecast to underspend by £0.101 million as a result of vacant posts;
  - ii. It is anticipated that expenditure on staff training and development will be £0.141 million less than budget due to only job-critical training courses being provided; and,
  - iii. The number of mental health assessments completed by the Deprivation of Liberty team is expected to be lower than anticipated resulting in a forecast underspend of £0.138 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.

## Appendix D

### Forecast Revenue Outturn - Detailed budget summary by Service

Service: Adult Services: Public Health

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Public Health	(0.410)	0.000	0.000	0.000	0.000	0.000
<b>Total Public Health</b>	<b>(0.410)</b>	<b>0.000</b>	<b>0.000</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.



## Appendix E

### Forecast Revenue Outturn - Detailed budget summary by Service

Service: Chief Executive

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Chief Executive	0.312	0.321	0.353	0.032	0.032	0.000
Transformation	(0.582)	0.011	0.040	0.029	0.029	0.000
Improvement & Innovation	1.482	1.664	1.631	(0.033)	(0.033)	0.00
<b>Total Chief Executive</b>	<b>1.212</b>	<b>1.996</b>	<b>2.024</b>	<b>0.028</b>	<b>0.028</b>	<b>0.000</b>

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

There are no significant variances to report.

## Appendix F

### Forecast Revenue Outturn - Detailed budget summary by Service

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

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Adolescent Services	3.643	3.578	3.023	(0.555)	(0.578)	0.023
Family Placement	11.100	11.928	11.893	(0.035)	(0.448)	0.413
Purchase Budgets	7.097	4.251	9.041	4.790	2.256	2.534
Early Intervention and Prevention	4.590	4.920	4.722	(0.198)	(0.169)	(0.029)
Local Children's Safeguarding Board	0.097	0.124	0.128	0.004	0.004	0.000
Looked after Children	3.235	3.379	3.714	0.335	(0.357)	0.692
Social Work Teams	9.212	9.491	9.588	0.097	0.331	(0.234)
District Admin Offices	0.640	0.885	0.812	(0.073)	(0.073)	0.000
Family and Disability Services	2.573	2.713	2.744	0.031	0.373	(0.342)
Safeguarding Standards	1.111	1.168	1.117	(0.051)	(0.051)	0.000
Other Children's Services	2.228	2.193	1.976	(0.217)	(0.232)	0.015
<b>Total Children's Social Care</b>	<b>45.526</b>	<b>44.630</b>	<b>48.758</b>	<b>4.128</b>	<b>1.056</b>	<b>3.072</b>

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

The main reasons for the forecast position for Children's Social Care are outlined below:

- a. The Adolescent Services budgets are forecast to underspend by £0.555 million. This is due to the following:
  - i. The Adolescent Service has an underspend on staffing of £0.228 million as a result of several vacancies across the service; and,
  - ii. Supported Accommodation is forecast to underspend by £0.230 million due to reduced

demand for complex, high cost placements.

- b. The Family Placement budget is forecast to underspend by £0.035 million, however the following should be noted:
  - i. The Adoption Allowances savings target of £0.179 will be delayed until 2022-23 as the decision was made by the service to delay the consultation due to the impact of Covid-19;
  - ii. There is an overall forecast underspend on Foster Care and Special Guardianship Allowances of £0.024 million. Analysis shows that the budget would have underspent by £0.258 million based upon the number of Looked after Children in February 2020. However, the impact of Covid-19 has led to a rise in numbers which is estimated to cost an additional £0.234 million; and,
  - iii. There is a forecast underspend on Independent Fostering Agencies of £0.135 million. Work has been undertaken in recent years to reduce the number of children placed in these settings as they are more expensive than an in-house Foster care placement.
- c. The Purchase budgets are forecast to overspend by £4.790 million. This is due to the following:
  - i. £3.681 million due to the overall cost of out of county residential care placements. This includes additional agency staff required to support short term placements in emergency accommodation, at a cost of £0.335 million. There are currently 42 placements, with a further three new placements in September. The estimated overspend resulting from Covid-19 is £1.678 million and this is as a result of the increase in the number of Looked after Children and a shortage of suitable accommodation; and,
  - ii. There is a shortfall of £1.100 million on income anticipated from Northumberland CCG in respect of jointly funded clients.
- d. The Looked after Children budget is forecasted to overspend by £0.335 million. This is due to the following:
  - i. Kylee House secure unit is expected to overspend by £0.561 million largely due to an underachievement of income from other local authorities that purchase placements as a result of reduced capacity following the Covid-19 outbreak; and,
  - ii. There is a forecast underspend on the Family Support Service of £0.167 million due to a delay in appointing to newly created posts when the service transferred in house.
- e. The Social work team budget is forecast to overspend by £0.097 million. This is due to the following:
  - i. There is a forecast underspend of £0.688 million due to vacancies across several teams which is offset by an overspend of £0.937 million on agency costs;
  - ii. There is a predicted underspend on client transport of £0.149 million linked to the effects of Covid-19 on service delivery.
- f. The Family and Disability services budget is forecasting an overspend of £0.031 million. This is due to the following:
  - i. There is a forecast overspend of £0.177 million as a result of a court directed bespoke care

