



Northumberland

County Council

CABINET

7 June 2022

Financial Performance 2021-22 – Provisional Outturn 2021-22

Report of Jan Willis, Interim Executive Director of Finance and Section 151 Officer

Cabinet Member: Richard Wearmouth, 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 2021-22 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

Members are requested to:

- i. note the report.
- ii. note the projected underspend of £14.518 million.
- iii. note the pressures currently identified, including the impact of Covid-19 (Table at 6.1), plus additional £7.314 million Covid-19 related expenditure funded from the Contain Outbreak Management Fund (Table at 6.3).
- iv. approve re-profiling to the Capital Programme of £31.481 million from 2021-22 to 2022-23 to reflect estimated expenditure levels in the current financial year.
- v. approve re-profiling to the Capital Programme of £4.341 million from 2022-23 to 2021-22 to reflect estimated expenditure levels in the current financial year (2022-23 Budget has been agreed by full Council).
- vi. Approve the reversal of £0.607 million from the NHS Partnership Agreement Reserve to the Strategic Management Reserve to fund additional costs in 2021-22 and 2022-23.
- vii. Approve the following which are assumed in the forecast position:
 - o Create a reserve of £2.130 million to carry forward unspent 2021-22 Contain Outbreak Management Fund grant as per the grant

conditions. It is proposed that the utilisation of this reserve is delegated to the relevant Executive Director and the Council's Section 151 Officer.

- The use of £0.346 million from the NHS Partnership Agreement reserve to fund the 2021-22 costs relating to additional IT equipment and apprenticeship levy charges.

viii. approve the following use of the underspend:

- Create a reserve for £0.225 million in order to provide increased funding for Highways Maintenance Investment in U and C roads and footways. It is proposed that the utilisation of this reserve is delegated to the relevant Executive Director and the Council's Section 151 Officer.
- Create a provision for £0.234 million to fund the cost of a claim from a Council contractor in respect of exceptional cost increases. It is proposed that the utilisation of this reserve is delegated to the relevant Executive Director and the Council's Section 151 Officer.
- Create a reserve for £0.047 million with the surplus generated to date on the Council's Empty Dwelling Management Orders Scheme (EDMO). Any surplus generated at the end of the 7-year term is required to be returned to the private homeowners in line with the Order. It is proposed that the utilisation of this reserve is delegated to the relevant Executive Director and the Council's Section 151 Officer.
- Top up the Social Fund with the unspent Local Council Tax Support (LCTS) Hardship Funding of £2.308 million to grant further discretionary discounts to working age council tax support claimants in 2022-23.
- Add £1.000 to the Regeneration Development Reserve in order to enable the continued support of the key economic work of the Council and appropriate external partners, to maximise the benefits of current and future investment opportunities.
- Increase the Legal Challenges Reserve by £1.257 million in order to fund legal fees required to secure the Council's interests in future and ongoing disputes.
- Add £1.000 million to the Restructuring Reserve. This reserve will fund the one-off voluntary severance staffing costs required to support the Council's transformation agenda. All costs will be authorised by the relevant Executive Director and the Council's Section 151 Officer with the exception of any packages over £0.100 million which will require full Council approval.

- Create a reserve of £0.500 million for Recruitment and Retention. It is proposed that the utilisation of this reserve is delegated to the Council's Section 151 Officer.
- Create a reserve of £0.215 million to fund the transformation for the Revenue and Benefits Service. It is proposed that the utilisation of this reserve is delegated to the Council's Section 151 Officer.
- Create a reserve of £2.178 million for the cost of repairs following Storm Arwen. This includes £0.156 million in order to fund the remaining highways capital repairs initially identified and £2.022 million to fund those works that have now been identified as outstanding. It is proposed that the utilisation of this reserve is delegated to the Executive Director of Local Services and the Council's Section 151 Officer.
- Create a reserve of £5.208 million to fund exceptional inflationary pressures in 2022-23. It is proposed that the utilisation of this reserve is delegated to the Council's Section 151 Officer.

ix. Note that the underspend will be utilised as follows and there will be no transfer to the General Fund for financial year 2021-22:

	£m
2021-22 Underspend	14.518
• Reserve for increase in funding for highways maintenance for U & C roads and footways.	0.225
• Create a provision for a claim for exceptional cost increases	0.234
• Create a reserve for future EDMO costs/return of surplus at end of Order Term	0.047
• Top up Social Fund with LCTS hardship underspend	2.308
• Increase the Regeneration Development Reserve	1.000
• Increase the Legal Challenges Reserve	1.257
• Increase the Restructuring Reserve	1.000
• Create a reserve for Recruitment and Retention	0.500
• Use NHS Partnership Agreement Reserve to fund IT equipment and apprenticeship levy charges	0.346
• Create a reserve for transformation of the Revenue and Benefits Service	0.215
• Create a reserve for the cost of repairs following Storm Arwen	2.178
• Create a reserve to cover exceptional inflationary pressures	5.208
Balance Available	-

- x. Note the balance available may change and is subject to the impact of any technical accounting adjustments required in finalising the statement of accounts, including the calculation for the outturn of the Collection Fund.
- xi. Approve any remaining balance, as a result of any technical accounting adjustments required in finalising the statement of accounts, to be transferred to the Council's General Fund (GF).
- xii. Approve:
 - o an addition of £0.225 million to the 2022-23 Capital Programme to fund additional Highways Investment in U & C roads and footways and that the Executive Director for Local Services and the Cabinet Member for Environment and Local Services agree the detail of the schemes to be funded. This will be funded by a revenue contribution funded by the Highways Maintenance Investments reserve.
 - o an addition of £0.296 million to the Capital Programme to fund further works repairing the damage to the highways network caused by Storm Arwen to be funded from the Storm Arwen reserve
- xiii. approve the new grants and amendments to existing grants at Appendix A and the required changes to the budgets.
- xiv. note the delivery of the approved savings at Appendix B.
- xv. note the use of the contingency shown at Appendix Q.
- xvi. note the estimated level of reserves at 31 March 2022 is £328.582 million as detailed in Appendix R.
- xvii. note the estimated level of provisions at 31 March 2022 is £6.703 million as detailed in Appendix R.
- xviii. approve the virements requested by services shown at Appendix S.
 - xiv. authorise the Interim 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 2021-24 "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 for the financial year 2021-22. The Council set its budget for 2021-22 on 24 February 2021 and this report focuses on the actual performance during 2021-22.
- 4.1.2 The Council is required to publish and submit its draft statement of accounts for external audit inspection no later than 1 August 2022. The final audited accounts will be presented to the Audit Committee, as the Council's nominated Committee. 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 2021-22

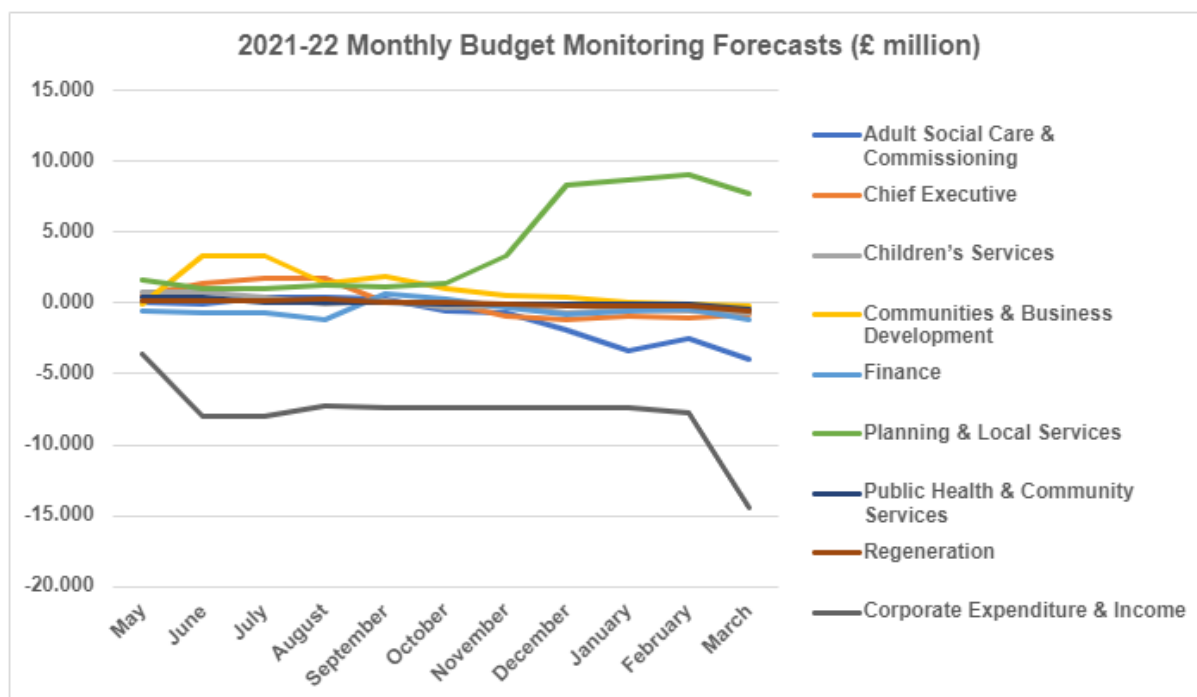
- 5.1 The Council's projected revenue outturn position, within each service area is shown in summary at Section 6 of the report (figures in brackets denote an underspend); and in detail within Appendices C - O of the report.
- 5.2 The Council's overall annual revenue expenditure is managed across a number of areas:
 - a. The General Fund with a net budget of £344.076 million, providing revenue funding for the majority of the Council's services.
 - b. The Dedicated Schools Grant (DSG) of £146.829 million in 2021-22, 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 £16.891 million in 2021-22, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Public Health and Community Services.
 - d. The Housing Revenue Account (HRA) with anticipated gross expenditure of £37.299 million in 2021-22, is ring-fenced, and reported separately from the General Fund, and is managed within the Regeneration, Commercial and Economy 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 2021-22 financial year.

Service	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	103.375	99.455	(3.920)	(5.628)	1.708
Chief Executive	30.637	29.857	(0.780)	(1.122)	0.342
Children's Services	66.252	65.575	(0.677)	(1.586)	0.909
Communities & Business Development	15.369	15.119	(0.250)	(0.808)	0.558
Finance	24.136	22.999	(1.137)	(2.287)	1.150
Planning & Local Services	64.897	72.566	7.669	7.191	0.478
Public Health & Community Services	4.023	3.585	(0.438)	(0.705)	0.267
Regeneration	2.426	1.848	(0.578)	(0.578)	0.000
Total Services	311.115	311.004	(0.111)	(5.523)	5.412
Corporate Expenditure and Income	32.961	17.658	(15.303)	(6.793)	(8.510)
Total Net Expenditure	344.076	328.662	(15.414)	(12.316)	(3.098)
Budget funded by:					
Council Tax	(203.149)	(203.149)	0.000		
Retained Business Rates	(61.924)	(61.924)	0.000		
Revenue Support Grant	(10.508)	(10.508)	0.000		
Other Corporate Grants	(28.851)	(28.881)	(0.030)		
Earmarked Reserves	(26.557)	(25.361)	1.196		
Covid-19 Grant – Pressures	(8.509)	(8.509)	0.000		
Covid-19 Grant – Sales, fees & charges	0.000	(0.270)	(0.270)		
Covid-19 LCTS Grant	(4.578)	(4.578)	0.000		
Total Funding of Services	(344.076)	(343.180)	0.896		
Net Total	0.000	(14.518)	(14.518)		

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



6.3 The Contain Outbreak Management Fund (COMF) was made available to support Council activity to mitigate and manage local outbreaks of Covid-19. The funding available to the Council in 2021-22 was £9.444 million and, £7.314 million was allocated to services to support the local response to the pandemic.

Service	Funding
	£m
Adult Social Care & Commissioning	0.629
Chief Executive	0.698
Children's Services	1.296
Communities & Business Development	1.085
Planning & Local Services	2.090
Public Health & Community Services	1.516
Total COMF Allocated	7.314

The Department of Health and Social Care has confirmed that unspent funds from COMF can be carried forward to financial year 2022-23. The Council will carry forward funds of £2.130 million (recommendation vii), of which £1.289 million is already committed to continuing activities to protect vulnerable residents, harnessing capacity within local sectors, and community-based support for those disproportionately impacted; and communicating safer behaviours that the wider public can follow.

7. Other General Fund Items

- 7.1 Appendix A is a schedule of all new grants and amendments to existing grants (capital and revenue) which the Council has been awarded during January to March 2022.
- 7.2 The Council at its meeting in February agreed to implement a range of savings and efficiencies totalling £8.172 million in 2021-22. A recent review of the delivery of those savings has been conducted and the results are illustrated at Appendix B.
- 7.3 Appendix Q is a schedule of all items which have been released from contingency during January to March 2022.
- 7.4 Appendix R is a schedule of the movement in the Council's Reserves.
- 7.5 Appendix S is a schedule of virements during January to March 2022.

8. Ring-fenced Accounts - Dedicated Schools' Grant (DSG) - £2.893 million underspend

2021-22 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Dedicated Schools' Grant	146.660	(146.660)	0.000	(2.893)	(2.893)

8.1 The DSG budget includes £146.829 million allocation in 2021-22 and a surplus of £0.898 million carried forward from 2020-21. However, £1.067 million has already been earmarked for use in 2022-23 and this has been transferred to the DSG reserve. The DSG has underspent by £2.893 million and the details explaining the factors leading to this variance are contained within Appendix G.

9. Ring-fenced Accounts - Public Health - £0.875 million forecast underspend

2021-22 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Public Health	17.532	(17.532)	0.000	(0.875)	(0.875)

9.1 The Public Health budget was underspent by £0.875 million. Further details on the Public Health budget are contained within Appendix L.

10. Ring-fenced Accounts - Housing Revenue Account (HRA) - £0.477 million underspend

2021-22 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Housing Revenue Account	37.299	(37.915)	(0.616)	(1.093)	(0.477)

10.1 The HRA has underspent by £0.477 million and the details explaining the factors leading to this variance are contained within Appendix M.

11. CAPITAL PROGRAMME

- 11.1 The Capital Programme for 2021-22 totalling £290.549 million was agreed by full Council on 24 February 2021.
- 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 £1.170 million re-profiled from 2020-21 to 2021-22 and a mid-year review resulting in a net in-year reprofiling of £125.289 million from 2021-22 to 2022-23. In addition, further approvals totalling £22.651 million for additional schemes and resourcing has been agreed.
- 11.3 If the recommendation in this report is agreed £163.380 million will have been reprofiled from 2021-22 to 2022-23.

11.3 The following table sets out the Provisional Outturn position:

Directorate	Original Budget	Approved Adjustments	Revised Budget	Provisional Outturn	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	4.140	(1.885)	2.255	1.841	(0.414)	-	(0.414)
Chief Executive's	2.142	0.017	2.159	1.881	(0.278)	0.118	(0.396)
Children's Services	25.716	(0.723)	24.993	21.440	(3.553)	0.887	(4.440)
Communities & Business Development	25.898	(10.208)	15.690	18.006	2.316	0.186	2.130
Finance	48.024	(18.152)	29.872	21.815	(8.057)	(2.161)	(5.896)
Planning & Local Services	68.238	(10.868)	57.370	50.124	(7.246)	(0.134)	(7.112)
Public Health & Community Services	32.968	(21.113)	11.855	11.220	(0.635)	(0.017)	(0.618)
Regeneration	83.423	(38.536)	44.887	33.669	(11.218)	(0.824)	(10.394)
Total Programme	290.549	(101.468)	189.081	159.996	(29.085)	(1.945)	(27.140)
Financed by:							
Capital Receipts	3.980	-	3.980				
External Grants	109.226	(33.974)	75.252				
GF Borrowing	150.964	(51.988)	98.976				
GF Revenue Contributions (RCCO)	0.755	1.096	1.851				
HRA Contributions (MRR & RCCO)	25.624	(16.602)	9.022				
Total Financing	290.549	(101.468)	189.081				

11.4 Provisional Outturn capital expenditure is £159.996 million. The major areas of capital investment during the year were as follows:

- i. £43.183 million invested in transport schemes including infrastructure, traffic management, integrated transport schemes and coast protection schemes.
- ii. £21.440 million invested in school buildings, including the construction of new schools at Hexham and a contribution to Ashington Academy to

partially refurbish the building to improve educational and dining facilities.

- iii. £7.586 million invested in fleet replacement.
 - iv. £18.740 million invested in leisure facilities including the construction of new leisure centres in Berwick and Morpeth.
 - v. £11.139 million invested in the Council's housing stock.
- 11.5 There is a net underspend of £29.085 million across the 2021-22 Capital Programme comprising of £31.481 million reprofiling from 2021-22 to 2022-23, £4.341 million reprofiling from 2022-23 to 2021-22 and £1.945 million underspend. A summary of the significant variances can be found at Appendix P with an explanation of those greater than £0.250 million.
- 11.6 It is recommended that Cabinet approves reprofiling of £31.481 million from 2021-22 to 2022-23.
- 11.7 It is recommended that Cabinet approves reprofiling of £4.341 million from 2022-23 to 2021-22.
- 11.8 Following Storm Arwen £0.282 million of capital expenditure was approved (Cabinet - 8 March 2022) to repair damage to the highways network including the replacement of streetlighting columns, replacing highways signage and repairs to the Holy Island causeway and refuge; to be funded from a revenue contribution. Expenditure of £0.126 million was incurred up to 31 March 2022 leaving a balance of £0.156 million to be incurred in 2022-23.