packages;

- ii. There is a predicted overspend on Direct Payments of £0.248 million; and,
- iii. Due to the effects of Covid-19 on service delivery, there is a combined forecast underspend of £0.342 million on property adaptations, day care, respite care and staff travel.

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 G

### Forecast Revenue Outturn - Detailed budget summary by Service

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

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Director of Education & Skills	0.255	0.384	0.394	0.010	(0.008)	0.018
Curriculum & Learning	2.157	0.640	0.602	(0.038)	(0.174)	0.136
Alternative Education (Virtual Headteacher)	0.000	0.409	0.409	0.000	(0.001)	0.001
Special Educational Needs & Disability	5.854	5.674	5.824	0.150	0.510	(0.360)
School Organisation	15.317	10.231	11.238	1.007	(0.100)	1.107
School Improvement	(0.100)	0.000	0.019	0.019	0.019	0.000
<b>Total Education &amp; Skills</b>	<b>23.483</b>	<b>17.338</b>	<b>18.486</b>	<b>1.148</b>	<b>0.246</b>	<b>0.902</b>

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

The main reasons for the forecast position for Education and Skills are outlined below:

- The Special Educational Needs & Disability budget is forecast to overspend by £0.150. The forecast has reduced overall by £2.490 million since the August position as the requirement for additional transport to manage on the social distancing requirements has not materialised. The forecast of £0.510 million is based upon the cost of the routes in place for 1,261 pupils as at September 2020, this is offset by £0.360 million savings on contracts for the period April 2020 to July 2020.
- The School Organisation budget is forecast to overspend by £1.107 million on portacabin hire as a result of delays to the capital builds at both Ponteland Secondary School and Hillcrest Special School following the Covid-19 pandemic.

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

### Forecast Revenue Outturn - Detailed budget summary by Service

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

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Schools Block	85.238	84.922	84.458	(0.464)	(0.464)	0.000
Central Schools Block	3.241	2.733	2.773	0.040	0.040	0.000
High Needs Block	31.570	33.891	34.243	0.352	0.259	0.093
Early Years Block	17.175	17.410	17.370	(0.040)	(0.040)	0.000
<b>Total Dedicated Schools' Grant</b>	<b>137.224</b>	<b>138.956</b>	<b>138.844</b>	<b>(0.112)</b>	<b>(0.205)</b>	<b>0.093</b>

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

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

#### Schools Block:

- a. There is a forecast underspend of £0.370 million on the schools' contingency budget, the use of this budget must be approved by the school's forum and there are currently no commitments.
- b. A growth fund of £0.112 million was created for 2020-21 to fund additional places, if required, at those schools that transitioned from Middle to Primary Schools for September 2020. Based upon pupil numbers this has not been required.

#### High Needs Block:

- a. There is a forecast overspend across Independent Special Schools of £0.425 million including placements for the new academic year (currently 202 placements).