12. Capital Receipts

- 12.1 The level of 2021-22 Capital Receipts available to support the 2021-22 Capital Programme is £11.873 million (after costs and HRA pooling). The property disposal programme has now achieved General Fund gross cash receipts in the year of £4.914 million and the following table demonstrates the current position with regard to asset disposals:

General Fund Capital Receipts Activity During 2021-22	Actual £m
Completed and available for use in year	4.914
On the market	0.840
Terms Agreed	4.329
Contracts exchanged	0.325

- 12.2 The movement on the capital receipts reserve and the value of capital receipts shown in paragraph 11.3 of £7.080 million to support the capital programme in 2021-22 is shown in the table below:

Useable Capital Receipts Reserve 2021-22	Actual £m
Opening balance	4.025
Proceeds from General Fund new sales in year (Property and vehicles)	5.513
Costs of General Fund disposals	(0.046)
Net HRA proceeds	2.381
Capital receipts applied to financing in year	(7.080)
Closing balance	4.793

13. TREASURY MANAGEMENT

13.1 The Treasury Management Strategy Statement for 2021-22 was agreed by full Council on 24 February 2021.

13.2 The following table summarises the Council's quarterly borrowing activity for January to March 2022:

	Previous Quarter	Movement- March 2022	Current
Outstanding principal - at quarter end (£m)	788.988	(32.058)	756.930
Weighted average interest rate - year to date (%)	2.865	0.091	2.956
Quarter end external borrowing as % of Operational Boundary (Borrowing)	75.665	(3.075)	72.590

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 March 2022, the Council's external borrowing represented 72.59% of its Operational Boundary, which was approved as part of the Treasury Management Strategy for 2021-22. 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 quarterly borrowing activity for the period January to March 2022:

Lender Category	Repayment Type	Opening Balance	Repaid – Q/E March 2022	New Borrowing Q/E March 2022	Closing Balance
		£m	£m	£m	£m
PWLB	EIP	5.002	-	-	5.002
PWLB	Annuity	0.592	(0.017)	-	0.575
Salix	EIP	0.056	(0.007)	-	0.049
PWLB	Maturity	445.704	-	-	445.704
Other Local Authorities	Maturity	92.034	(32.034)	-	60.000
Other/Market	Maturity	245.600	-	-	245.600
Total		788.988	(32.058)	-	756.930

13.5 The following table summarises the Council's quarterly investment activity for the period January to March 2022:

	Previous Quarter	Movement - Q/E March 2022	Current
Outstanding principal - at month end (£m)	221.100	(33.000)	188.100
Weighted average interest rate - year to date (%)	0.538	0.269	0.807

13.6 The following table provides an analysis by type of the quarterly investment activity for the period January to March 2022:

Category	Opening Balance	Repaid – Q/E March 2022	New Investment Q/E March 2022	Closing Balance
	£m	£m	£m	£m
Term Deposit Banks	20.000	(5.000)	5.000	20.000
Term Deposit Building Societies	20.000	-	-	20.000
Term Deposit Other Local Authorities	40.000	(25.000)	20.000	35.000
Money Market Funds	121.100	(150.090)	127.090	98.100
Notice Accounts	20.000	(5.000)	-	15.000
Total	221.100	(185.090)	152.090	188.100

13.7 New investments during the quarter ended 31 March 2022 consisted of a £10.000 million term deposit with another local authority, for a period of

fourteen days at a rate of 0.03%, and a further £10.000 million term deposit with another local authority, for a period of three months at a rate of 0.055%. There was a net repayment of Money Market Funds of £23.000 million. The movement in the Money Market Funds represents daily deposits and withdrawals to manage cashflow.

Implications

Policy	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.
Finance and value for money	The report is of a financial nature and the detail is contained within the body of the report.
Legal	There are no immediate legal implications arising from the recommendations within this report.
Procurement	There are no specific procurement implications within this report.
Human Resources	There are no specific human resources implications within this report.
Property	There are no specific property implications within this report.
Equalities (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.
Risk Assessment	The risks associated with the budget were considered in February 2021 and were considered to be acceptable.
Crime & Disorder	There are no specific crime and disorder implications within this report.
Customer Consideration	There are no specific customer consideration implications within this report.
Carbon reduction	There are no specific carbon reduction implications within this report.
Health & Wellbeing	The Council's budget is founded on the principle of promoting inclusivity.
Wards	All wards.

Background papers

Cabinet 9 February 2021 and Council 24 February 2021: Budget 2021-22 and Medium-Term Financial Plan 2021-24

Report sign off

	Name
Interim Monitoring Officer/Legal	Suki Binjal
Interim Executive Director of Finance and Section S151 Officer	Jan Willis
Relevant Service Director	Alison Elsdon

Interim Chief Executive	Rick O'Farrell
Portfolio Holder	Richard Wearmouth

Author and Contact Details

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Directorate:	Children's Services
Grant Awarding Body:	Department for Education
Name of Grant:	Dedicated Schools Grant
Purpose:	The grant is paid in support of the local authority's school budget. The increase for 2021-22 relates to the High Needs Block where there has been a reduction in the number of placements commissioned outside of the Local Authority or with independent providers. There is also additional funding for 2020-21 which relates to the Early Years Block where funding was agreed in November 2021 based upon census data for January 2021.
Value:	£72,876
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	Monthly in 2021-22

Directorate:	Children's Services
Grant Awarding Body:	Department for Education
Name of Grant:	Secure Stairs Grant
Purpose:	To provide training for staff in Kyloe House Secure Unit
Value:	£21,790 reduction in grant
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	June 2021, March 2022

Directorate:	Children's Services
Grant Awarding Body:	Department for Education
Name of Grant:	Supporting Families Programme
Purpose:	Supporting Families to improve their outcomes
Value:	£132,400
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	Monthly in 2021-22

Directorate:	Children's Services
Grant Awarding Body:	Department for Work and Pensions delivered with Reed in Partnership
Name of Grant:	Job Entry Targeted Support Programme (JETS)
Purpose:	Digital employment support programme to offer support remotely
Value:	£387,640
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	Monthly in 2021-22

Directorate:	Children's Services
Grant Awarding Body:	Department for Work and Pensions delivered with Reed in Partnership
Name of Grant:	Restart Scheme
Purpose:	Supporting benefit claimants who have been unemployed for 12 months
Value:	£572,150
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	July 2021 to March 2022

Directorate:	Children's Services
Grant Awarding Body:	Department for Work and Pensions delivered with Reed in Partnership
Name of Grant:	Work and Health Programme
Purpose:	General employment support aimed at those with physical and mental health issues
Value:	£121,300
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	Monthly in 2021-22

Directorate:	Public Health & Community Services
Grant Awarding Body:	Department for Levelling Up, Housing & Communities
Name of Grant:	Domestic Abuse New Burdens Grant 2022-23
Purpose:	To give priority need to those who are homeless as a result of domestic abuse following the Domestic Abuse Act 2021.
Value:	£18,330
Recurrent/Non-recurrent:	Non-Recurrent
Profiling:	Monthly in 2022-23

Directorate:	Public Health & Community Services
Grant Awarding Body:	Department for Levelling Up, Housing & Communities
Name of Grant:	Protect and Vaccinate Grant (2021-22)
Purpose:	To enable local authorities to provide safe accommodation for rough sleepers or those who have a history of rough sleeping and to support them to get their vaccinations.
Value:	£57,860
Recurrent/Non-recurrent:	Non-recurrent
Profiling:	February/March 2022

Directorate:	Public Health & Community Services
Grant Awarding Body:	Improvement & Development Agency for Local Government
Name of Grant:	Shaping Places for Healthier Lives
Purpose:	To fund projects that aim to make changes to local systems that will encourage better physical and mental health, and that will be sustained beyond the lifetime of the grant programme.
Value:	£120,000
Recurrent/Non-recurrent:	Non-recurrent
Profiling:	December 2021

Directorate:	Public Health & Community Services
Grant Awarding Body:	Public Health England
Name of Grant:	Drug & Alcohol Universal Grant
Purpose:	To support improvements in interventions to reduce drug related offending and deaths.
Value:	£350,000
Recurrent/Non-recurrent:	Non-recurrent
Profiling:	February 2022

Section 151 Officer Budget Savings Overview Report

This report page has been set up to provide a collective overview of actual savings achieved versus profiled targets which were planned in advance of the start of the new financial year. The report also provides an overview of the progress of planned milestones completed to achieve savings within the financial year.