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 I

### Forecast Revenue Outturn - Detailed budget summary by Service

#### Service: Finance

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Revenues & Benefits	1.478	2.326	1.167	(1.159)	(1.351)	0.192
Customer Services	1.738	2.021	1.734	(0.287)	(0.303)	0.016
Internal Audit	0.564	0.609	0.624	0.015	0.015	0.000
Information Services	8.770	8.746	9.517	0.771	0.267	0.504
Corporate Finance	11.585	5.652	5.157	(0.495)	(0.500)	0.005
Fire & Rescue	14.196	15.908	15.814	(0.094)	(0.292)	0.198
Strategic Property	4.867	6.162	6.297	0.135	(0.222)	0.357
Procurement	0.720	0.771	1.616	0.845	(0.088)	0.933
<b>Total Finance</b>	<b>43.918</b>	<b>42.195</b>	<b>41.926</b>	<b>(0.269)</b>	<b>(2.474)</b>	<b>2.205</b>

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

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

- a. The Revenues and Benefits Service is forecast to underspend by £1.159 million due to:
  - i. An underspend on staffing amounting to £0.525 million due to a number of vacant posts throughout the service;
  - ii. Additional new burdens grant income of £0.444 million, mainly for the administration of the Covid-19 business grant schemes and the transition to Universal Credit;

- iii. A net under recovery of legal costs of £0.304 million in relation to council tax. The number of liability orders is expected to be lower this year; the Covid-19 pandemic has meant that no costs are likely to be raised for the first half of the year and the Hardship Fund scheme has reduced the liability of the working age council tax support claimants; and,
- iv. An underspend on Cost of Benefits in relation to Rent Allowance and Rent Rebate payments of £0.526 million. This is due to two reasons; a reduction in expenditure is forecast due to more people migrating over to Universal Credit, which covers housing support costs; and, other welfare benefits having increased that were previously frozen by the government. This is offset by an estimated under recovery of overpaid benefits of £0.186 million.
- b. Customer Services is forecast to underspend by £0.287 million mainly due to a number of vacant posts in the Contact Centre and One Stop Shops.
- c. Information Services is forecast to overspend by £0.771 million. This is mainly due to the following:
  - i. An overspend of £0.504 million in relation to additional Covid-19 costs, including the delayed implementation of Microsoft Office 365 along with costs in relation to a remote working solution, additional IT kit requirements and underachieved SLA income; and,
  - ii. An overspend on computer software of £0.360 million due largely to the delayed implementation of Oracle Fusion.
- d. Corporate Finance is forecast to underspend by £0.495 million due largely to the Pensions Accounting Team transferring to South Tyneside part way through the year.
- e. Strategic Property is forecast to overspend by £0.135 million. This is mainly due to a shortfall in recovery of workforce time charged to capital projects following restricted home access to carry out improvements, along with a shortfall in restaurant sales income as a result of Covid-19.
- f. Procurement is forecast to overspend by £0.845 million. This is mainly due to unallocated PPE stock for Covid-19.

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 J

### Forecast Revenue Outturn - Detailed budget summary by Service

#### Service: Human Resources & OD

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Human Resources	2.563	4.043	3.904	(0.139)	(0.130)	(0.009)
Democratic Services	2.650	3.014	2.903	(0.111)	(0.058)	(0.053)
Registrars & Coroners	1.408	1.150	1.995	0.845	0.007	0.838
Communications	0.991	0.942	0.973	0.031	(0.002)	0.033
Elections	0.509	0.586	0.586	0.000	0.000	0.000
Legal	2.262	2.494	2.547	0.053	0.041	0.012
Tourism, Culture, Leisure & Heritage	13.390	9.956	14.693	4.737	(0.445)	5.182
Policy	0.064	0.244	0.228	(0.016)	(0.016)	0.000
<b>Total Human Resources &amp; OD</b>	<b>23.837</b>	<b>22.429</b>	<b>27.829</b>	<b>5.400</b>	<b>(0.603)</b>	<b>6.003</b>

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

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

- a. The Registrars and Coroners Service is forecast to overspend by £0.845 million due to:
  - i. A £0.451 million underachievement of income within Registrars due to a reduction in the number of weddings as a result of Covid-19; and,
  - ii. A £0.257 million overspend within Coroners as a result of increased body conveyancing costs as a result of Covid-19.
- b. The Tourism, Culture, Leisure & Heritage Service is forecast to overspend by £4.737 million:

- i. Due to the closure of leisure facilities Active Northumberland furloughed the majority of their staff from 1 April on 100% of their salary. The Council agreed to provide financial support to fund the 20% top up from 1 April to 30 June in the form of an increase to the management fee, estimated at £0.420 million. Discussions continue to take place between Active Northumberland and the Council to identify what further financial support is required to ensure liquidity of the business. The forecast currently assumes an estimated cost of £4.580 million. This does not take into account potential future closures should the level of restrictions within the county be heightened.
- ii. An underspend of £0.278 million on salary costs within the Library Service and Tourist Information Centres due to vacant posts exacerbated by site closures due to Covid-19.