Overview	
Date of Report	31 March 2022
Budget Year	2021-22
Planned Savings	55
Year End Target Value of Savings	£8,172,000
Savings Achieved	£6,598,261
% of Savings Achieved	81%
Value of Savings Not Achieved	£1,573,739
Total Milestones Set	129
Total Milestones Completed to Date	98
% of Milestones Completed	76%

Month by Month Savings Forecast vs Target

Month	Cumulative Saving Target (£)	Cumulative Forecast Saving Achieved (£)
Apr-21	£3,096,470	£3,096,470
May-21	£4,424,749	£4,424,749
Jun-21	£5,612,070	£5,612,070
Jul-21	£6,535,146	£6,535,146
Aug-21	£8,172,000	£6,598,261
Sep-21		
Oct-21		
Nov-21		
Dec-21		
Jan-22		
Feb-22		
Mar-22		

Directorate Overview

Directorate	Exec Director	Number of Savings	Savings Target	Savings Achieved	Total Planned Milestones	Completed Milestones	% Completed Milestones
Adults and Children	Cath McEvoy-Carr	24	£4,636,000	£4,374,237	61	53	87%
Chief Executive	Daljit Lally	4	£197,000	£61,026	5	2	40%
Planning & Local Services	Rob Murfin	10	£1,628,000	£1,011,998	29	24	83%
Regeneration	Rick O'Farrell	3	£305,000	£58,000	3	1	33%
Finance	Jan Willis	9	£854,000	£743,000	19	14	74%
Communities & Business Development	Maureen Taylor	4	£510,000	£350,000	11	4	36%
Public Health & Community Services	Liz Morgan	1	£42,000	£0	1	0	0%

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Adult Social Care & Commissioning

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Commissioned Services	69.322	72.454	71.315	(1.139)	(2.847)	1.708
In-house Services	9.488	9.518	8.257	(1.261)	(1.261)	0.000
Care Management	13.002	15.308	14.304	(1.004)	(1.004)	0.000
Support & Other Services	6.859	6.095	5.579	(0.516)	(0.516)	0.000
Total Adult Social Care & Commissioning	98.671	103.375	99.455	(3.920)	(5.628)	1.708

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

The main reasons for the provisional outturn position for Adult Social Care and Commissioning are outlined below:

- a. Commissioned Services underspent by £1.139 million. The Commissioned Services position is still volatile as the service recovers from the most severe phases of lockdown. There are still significant numbers of care home vacancies although the direction of travel is that these seem to be reducing at a slow pace. The overall cost of home care has increased as a result of higher-than-average costs as many clients demand this option due to restrictions affecting care homes. It is not clear when this will settle due to the latest issues in relation to recruitment and retention of staff particularly in home care which means that providers are struggling to pick up new packages. The further impact of the recruitment issue is that there are a significant number of home care packages that are currently awaiting allocation to a provider. Whilst all clients are being checked and managed as part of this process and some will be in temporary alternate short-term support, it is likely that the underlying financial cost of home care will be understated in 2021-22 because of these home care resourcing issues.
 - i. Commissioned Services incurred additional expenditure of £0.808 million supporting external care providers in response to Covid-19.
 - ii. An additional £0.900 million was spent on high-cost care packages for home care clients who were reluctant to go into residential care due to Covid-19; and,
 - ii. The business-as-usual purchased care was underspent by £2.847 million. The key reason for this is primarily down to the Covid-19 arrangement where NHS England funded additional interim care packages for up to 6 weeks following hospital discharge. This lasted until the

end of June 2021 after which they continued to fund for up to 4 weeks. This funding will not continue indefinitely but has been a significant source of financial support to the Council during the Covid-19 period.

- b. In-House Services underspent by £1.261 million. This is due to the following:
 - i. Staffing-related budgets underspent by £0.910 million. In order to comply with social distancing measures, not all services were operating to full capacity. As a result of this, posts were held vacant for longer and the need for overtime and the use of casual staff reduced.
 - ii. As a result of services not being fully operational, there was an underspend of £0.359 million on catering provisions, vehicle hire, fuel and transport of client costs within the service.
 - iii. A global shortage of supplies and materials resulting in longer lead times and subsequent delays in delivery has resulted in a £0.181 million underspend on equipment for the Joint Equipment Loans Store (JELS).
 - iv. The in-house residential and short term support services received an allocation of £0.165 million from the Government funded Adult Social Care Covid-19 grants to help with the additional costs associated with infection control and testing in those areas; and,
 - v. The redesign of the Telecare system was not implemented this financial year resulting in £0.329 million of the approved £0.400 million saving not being achieved.
- c. Care Management underspent by £1.004 million. This is due to the following:
 - i. Staffing-related budgets underspent by £0.928 million because of vacant posts. Social Work and care management have seen similar difficulties in recruitment due to a shortage of applicants of a reasonable standard to fill posts. This continues to be a problem in Northumberland such that the service is now creating an academy to “grow our own” social workers to a greater level than has been done previously.
- d. Support & Other Services underspent by £0.516 million. This is due to the following:
 - i. Staffing-related budgets underspent by £0.191 million because of vacant posts.
 - ii. Income from deputyship fees is £0.114 million more than budget due to the increased level of vulnerable people who require help making decisions regarding their welfare and/or financial affairs; and,
 - iii. There are a number of minor variations across a variety of non-staffing and income related budgets which result in a net underspend of £0.211 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.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Chief Executive

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Chief Executive	0.467	0.434	0.460	0.026	0.026	0.000
Fire & Rescue	14.535	16.299	16.975	0.676	0.585	0.091
Human Resources	3.019	4.226	3.501	(0.725)	(0.725)	0.000
Internal Audit	0.664	0.629	0.658	0.029	0.029	0.000
Legal	2.327	2.850	2.766	(0.084)	(0.085)	0.001
Transformation	(0.932)	0.383	0.387	0.004	0.004	0.000
Policy	0.425	0.527	0.447	(0.080)	(0.080)	0.000
Democratic Services	2.794	3.166	2.919	(0.247)	(0.279)	0.032
Elections	0.639	1.287	0.889	(0.398)	(0.447)	0.049
Public Relations	0.866	0.836	0.855	0.019	(0.150)	0.169
Total Chief Executive	24.804	30.637	29.857	(0.780)	(1.122)	0.342

NOTES - Year End Variances of £0.250 million or more

The main reasons for the provisional outturn position for Chief Executive are outlined below:

- a. Fire & Rescue overspent by £0.676 million due to:
 - i. An overspend within Community Fire Stations of £0.197 million due largely to additional staffing costs as a result of the winter storm response, long term sickness and Covid-19 cover.
 - ii. An overspend within Learning & Development of £0.323 million due largely to a shortfall in training income following changes in working practices following Covid-19; and,
 - iii. An overspend on Data Lines within Fire Support Services of £0.198 million.

Note - A number of known pressure areas within Fire & Rescue amounting to £0.366 million were identified and funded as part of the MTFP approved by Council in February.

- b. Human Resources underspent by £0.725 million due to:
 - i. An underspend on staffing amounting to £0.431 million due to a number of vacant posts throughout the service.

- ii. A £0.494 million underspend on the Apprenticeship Programme due to lower apprenticeship numbers and the implementation of the new pay framework for Apprentices and Graduates being paused until next year; and,
- iii. A £0.200 million savings target in relation to the centralisation of training which will not be achieved. This was identified as a recurrent pressure in the 2022-23 budget which was approved by Council in February.
- c. Democratic Services underspent by £0.247 million due to an underspend relating to staff vacancies of £0.143 million and an underspend on councillors' allowances and expenses of £0.103 million.
- d. Elections underspent by £0.398 million due largely to an underspend on the cost of the county and parish elections.

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

Forecast Revenue Outturn - Detailed budget summary by Service

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

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Adolescent Services	3.308	3.480	2.901	(0.579)	(0.679)	0.100
Family Placement	12.083	12.269	12.695	0.426	0.426	0.000
Purchase Budgets	8.528	8.101	8.331	0.230	0.089	0.141
Early Intervention and Prevention	3.507	6.177	4.992	(1.185)	(1.212)	0.027
Local Children's Safeguarding Board	0.042	0.127	0.025	(0.102)	(0.102)	0.000
Looked after Children	3.760	2.272	2.762	0.490	0.016	0.474
Social Work Teams	9.460	9.417	9.249	(0.168)	(0.168)	0.000
District Admin Offices	0.763	0.997	0.825	(0.172)	(0.172)	0.000
Family and Disability Services	2.714	2.790	2.638	(0.152)	(0.152)	0.000
Safeguarding Standards	1.099	1.249	1.098	(0.151)	(0.151)	0.000
Other Children's Services	1.834	1.858	1.826	(0.032)	(0.032)	0.000
Total Children's Social Care	47.098	48.737	47.342	(1.395)	(2.137)	0.742

NOTES - Year End Variances of £0.250 million or more

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

- a. The Adolescent Services budget is underspent by £0.579 million.
 - i. There is an underspend on staffing of £0.316 million across the service due to difficulty in recruiting to cover vacancies across the team. There is also an income overachievement of £0.197 million in relation to £0.095 million for Unaccompanied Asylum Seeking Children (UASC), and £0.102 million for the Extended Personal Adviser grant, and income for a seconded employee.
- b. The Family Placement budget is overspent by £0.426 million, this is due to the following:
 - i. Block Contracts is overspent by £0.261 million. This is due to additional payments to Adopt North East for contributions towards the overspend, and the 2021-22 pay award.

- ii. There are overspends on Foster Care Allowances and Special Guardianship Orders of £0.163 million and £0.079 million respectively; and,
- iii. This is partially offset by underspends on Adoption Agency and Independent Fostering Agencies (IFA) of £0.030 million and £0.057 million respectively.
- c. The Early Intervention and Prevention budget is underspent by £1.185 million. This is due to the following:
 - i. Public Health funding of £0.750 million was received to support the cost of services delivered through Early Intervention and Prevention that are in line with the terms and conditions of the grant; and,
 - ii. There are underspends of £0.352 million across the service on staffing and travel.
- d. The Looked After Children budget is overspent by £0.490 million. This is due to the following:
 - i. Kyloe House secure unit is overspent by £0.496 million due to an underspend on staffing of £0.140 million; offset by a shortfall in income from other local authorities that purchase placements of £0.462 million. The unit has 12 beds and 2 step down beds available and is usually fully occupied but requires 11 beds to be full to achieve a breakeven position and cover the running costs of the unit. As a result of Covid-19, the unit operated at reduced capacity, recording occupancy of 9.5 beds on average over the financial year. This occupancy rate is higher than many other units nationally. There are also overspends on utilities and contributions to the provision for bad debts of £0.057 million and £0.116 million respectively.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Children's Services: Education & Skills

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Director of Education & Skills	0.367	0.274	0.280	0.006	0.006	0.000
Curriculum & Learning	1.220	0.110	0.274	0.164	(0.003)	0.167
Alternative Education (Virtual Headteacher)	0.374	0.421	0.415	(0.006)	(0.006)	0.000
Special Educational Needs & Disability	5.915	6.529	7.173	0.644	0.644	0.000
School Organisation	11.696	10.181	10.090	(0.091)	(0.091)	0.000
School Improvement	0.221	0.000	0.001	0.001	0.001	0.000
Total Education & Skills	19.793	17.515	18.233	0.718	0.551	0.167

NOTES - Year End Variances of £0.250 million or more

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

- a. The Special Educational Needs & Disability budget has overspent by £0.644 million.
 - i. £0.785 million overspend on Home to School Transport for children with special educational needs (SEN) due to a continued increase in places at Northumberland special schools.
 - ii. There is an underspend on the Special Educational Needs and Disabilities (SEND) Commissioning team of £0.108 million as the cost of Paediatric Occupational Therapy provision will now be met from the High Needs block of the Dedicated Schools Grant; and,
 - iii. There is an underspend on the Preparing for Adulthood team of £0.034 million which is a combination of non-staffing underspend and additional income received.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Children's Services: Dedicated Schools' Grant

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Schools Block	82.993	87.203	86.493	(0.710)	(0.710)	0.000
Central Schools Block	2.494	2.981	2.833	(0.148)	(0.148)	0.000
High Needs Block	34.129	38.607	37.324	(1.283)	(1.303)	0.020
Early Years Block	16.622	17.869	17.313	(0.556)	(0.556)	0.000
Additional 2020-21 grant	0.000	0.000	(0.196)	(0.196)	(0.196)	0.000
Total Dedicated Schools' Grant	136.238	146.660	143.767	(2.893)	(2.913)	0.020

NOTES - Year End Variances of £0.250 million or more

In 2021-22 the Council received Dedicated Schools' Grant totalling £146.660 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. The final allocation for the Early Years block will not be confirmed until July 2022 therefore an estimate has been included for the Spring term funding. Schools that have transferred to academy status receive their funding directly from the Department for Education – this amounts to a further £117.624 million for 2021-22.

- a. The Schools' Block is underspent by £0.710 million.
 - i. There has been a refund from the Education and Skills Funding Agency of £0.112 million relating to school places at two academies that transitioned from Middle Schools to Primary Schools during 2020-21 as initial pupil funding was overstated.
 - ii. The English as an Additional Language (EAL) Service has underspent by £0.083 million due to additional income received under the Voluntary Persons Resettlement Scheme.
 - iii. The Union Supply cover budget has underspent by £0.093 million due to overachievement of SLA income from academies for 2021-22 and the carry forward from 2020-21 which has not been required in year.
 - iv. The Growth Fund has underspent by £0.077 million as fewer additional surplus places were required in September 2021 than anticipated; and,
 - v. The schools' contingency budget of £0.342 million was not required in 2021-22 but will be carried forward to support school re-organisation during 2022-23.
- b. The High Needs Block is underspent by £1.283 million.

- i. The Inclusion Service has underspent by £0.449 million across the cost of alternative provision and transport. The budget received growth for 2021-22, however there were a significant number of year 11 leavers in the Summer 2021 term which has resulted in an overall underspend.
 - ii. Independent Special School places budget is underspent by £1.121 million. Again, growth was added for 2021-22, however several high-cost placements ended in Summer 2021. This has been offset by an increase in the number of additional places commissioned at Northumberland Special Schools at a cost of £0.171 million.
 - iii. There is an overspend across SEN Top-ups of £0.468 million due to growth in the number of places at Northumberland Special Schools; and,
 - iv. There is an underspend of £0.353 million across SEN support services which is due to an underspend across staffing and travel offset by additional income from the Department for Education and the NHS to support specific work undertaken by the service.
- c. The Early Years Block is underspent by £0.556 million.
- i. The Early Years team has underspent by £0.124 million which is relates to a carry forward from 2020-21 that was not required in year and will now be carried forward to 2022-23; and,
 - ii. The funding for 2, 3 and 4 year old nursery provision is based upon a termly headcount and we will not receive confirmation of the spring term funding until July 2022. However, based upon the January census the service is expecting to underspend by £0.432 million. This includes an underspend on ring-fenced Disability Access Funding of £0.109 million that is due to a lower take-up by parents and early years providers.

During 2020-21 all school phases increased their reserves due to their partial closure for some pupils and the additional grant funding they have been able to access as a result of Covid-19. This excludes Trust Schools as their school balances are held separately from the main school reserve. The position for 2021-22 shows that all schools phases have been able to further increase their reserves:

	Closing School Reserve		
	2019-20	2020-21	2021-22
	£m	£m	£m
Primary/First	2.381	3.843	4.151
Middle	0.714	0.862	1.077
Secondary/High	(1.669)	(0.495)	0.617
Special/PRU	0.872	1.330	2.510
Overall	2.298	5.540	8.355

- e. Overall, there are now 17 schools with a deficit budget position compared to 21 schools in the previous year.
- f. Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Communities & Business Development

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Customer Services	1.704	2.044	1.646	(0.398)	(0.409)	0.011
Registrars & Coroners	2.197	1.230	1.450	0.220	0.192	0.028
Tourism, Culture, Leisure & Heritage	12.361	9.750	10.140	0.390	(0.129)	0.519
Improvement & Innovation	1.196	1.591	1.370	(0.221)	(0.221)	0.000
Northumberland Communities Together	0.006	0.466	0.203	(0.263)	(0.263)	0.000
Information Governance	0.236	0.288	0.310	0.022	0.022	0.000
Total Communities & Business Development	17.700	15.369	15.119	(0.250)	(0.808)	0.558

NOTES - Year End Variances of £0.250 million or more

The main reason for the provisional outturn position for Communities & Business Development is outlined below:

- a. Customer Services underspent by £0.398 million. Within the Contact Centre and Information Centres there is an underspend on staffing vacancies of £0.370 million. Of this underspend, £0.173 million is attributable to the nine staff who worked on the Test & Trace calls and were being funded from the Contain Outbreak Management Fund.
- b. Registrars & Coroners overspent by £0.220 million due to:
 - i. An overspend within Coroners of £0.396 million in relation to post mortems, body storage costs and medical fees; and,
 - ii. An underspend within Registrars of £0.287 million which is an over recovery of income due to the increase in weddings and associated fees following Covid-19.
- c. The Tourism, Culture, Leisure & Heritage Service overspent by £0.390 million mainly as a result of providing additional support to Active Northumberland (£0.410 million) in response to the Covid-19 pandemic.
- d. The Improvement & Innovation Team underspent by £0.221 million due to an underspend on staffing costs as a number of posts within the service were funded from the Contain Outbreak

Management Fund.