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

### Forecast Revenue Outturn - Detailed budget summary by Service

#### Service: Local Services

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Local Services Management	24.670	24.508	24.540	0.032	0.032	0.000
Neighbourhood Services	10.223	9.994	11.927	1.933	(0.316)	2.249
Waste PFI Contract	18.288	18.904	19.304	0.400	0.000	0.400
Technical Services	19.999	18.521	22.037	3.516	0.764	2.752
<b>Total Local Services</b>	<b>73.180</b>	<b>71.927</b>	<b>77.808</b>	<b>5.881</b>	<b>0.480</b>	<b>5.401</b>

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

The main reasons for the forecast position for the Local Services Directorate are outlined below:

- a. Neighbourhood Services is forecast to overspend by £1.933 million which is mainly due to the following:
  - i. Countryside is forecast to overspend by £0.112 million due to reduced car parking and trading income at Country Parks; and, a loss of income from trading concessions due to the impact of Covid-19;
  - ii. Fleet is forecast to overspend by £0.114 million due to a reduction in MOT and service income; and, additional costs arising from the installation of vehicle screens to meet Covid-19 restrictions;
  - iii. Neighbourhood Services is forecast to overspend by £0.455 million due to the impact of Covid-19 which has led to a shortfall in market income of £0.060 million due to the closure of markets, additional cleansing of public conveniences £0.406 million and additional costs of £0.225 million in relation to signage, PPE, cleaning materials, equipment and vehicle hire in order to maintain social distancing during the delivery of key front line services, these are offset by underspends on salaries of £0.236 million ;
  - iv. Waste Services is forecast to overspend by £1.255 million as a result of additional costs in relation to PPE, cleaning materials, equipment, and vehicle hire of £0.369 million; as well as the employment of agency staff and payment of overtime as a result of implementing social distancing rules and covering the costs of staff shielding costing £0.316 million. There are

additional costs of £0.156 million associated with traffic management to ensure that the queues on the highways accessing Household Waste Recovery Centres (HWRC) do not cause a danger to other road users. There is a significant shortfall in commercial income particularly bulky waste £0.36 million and trade waste £0.291 million due to implications of Covid-19 on business customers and a shortfall on income from rubble and recycling and sale of bins of £0.125 million.

- b. The waste PFI budget is forecast to overspend by £0.400 million. HWRCs were closed from 23 March until 4 May and reopened providing a reduced service. The financial impact arising from Covid-19 assumes the contractor is financially in a no better and no worse position during April and May with the Council reimbursing the contractor at the expected forecast value. This approach to payment follows the general guidance issued by the Cabinet Office (Procurement Policy Note 02/20) and also guidance specifically for PFI Contracts issued by the Infrastructure and Projects Authority. The budget is now forecast to overspend by £0.400 million based on a number of assumptions linked to Covid-19 and its impact on kerbside waste and Household Waste Recovery Centres closure. Tonnage volumes for July to September have been analysed and linked into a revised forecast of the impact on Covid-19 on waste charges.
- c. Technical Services is forecast to overspend by £3.516 million which is mainly due to the following:
  - i. Highways construction and maintenance activities are forecast to overspend by £1.470 million due to staff not being able to work on their normal duties; the effect of staff shielding and not being able to work; and, the cost of backfilling of the duties of those staff being undertaken to meet statutory responsibilities. Delivery of the highways capital programme has resumed but the period of lockdown has prevented the recovery of costs from the programme and this position will not be able to be recovered. Risk assessments are being undertaken for the staff who are shielding so that resumption of some duties may be possible when clearance is given to resume work. In addition, to be prudent an allowance has been factored into the forecast in case of increased periods of sickness for the workforce;
  - ii. Winter maintenance is forecast to overspend by £1.500 million. This has been factored into the outturn position at this early stage in order to take a prudent view of the forecast financial position for the Directorate, taking into consideration the actual outturn for winter services in the past three years;
  - iii. Streetworks income is forecast to overachieve by £0.107 million. Despite the under recovery during the early part of the year due to Covid-19, activity has increased following the easing of restrictions and income levels have recovered to mitigate the initial period of loss;
  - iv. The Parking budget is forecast to overspend by £0.539 million as a result of reduced income levels from parking charges, penalty charge notices and vendors at a number of locations. Minimal income was received for the period April to June when the majority of the Council's car parks were closed due to the lockdown. A lot of the income generated on charging is at coastal/tourist locations and the position has improved particularly in these areas to the previous forecast made. It has now been forecast that £0.889 million and £0.428 million will be received from Parking Charges (budget £1.307 million) and Penalty Charge Notices