- e. Northumberland Communities Together underspent by £0.263 million due to a number of posts within the service being funded from the Contain Outbreak Management Fund.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Finance

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Revenues & Benefits	1.593	1.739	1.502	(0.237)	(0.022)	(0.215)
Information Services	9.161	9.251	10.129	0.878	(0.330)	1.208
Corporate Finance	22.839	5.919	5.458	(0.461)	(0.461)	0.000
Strategic Property	5.296	6.466	5.565	(0.901)	(1.058)	0.157
Procurement	1.343	0.761	0.345	(0.416)	(0.416)	0.000
Total Finance	40.232	24.136	22.999	(1.137)	(2.287)	1.150

NOTES - Year End Variances of £0.250 million or more

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

- a. The Revenues and Benefits Service underspent by £0.237 million due to:
 - i. An underspend on staffing amounting to £0.309 million due to a number of vacant posts throughout the Service offset by strain on the fund and redundancy costs.
 - ii. Additional new burdens grant income of £0.725 million, mainly for the administration of the Covid-19 business grant schemes and the transition to Universal Credit; partly offset by £0.095 overspend on the Restart programme for Council Tax and Business Rates and an overspend on agency staff costs of £0.220 million to cover additional work due to Covid-19; and,
 - iii. An overspend on the Cost of Benefits of £0.516 million due to:
 - An overspend in relation to Rent Allowance and Rent Rebate payments of £0.426 million. This is due to: an increase in overpayments to claimants for which only a 40% subsidy is received; and, an increase in the number of supported exempt accommodation schemes that do not attract a 100% subsidy.
 - An underachievement of recovery of overpaid benefits of £0.546 million. Less debt has been raised during the year as a result of the migration to Universal Credit.
 - The receipt of £0.324 million Discretionary Housing Grant which was not included in the

budget. The grant relates to 2020-21.

- b. Information Services overspent by £0.878 million due to:
 - i. An overspend of £0.263 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.
 - ii. A revenue contribution, funded from the Covid-19 grant allocation, to fund capital expenditure of £0.804 million in respect of the desk top refresh programme, due to the impact of the Covid-19 pandemic.
 - iii. An underspend on staffing amounting to £0.337 million due to a number of vacant posts throughout the year; and,
 - iv. Unachieved savings of £0.100 million for the removal of software licences which have not been realised. This saving is from previous years and has been removed in the MTFP approved by County Council in February.
- c. Corporate Finance underspent by £0.461 million due to:
 - iv. An underspend of £0.292 million in relation to vacant posts.
 - v. An underspend of £0.113 million security services due to contact centres no longer accepting cash; and,
 - vi. An underspend of £0.090 million on external auditor fees.
- d. Strategic Property underspent by £0.901 million due to:
 - i. An underspend of £0.222 million within Property Assets mainly in relation to County Hall running costs, including the restaurant service, due to the county hall refurbishment and reduced service requirements.
 - ii. An underspend of £0.300 million within Property due to a £0.040 million underspend on staffing and a number of small underspends across various non staffing budgets.
 - iii. An underspend of £0.276 million on surplus properties due to a number of factors including less security required on properties, additional rental income and fewer repairs required throughout year; and,
 - iv. An underspend of £0.087 million on repairs and maintenance on county owned buildings.
- e. Procurement is forecast to underspend by £0.416 million due to:
 - i. An underspend on staffing of £0.154 million due to vacant posts; and,
 - ii. An overachievement of income of £0.250 million in relation to procurement rebate income and feed in tariff income.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Planning and Local Services

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Local Services Management	24.527	24.562	24.538	(0.024)	(0.024)	0.000
Neighbourhood Services	11.711	10.457	10.816	0.359	0.283	0.076
Waste PFI Contract	19.037	9.932	9.914	(0.018)	(0.420)	0.402
Technical Services	21.083	18.553	20.231	1.678	1.678	0.000
Total Local Services	76.358	63.504	65.499	1.995	1.517	0.478
Planning	1.343	1.100	1.792	0.692	0.692	0.000
Corporate Health & Safety	0.274	0.293	0.275	(0.018)	(0.018)	0.000
Total	77.975	64.897	67.566	2.669	2.191	0.478
Severe Weather Reserve	0.000	0.000	5.000	5.000	5.000	0.000
Total Planning & Local Services	77.975	64.897	72.566	7.669	7.191	0.478

NOTES - Year End Variances of £0.250 million or more

The main reasons for the provisional outturn position for the Planning and Local Services Directorate is outlined below:

- a. Neighbourhood Services has overspent by £0.359 million. The costs associated with emergency works and recovery from Storm Arwen has cost £0.633 million to the end of March 2022. This is partly offset by the settlement of a longstanding insurance claim following the fire at the Cowpen Crematorium in 2015. The final settlement received was £0.206 million. In addition, income from waste fees and charges has exceeded the budget.
- b. Waste PFI overall has underspent by £0.018 million. This is mainly due to £0.402 million overspend relating to increased waste volumes arising from Covid-19 which has changed the landscape of working habits. These are partially offset by an underspend of £0.371 million relating to adjustments in pricing on recyclables following improvements in the commodities markets
- c. Technical Services has overspent by £1.678 million mainly due to:
 - i. The Highways budget has overspent by £2.513 million. This is largely in relation to the costs of dealing with the consequences of Storm Arwen which have totalled £2.437 million in order to make the network safe. This includes work to remove debris from footways and carriageways,

clearance of gullies, the deployment of road sweeping teams and repairs to the damaged network. The budget for winter services has underspent by £0.666 million due to the milder than average winter. The remainder of the overspend is due to the use of private contractors covering for staff sickness, additional pothole repairs, a shortfall in income from EV charging, increased costs for electricity for street lighting and a lower than anticipated contribution to overheads for the A69 contract.

- ii. The home to school transport budget has overspent by £0.396 million as a result of a combination of factors. Operators who were successful in previous procurements have now upgraded vehicles to the required Euro 5 engine standards, which means that full contract rates are now being paid rather than the previous reduced rate. There are also issues around fulfilment of contracts due to driver shortages, with operators returning contracts and price increases when having to retender routes and contracts. As a result, fourteen contracts have been retendered and a number of new contracts issued due to the approval of late school transport applications, and,
 - iii. This is partly offset through additional income, mainly from an overachievement of car parking fees and fines of £0.668 million and an over recovery of £0.471 million on Streetworks Permit Income in part due to significant broadband works in the southeast of the County which will not continue in the longer term.
- d. Planning has overspent by £0.692 million mainly due to:
- i. Planning fee income has under achieved by £0.466 million. The budget was increased by £0.400 million as part of the 2021-22 budget setting process in anticipation of an increase to the national planning fee structure. The Planning Bill proposing the change has been put on hold and therefore the national fee increase has not been implemented and consequently this saving has not been achieved. The Council is working collaboratively with other North East councils to approach the Department for Levelling Up, Housing and Communities for an update on the position;
 - ii. There was £0.110 million grant funding for strategic planning identified as part of the 2021-22 budget setting process which has not been received due to the removal of this assistance from Homes England to all Local Planning Authorities (LPA), in the North East. Alternative funding opportunities are being explored as part of ongoing discussions with the Department for Levelling Up, Housing and Communities regarding joint working and support arrangements.
 - iii. There is an £0.082 million underachievement of income relating to Planning Performance Agreements, as uptake of the scheme has been slower than anticipated and some inward investment schemes have been given free support: and,
 - iv. There has been an overachievement of S38/278 Highways Development fee income of £0.113 million due to a number of schemes having been inspected ahead of previously anticipated dates. There has been an underachievement of S106 fees of £0.076 million due to the lack of developments reaching milestones where a fee would become applicable. This is anticipated to continue into 2022-23.
- e. Severe Weather Reserve – Cabinet approved on 8 March 2022 a recommendation to increase the Severe Weather Reserve by £5.000 million in order to provide resilience to fund future repairs to

highways following severe weather conditions. This is in accordance with the Department for Transport's recommendation that local highways authorities ensure they retain a contingency for repairing damage to local highways and associated assets caused by extreme weather. The existing £2.500 million in the reserve has been earmarked to contribute to the funding of the repairs to the Todstead Landslip which is included in the proposed Capital Programme 2022-2026.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Public Health & Community Services