(budget £0.554 million) respectively;

- v. Home to School Transport is forecast to underspend by £0.030 million, which includes additional expenditure of £1.500 million to provide additional transport for Covid-19 reasons including ensuring that transport operates within Government guidelines regarding social distancing and school bubbles. This forecast allows for potential further changes to the network for late applications for mainstream students or any further requirements to provide additional transport due to Covid-19. This additional expenditure has been offset, partly by the anticipated £0.504 million grant provided by the Department for Education to the North East Combined Authority (confirmation of the grant has not yet been received from NECA) to provide additional vehicles during September to December, the reduced rates paid to operators between May to July (£0.400 million) and the recurring savings (£0.644 million) from the previous 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.

## Appendix L

### Forecast Revenue Outturn - Detailed budget summary by Service

#### Service: Regeneration, Commercial and Economy

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Economy & Regeneration	2.250	2.156	1.958	(0.198)	(0.198)	0.000
Executive Director of Regeneration, Commercial & Economy	0.019	0.249	0.269	0.020	0.020	0.000
Housing & Public Protection	3.483	3.710	3.945	0.235	(0.328)	0.563
Planning	7.609	1.003	1.247	0.244	(0.131)	0.375
<b>Total Regeneration, Commercial &amp; Economy</b>	<b>13.361</b>	<b>7.118</b>	<b>7.419</b>	<b>0.301</b>	<b>(0.637)</b>	<b>0.938</b>

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

The main reasons for the forecast position for the Regeneration, Commercial and Economy Directorate are outlined below:

- a. Housing and Public Protection is forecast to overspend by £0.235 million which is mainly due to the following:
  - i. Public Protection is forecast to overspend by £0.185 million, mainly due to the anticipated shortfall in licensing (£0.356 million) and building control (£0.091 million) income resulting from the loss of business arising from the impact of Covid-19, partly offset by a forecast underspend on salaries of £0.313 million.
- b. Planning is forecast to overspend by £0.244 million mainly due to a forecast underachievement of planning fee income of £0.350 million due to a reduction in major applications as large-scale schemes have experienced delays due to Covid-19. This is partly offset by a forecast underspend on staffing budgets due to vacant posts of £0.100 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.

## Appendix M

### Forecast Revenue Outturn - Detailed budget summary by Service

#### Service: Other Corporate Expenditure and Income

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Corporate Items	(23.309)	24.844	25.450	0.606	0.606	0.000
Treasury Management	(26.050)	(26.408)	(23.905)	2.503	1.470	1.033
Capital Financing	87.458	9.327	7.168	(2.159)	(2.159)	0.000
Corporate Funding	(349.171)	(314.648)	(334.635)	(19.987)	2.715	(22.702)
Advance Northumberland	0.000	0.000	4.200	4.200	0.000	4.200
<b>Total Other Corporate Expenditure &amp; Income</b>	<b>(311.072)</b>	<b>(306.885)</b>	<b>(321.722)</b>	<b>(14.837)</b>	<b>2.632</b>	<b>(17.469)</b>

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

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

- a. Treasury Management is forecast to overspend by £2.503 million due to:
  - i. Deferred investment interest on a loan of £1.025 million. A modification to the loan has been agreed between the Council and the borrower. This is as a result of the Covid-19 pandemic. No interest will be paid on the loan in 2020-21, but it is anticipated that this will be recovered over future years; and,
  - ii. Interest receivable on third party loans will be underachieved by £1.422 million due to the profiling of loans granted throughout the year along with lower interest rates than budgeted.
- b. Corporate Items is expected to overspend by £0.606 million due to:
  - i. A corporate savings target of £0.560 million from previous years. £0.210 million has been achieved in year leaving a balance of £0.350 million which will not be achieved in year.
  - ii. A £0.380 million anticipated increase the corporate bad debt provision in light of the Covid-

19 pandemic.

- c. Capital financing is forecast to underspend by £2.159 million largely due to an underspend on interest payable due to a reduced need to borrow as a result of slippage in the capital programme along with interest rates being lower than budgeted.
- d. Corporate Funding is expected to underspend by £19.987 million due to:
  - i. A forecast underspend of £2.202 million due to additional business rates income in the form of Section 31 Grants and an overachievement of renewables income;
  - ii. Covid-19 grant funding of £21.817 million will be utilised to offset the pressures faced in services in relation to the pandemic. This allocation was not included in the base budget. In addition, the Government have announced a further tranche of Covid-19 grant funding support in October 2020. The Council will receive an additional £3.164 million. This allocation is not yet forecast within the figures in this report, but will be included in future reports once receipt is confirmed;
  - iii. Compensation for lost sales, fees and charges income of £2.045 million is expected from the Government's cost sharing scheme;
  - iv. A recharge from the Strategic Management Reserve of £1.160 million will not be utilised as the Improvement and Innovation team have undertaken work in relation to Covid-19 and the cost of the service will be charged against the government funding received;
  - v. A Collection Fund Smoothing Reserve of £3.917 will be created to offset the impact of the forecast Collection Fund deficits, which have arisen as a result of the Covid-19 pandemic, over the course of the Medium-Term Financial Plan; and £1.000 million will be set aside to support future Covid-related initiatives.
- e. The forecast overspend for Advance Northumberland relates to a claim for force majeure from a contractor, following the decision taken by Advance Northumberland to close the NEP1 construction site as part of the company's Covid-19 response. This claim will be vigorously defended.

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 N

### Forecast Revenue Outturn - Detailed budget summary by Service

#### Service: Housing Revenue Account Expenditure and Income

Summary by Service	2019-20 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Housing Management	5.581	6.199	6.040	(0.159)	(0.174)	0.015
Housing Special	0.541	0.668	0.657	(0.011)	(0.020)	0.009
Repairs and Maintenance	7.738	7.809	7.724	(0.085)	(0.205)	0.120
Housing Capital Works	0.393	0.638	2.469	1.831	(0.044)	1.875
Other HRA Services	13.275	14.071	14.071	0.000	0.000	0.000
HRA Income	(28.980)	(29.827)	(29.450)	0.377	0.011	0.366
<b>Total HRA Expenditure &amp; Income</b>	<b>(1.452)</b>	<b>(0.442)</b>	<b>1.511</b>	<b>1.953</b>	<b>(0.432)</b>	<b>2.385</b>

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

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

- The Housing Capital Works Team is forecast to overspend by £1.831 million relating to downtime following the outbreak of Covid-19. The effects of this will be continuously monitored as work starts to progress following a review of working practices and job requirements. Work within occupied Council dwellings recommenced from September 2020 but at a reduced level.
- There is a forecast shortfall on dwelling rent income of £0.366 million following the effect of Covid-19 which has stopped the re-let of available properties. Void rates are budgeted at 2.00% and are currently running at 3.3% but due to reduce as void properties begin to be re-let.

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 O

### Key Capital Variances

- a. **Adult Services** - £0.474 million reprofiling from 2020-21 to 2021-22 as follows:
  - i. £0.474 million reprofiling from 2020-21 to 2021-22 in relation to the Disabled Facilities Grant based on the current level of applications. The level of referrals following the easing of lockdown has been lower than originally anticipated and work is taking longer to complete due to Covid-19 restrictions.
- b. **Chief Executive** - £0.446 million underspend and £1.267 million reprofiling from 2020-21 to 2021-22
  - i. £0.446 million underspend due to the Warm Homes Fund ending in November. There are thirteen installations outstanding and it is forecast that eight can be delivered and funded but five will not be delivered under the current scheme leading to an additional NCC cost of around £0.030 million.
  - ii. £1.267 million reprofiling from 2020-21 to 2021-22 on the Renewable Energy Programme due to delays as a result of Covid-19 and getting suppliers mobilised as well as contractual issues that required further attention. These have now been completed with a programme of works due to be drawn up.
- c. **Children's Services** - £0.083 million overspend, £5.001 million reprofiling from 2021-22 to 2020-21 as follows:
  - i. £0.081 million overspend in relation to Stannington First School additional places due to increased groundworks. This will be funded from Section 106 funds.
  - ii. £5.001 million reprofiling from 2021-22 to 2020-21 in relation to Hexham Schools' Outline Business Case following the receipt of a more up to date cashflow following works commencing on site. Phase 1 of the scheme will target the completion of the new school buildings, staff/visitor car park and external all-weather pitches constructed and will be handed over ready for use in September 2021. The demolition of the old school buildings and formation of the new bus park will form phase 2 and are due for completion at the end of April 2022.