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Housing General Fund	0.921	0.859	0.905	0.046	0.046	0.000
Public Protection	2.559	3.161	2.677	(0.484)	(0.751)	0.267
Public Health – Council Funding	0.000	0.003	0.003	0.000	0.000	0.000
Total Public Health & Community Services	3.480	4.023	3.585	(0.438)	(0.705)	0.267

NOTES - Year End Variances of £0.250 million or more

The main reasons for the provisional outturn position for the Public Health & Community Services Directorate are outlined below:

- a. Housing has overspent by £0.046 million. This in part relates to prior year savings not achieved during the year of £0.253 million. The savings include £0.137 million in relation to receipt of primary agency fee income from Northumbrian Water relating to the collection of water rates from tenants which has been retained in the HRA to meet potential debt liability and administration costs, along with £0.116 million relating to income from enhanced trading activity and private sector landlord accreditation which has not been achieved. This is partially offset by an underspend within the Homelessness budget of £0.170 million as a result of expenditure being met by a specific grant rather than the Council's budget.
- b. Public Protection has underspent by £0.484 million, mainly due to an underspend on salaries of £0.723 million due to delays in recruitment and staff turnover, offset by a shortfall in licensing income of £0.247 million resulting from the loss of business arising from the impact of 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.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Public Health & Community Services - Public Health External Funding

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Staffing and Support Costs	0.896	1.375	0.591	(0.784)	(0.784)	0.000
Stop Smoking Initiatives	0.674	0.520	0.442	(0.078)	(0.078)	0.000
Drug & Alcohol Services	3.615	4.082	3.822	(0.260)	(0.260)	0.000
Sexual Health Services	1.936	1.872	2.215	0.343	0.343	0.000
0-19 Public Health Services	6.265	6.416	6.309	(0.107)	(0.107)	0.000
Other Health Initiatives	3.714	3.267	3.278	0.011	0.011	0.000
Total Public Health & Community Services	17.100	17.532	16.657	(0.875)	(0.875)	0.000

NOTES

- a. The Council's Public Health service received grant funding of £16.891 million in 2021-22. This funding is ring-fenced for the provision of services to improve the health of the local population and reduce health inequalities.
- b. The terms of the main Public Health grant allow unspent allocations to be carried over into the next financial year. Public Health carried forward a reserve of £4.649 million to financial year 2021-22. An additional £0.501 million will be transferred to the Public Health reserve in 2021-22. The main reasons for this are:
 - i. A reduced level of demand led service primarily because of social distancing requirements and non-essential services being put on hold resulted in a £0.327 million underspend.
 - ii. The previously commissioned Health Improvement and Stop Smoking services were brought back in-house with effect from 1 October 2021. This generated in-year efficiencies of £0.244 million; and,
 - iii. The Public Health staff supported the Council's response to Covid-19 and 66% of their pay costs were funded from the Contain Outbreak Management Fund during 2021-22. The staffing underspend was used during the year to support and maintain public health activities within Children's Services.
- c. Public Health England created the Adult Weight Management Services Grant which is ring-fenced to support the commissioning of adult behavioural management services during 2021-22. The Council received a non-recurrent allocation of £0.171 million. The Department of Health and Social Care has

approved the carry forward of unspent funds to financial year 2022-23. Public Health will carry forward £0.069 million to 2022-23.

- d. Additional one-off funding of £0.350 million was secured in year from Public Health England to support drug treatment crime and harm reduction, £0.197 million of this funding has been earmarked for activity in financial year 2022-23.
- e. Funding of £0.120 million was awarded from the Improvement and Development Agency for Local Government to support the Heart of Blyth project which is part of the Shaping Places for Healthier Lives programme. Part of this funding has been earmarked for activity in financial year 2022-23 and £0.108 million will be carried forward.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Public Health & Community Services - Housing Revenue Account

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Housing Management	5.941	6.508	6.093	(0.415)	(0.415)	0.000
Housing Special	0.620	0.645	0.796	0.151	0.128	0.023
Repairs and Maintenance	7.595	8.026	8.241	0.215	0.068	0.147
Housing Capital Works	0.747	0.515	0.546	0.031	0.031	0.000
Other HRA Services	13.080	13.438	13.154	(0.284)	(0.284)	0.000
HRA Income	(29.468)	(29.748)	(29.923)	(0.175)	(0.175)	0.000
Total HRA Expenditure & Income	(1.485)	(0.616)	(1.093)	(0.477)	(0.647)	0.170

NOTES - Year End Variances of £0.250 million or more

The main reasons for the provisional outturn position for the Housing Revenue Account are as follows:

- a. Housing Management has underspent by £0.415 million. This mainly relates to staffing budgets for part year vacancies as well as underspends on a number of smaller budgets including staff training, telephones & mobiles, reprographics, advertising and travel allowances.
- b. Other HRA Services has underspent by £0.284 million. The main reasons for this are:
 - i. Depreciation charges have overspent by £0.298 million due to the increase in the discount factor applied following the 2019-20 audit. Northumberland's stock is now valued at the regional discount rate of 44% rather than 42%.
 - ii. Interest payable on loans is £0.134 million overspent and interest received on balances underachieved by £0.064 million.
 - iii. The contribution towards bad debts is underspent by £0.202 million following write-offs during the year and active debt recovery; and,
 - iv. Income from NWL for the collection of water rates has exceeded the budget by £0.371 million. The fee for 2021-22 was renegotiated to mitigate the risk on the HRA for non-collection. To date there is no evidence to suggest that there will be an increase required to the provision for bad debt, this figure also includes reimbursement for void properties.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Regeneration

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Economy & Regeneration	1.929	2.216	1.676	(0.540)	(0.540)	0.000
Executive Director of Regeneration, Commercial & Economy	0.283	0.034	0.073	0.039	0.039	0.000
Climate Change	0.000	0.176	0.099	(0.077)	(0.077)	0.000
Total Regeneration	2.212	2.426	1.848	(0.578)	(0.578)	0.000

NOTES - Year End Variances of £0.250 million or more

The main reason for the provisional outturn position for the Regeneration Service is outlined below:

- a. Concessionary Travel is underspent by £0.596 million. There is a recurring underspend from 2020-21 as a result of continuing to pay operators at pre-pandemic levels. A regional review of the provision of supported services is underway and passenger behaviour in the longer term following the easing of restrictions cannot yet be predicted. A recent change in Department for Transport policy allowed Local Transport Authorities to reduce payments, basing revised payments on the proportion of pre-covid mileages Arriva North East operated. During 2021-22 Arriva North East operated approximately 90% of pre-covid mileage, which allowed the Council to reduce payments by 10%. The shortfall in payments could then be claimed by the operator via the Department for Transport Bus Recovery Grant negating any negative financial effect on Arriva North East as a result of the reduction in payments.

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

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Other Corporate Expenditure and Income

Summary by Service	2020-21 Outturn	Budget	Forecast Outturn	Variance	Variance BAU	Variance Covid-19
Service	£m	£m	£m	£m	£m	£m
Corporate Items	26.170	36.376	21.902	(14.474)	(5.964)	(8.510)
Treasury Management	(25.501)	(24.075)	(23.999)	0.076	0.076	0.000
Capital Financing	36.665	20.660	19.755	(0.905)	(0.905)	0.000
Corporate Funding	(400.051)	(344.076)	(343.180)	0.896	(0.030)	0.926
Total Other Corporate Expenditure & Income	(362.717)	(311.115)	(325.522)	(14.407)	(6.823)	(7.584)

NOTES - Year End Variances of £0.250 million or more

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

- a. Corporate Items underspent by £14.474 million mainly due to:
 - i. Covid-19 grant funding of £8.510 million which will be utilised to offset the Covid-19 pressures realised within the service budgets.
 - ii. An underspend in relation to the contingency provision within the budget £3.908 million.
 - iii. An underspend of £2.308 million on LCTS hardship discounts granted in year. It is proposed that this is transferred to an earmarked reserve to fund discounts in 2022-23.
 - iv. An underspend on precepts and levies payable in year of £0.364 million; and,
 - v. £0.560 million overspend due to a corporate savings target which will not be delivered in year.
- b. Capital Financing underspent by £0.905 million due to:
 - vi. An underspend on interest payable of £0.302 million. This is as a result of actual borrowing levels being lower than originally forecast, due to reprofiling of the Capital Programme, and actual interest rates payable on the borrowing undertaken being lower than budgeted; and,
 - vii. An underspend of £0.484 million on the Minimum Revenue Provision in relation to the repayment of borrowing.
- c. Corporate Funding overspent by £0.896 million due to:
 - i. An anticipated recharge from the Invest to Save Reserve of £1.196 million which was not utilised. The Improvement and Innovation Team has undertaken work in relation to Covid-19 and the cost of the service was charged against the government funding received; and,

ii. £0.270 million was received from the sales, fees and charges compensation 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.