- d. **Finance** - £0.007 million overspend, £18.142 million reprofiling from 2020-21 to 2021-22 and £0.653 million reprofiling from 2021-22 to 2020-21 as follows:

Corporate Finance

- i. £1.455 million reprofiling from 2020-21 to 2021-22 in relation to the Bedlington Town Centre Grant to Advance Northumberland due to the funding package having to be revised due to Covid-19. A bid is to be submitted to the Local Enterprise Partnership's Getting Building Fund for up to £3.000 million and will need to be defrayed first meaning that the Council's funding needs to be reprofiled into 2021-22.
- ii. £12.125 million reprofiling from 2020-21 to 2021-22 in relation to Loans to Third Parties. This is mainly due to a delay in the provision of loans funding to Advance Northumberland for Bedlington Town Centre, Portland Park, and Amble Retail Park.
- iii. £0.972 million reprofiling from 2020-21 to 2021-22 in relation to a loan to NELEP for Ashwood Business Park. The scheme commenced in June 2020 with design works currently being undertaken for the site to enable the two investors who have been secured to locate to the site. It is envisaged the infrastructure works will commence in Spring 2021.
- iv. £0.500 million reprofiling from 2020-21 to 2021-22 in relation to Portland Park Grant. Details of the grant agreement are still to be finalised but it is envisaged that the first payment will be due in March 2021.
- v. £0.500 million reprofiling from 2021-22 to 2020-21 in relation to the Loan to NELEP for Bates. It is now envisaged that the substation works will be completed in the current financial year.

Information Services

- i. £0.051 million reprofiling from 2020-21 to 2021-22 in relation to the upgrading of the County Hall IT infrastructure.
- ii. £0.040 million reprofiling from 2020-21 to 2021-22 in relation to Hardware Infrastructure due to a delay in the project commencing as a result of Covid-19.
- iii. £0.250 million reprofiling from 2020-21 to 2021-22 in relation to Telephony due to delays in project commencement as a result of Covid-19.
- iv. £0.050 million reprofiling from 2020-21 to 2021-22 in relation to Library Kiosks due to delays in project commencement as a result of Covid-19.

Property Services

- i. £0.435 million reprofiling from 2020-21 to 2021-22 in relation to the Property Stewardship Fund due to delays in the commencement of the toilet refurbishment programme and Woodhorn works due to Covid-19.

- ii. £0.065 million reprofiling from 2020-21 to 2021-22 in relation to the refurbishment of public toilets on Holy Island and in Seahouses. The commencement of the works was delayed due to Covid-19.
- iii. £0.270 million reprofiling from 2020-21 to 2021-22 in relation to Alnwick Lindisfarne Site due to a delay in the project commencement to February 2021 as a result of Covid-19.
- iv. £0.614 million reprofiling from 2020-21 to 2021-22 in relation to the Leisure Buildings Essential Remedials programme due to the project to replace the ventilation systems at Concordia Leisure Centre being pushed back until 2021-22 due to the increased cost of the scheme.
- v. £0.027 million reprofiling from 2020-21 to 2021-22 in relation to County Hall Solar PV.

#### Fire and Rescue

- i. £1.008 million reprofiling from 2020-21 to 2021-22 in relation to FRS Fleet Requirement. It is now expected that two of the six appliances will be delivered in the current financial year with the remaining four being received in 2021-22. The service is also currently undertaking a full review of the fleet requirements.

#### Advance Northumberland

- i. £0.280 million reprofiling from 2020-21 to 2021-22 in relation to the redevelopment of Ashington North East Quarter as phase 2 has been removed from the contract and will be completed in-house with programming taking place around the construction of the new cinema.
- ii. £0.153 million reprofiling from 2021-22 to 2020-21 in relation to the East Sleekburn Enterprise Zone based on the latest profile of expenditure.

#### e. **Human Resources & OD** - £10.063 million reprofiling from 2020-21 to 2021-22 as follows:

- i. £0.790 million reprofiling from 2020-21 to 2021-22 in relation to Blyth Sports Centre. The scheme commenced on site in July 2020 with completion of works due in July 2021.
- ii. £5.200 million reprofiling from 2020-21 to 2021-22 in relation to the provision of leisure facilities within Morpeth. The start on site was delayed due to planning issues with enabling works now commencing in November with a full start on site in January 2021.
- iii. £0.035 million reprofiling from 2020-21 to 2021-22 in relation to Newbiggin Sports Centre with work on site anticipated to commence in April 2021.
- iv. £4.038 million reprofiling from 2020-20 to 2021-22 in relation to Berwick Leisure Centre based on the main building being completed in June 2021 and the full development completed by November 2022.

- f. **Local Services** - £0.073 million overspend, £0.025 million underspend, £2.830 million reprofiling from 2020-21 to 2021-22 as follows:

Technical Services

- i. £2.335 million reprofiling from 2020-21 to 2021-22 in relation to the Highways Maintenance programme. The Council received an additional £11.421 million allocation from the Department for Transport's Transport Infrastructure Investment Fund at the beginning of September with a programme of works approved to deliver £9.086 million of expenditure by 31 March 2021. The balance of the funding, £2.335 million, is yet to be allocated to schemes and is therefore expected to require reprofiling into 2021-22
- ii. £0.476 million reprofiling from 2020-21 to 2021-22 in relation to Flood and Coastal Schemes at Beadnell, Alnwick, Haydon Bridge, Berwick, Ovingham and Chathill due to either studies being completed in the current financial year with works commencing in 2021-22.
- iii. £0.042 million overspend due to completion of the works on the Morpeth Surface Water scheme and some finishing works that are required at Lady's Walk.

Neighbourhood Services

- i. £0.019 million reprofiling from 2020-21 to 2021-22 in relation to the Parks Enhancement programme with reports currently being prepared for the approval of two schemes at Five Arches and Eastwood Parks.
- ii. £0.027 million overspend on the Country Parks Improvement Programme that is due for completion in the current financial year.
- iii. £0.025 million underspend in relation to the capital outlay for the Glass Recycling Pilot scheme due to the cost of the equipment being lower than originally anticipated.

- g. **Regeneration, Commercial and Economy** - £0.356 million underspend, £3.216 reprofiling from 2020-21 to 2021-22 and £0.050 reprofiling from 2021-22 to 2020-21 as follows:

Housing Revenue Account

- i. £0.389 million reprofiling from 2020-21 to 2021-22 in relation to the Major Repairs Reserve due to delays on works during the period April to June and continuing access issues for internal capital works as a result of householder's reluctance to allow access due to Covid-19.
- ii. £2.652 million reprofiling from 2020-21 to 2021-22 in relation to HRA reprovion and new build. The scheduled commencement dates on sites have been moved a number of times with some not now commencing until 2021-22.

Housing General Fund

- i. £0.030 million reprofiling from 2020-21 to 2021-22 in relation to Empty Homes Repair and Lease. It is expected that four properties will be completed by 31 March 2021 when the programme was due to end. However, approval has been received to reprofile £0.018 million into 2021-22 to fund one further property with the balance of £0.356 million not being utilised.
- ii. £0.045 reprofiling from 2020-21 to 2021-22 million in relation to the Community Housing Fund to fund further grants in that financial year.

#### Economy

- i. £0.030 million reprofiling from 2020-21 to 2021-22 in relation to Blyth Future High Streets with design work commencing in January 2021.
- ii. £0.070 million reprofiling from 2020-21 to 2021-22 in relation to Strategic Regeneration Projects with schemes not coming forward as originally anticipated.
- iii. £0.050 million reprofiling from 2021-22 to 2020-21 in relation to the Port of Berwick Grant. There is a delay to the implementation of works with the Council making staged payments to the Port with the final payment now being made in 2021-22.