Key Capital Movements by Service

Service: Adult Social Care and Commissioning – Variance (£0.414) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Disabled Facilities Grant	-	(0.295)
Industrial Washing Machine Joint Equipment Loan Warehouse (JELS)	-	(0.125)
Berwick Walkergate Independent Living Accommodation	-	0.005
Tynedale House Fire Doors	-	0.001
Total	-	(0.414)

NOTES - Year End Variances of £0.250 million or more

The main reason for the variance for Adult Social Care and Commissioning are outlined below:

- a. Disabled Facilities Grant - Staff turnover within the Technical team slowed progress during the year and contractors working on projects reported staffing issues and a shortage of supplies and materials resulting in longer lead times and subsequent delays to works.

Key Capital Movements by Service

Service: Chief Executive's – Variance (£0.278) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Fire & Rescue Service (FRS) Fleet Requirement	-	(0.340)
Officers Pooled Car Scheme	-	(0.056)
Fire & Rescue Service (FRS) Risk Critical Equipment	0.118	-
Total	0.118	(0.396)

NOTES - Year End Variances of £0.250 million or more

The main reason for the variance for Chief Executive's is outlined below:

- a. FRS Fleet Requirement – The purchase orders for the expected appliances in 2021-22 have been placed but due to lengthy lead times these vehicles will not be received until 2022-23 financial year.

Service: Children's Services – Variance (£3.553) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Ponteland Secondary School and Leisure Centre	0.758	-
Special Provisions Capital Fund	0.011	-
Wise Academy Trust – Haltwhistle Schools	0.331	-
Family Hubs	(0.012)	-
Revenue Expenditure Funded from Capital Under Statute (REFCUS) – Aided Schools	0.072	-
Mobile Classroom Replacement Programme	-	(0.039)
Basic Needs Programme	-	(2.814)
Morpeth First School	-	(0.060)
Corbridge Middle 3G Pitch	-	(0.003)
Bedlington Whitley Memorial and West End First School	(0.241)	(0.030)
School Nurseries Capital Grant Fund	-	(0.001)
Seaton Valley Federation of Schools	-	(0.166)
Hexham Schools Outline Business Case	-	(1.590)
RDA relocation from Tranwell (Pegasus Centre)	-	(0.171)
Kyloe House	(0.032)	(0.041)
Children's Homes Provision	-	0.017
Schools Building Programme (Schools Capital Investment Programme (SCIP))	-	0.241
Special Needs Schools	-	0.064
Port of Blyth – Welding and Fabrication Skills Centre	-	0.006
Devolved Formula Capital	-	0.147
Total	0.887	(4.440)

NOTES - Year End Variances of £0.250 million or more

The main reason for the variance for Children's Services are outlined below:

- a. Ponteland Secondary School and Leisure Centre – The project is overspent following a 6-week delay, incurred due to Covid-19, additional asbestos works required, final costs on the old

Ponteland Primary site and variations to contract which will be offset by an expected contribution from the Pele Trust.

- b. Wise Academy Trust – Haltwhistle Schools – During the delivery of the project, variations to the contract were requested by the academy trust and they have made an additional contribution to cover the financial impact incurred.
- c. Basic Needs Programme – The grant remains uncommitted at this time and as the funding has no time restrictions, it will be re-profiled into 2022-23.
- d. Hexham Schools Outline Business Case – Phase 1 of the new build was completed in September 2021. Phase 2 was due to be completed by March 2022. However, delays to the scheme have led to a revised completion date of the Summer term 2022.

Service: Communities and Business Development – Variance £2.316 million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Berwick Leisure Centre	-	1.088
Blyth Sports Centre	0.186	-
Provision of Leisure Facilities within Morpeth	-	0.797
Newbiggin Sports Centre	-	0.291
Haltwhistle Football Project	-	(0.046)
Total	0.186	2.130

NOTES - Year End Variances of £0.250 million or more

The main reasons for the variance for Communities and Business Development are outlined below:

- a. Berwick Leisure Centre – Phase 1 of the project was completed in January with the centre officially opening to the public on 8 February 2022. Phase 2 of the project has progressed faster than anticipated and will create a new four court sports hall with the full project expected to be completed by March 2023.
- b. Provision of Leisure Facilities within Morpeth – The project continues to progress and is on track to be completed in January 2023.
- c. Newbiggin Sports Centre – The refurbishment project commenced in November 2021 with a target completion date of July 2022. The expenditure is slightly ahead of profile with a current forecast overspend of £0.050 million due to additional essential works.

Service: Finance – Variance (£8.057) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Contingency for Grant Funded Projects	(0.809)	-
Loans to Third Parties	-	(6.737)
Property Stewardship Fund:		
– Backlog M&E and Fabric	-	0.035
– Bearl Depot Drainage and New Build	-	0.008
– Public Toilet Refurbishment	(0.086)	0.044
– Woodhorn Heapstead	-	(0.099)
Leisure Essential Remedials:		
– Essential Remedials	0.088	0.045
– Concordia Air Handling Units	(0.141)	(0.050)
– Concordia Distribution Board	-	(0.005)
– Newbiggin Roof	-	0.163
– Wentworth Pool Room	0.053	-
County Hall Refurbishment	-	0.073
Yourlink Refurbishment	-	(0.020)
Holy Island and Seahouses Public Toilet Refurbishment	0.086	-
Alnwick Lindisfarne Site	-	(0.013)
Other Property Schemes	0.036	-
Desktop Refresh	0.460	0.108
County Hall IT Infrastructure	0.143	-
Office 365 Implementation	-	(0.052)
Hardware Infrastructure	-	(0.010)
Server Infrastructure	0.013	0.062
Telephony	-	0.149
Library Kiosks	-	(0.079)
CISCO Infrastructure	-	0.058
Cloud Migration	-	(0.003)
Rural Gigabit Connectivity Schools Programme	(0.013)	-
Local Full Fibre Network	(1.991)	(0.182)
Community Broadband	-	0.609

Total	(2.161)	(5.896)
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NOTES - Year End Variances of £0.250 million or more

The main reasons for the variance for Finance are outlined below:

- a. Contingency for Grant Funded Projects – contributions to two projects have been approved from this budget in the current financial year with no further projects proposed.
- b. Loans to Third Parties – The full budget allocation will not be required in the current financial year due to delays on projects as a result of the impact of Covid-19. The budget will require reprofiling into 2022-23.
- c. Desktop Refresh – The overspend of £0.460 million relates to laptops purchased for NHCT staff that were transferred to the Council on 1 October 2021 and have been funded from the COMF grant. The remaining £0.108 million is to be reprofiled from 2022-23 to 2021-22 due to replacing and purchasing a greater number of mobiles for staff than anticipated as a result of changing supplier.
- d. Local Full Fibre Network – The Council element of the budget is to be reprofiled into 2022-23 to complete works at the five remaining locations due to a delay by British Telecom (BT). The underspend relates to work BT has now completed as the target completion date was missed to be able to fund it from the available grant from Building Digital UK (BDUK).
- e. Community Broadband - This relates to BDUK share of take-up being clawed back which was agreed within the Funding & Investment Fund Finance Principles. The clawback is being taken from the bonus paid by Openreach based on the number of properties that took up the superfast service as a result of the contract, of which a portion is to be repaid to the Department for Digital, Culture, Media & Sport (DCMS) as their share. This is to be funded from Community Broadband funding in 2022-23. A new business case is being created to approve a new scheme going forward for the remaining budget available in 2022-23.

Service: Planning and Local Services – Variance (£7.246) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Local Transport Plan	(0.171)	(3.005)
Union Chain Bridge	-	(0.114)
Highways Maintenance Investment in U and C Roads and Footpaths	-	(0.436)
New Department for Transport Challenge Fund Support – Steel Structures	-	(0.322)
Ponteland Schools and Leisure Section 278 works	(0.133)	-
Ponteland Broadway and Callerton Lane	-	(0.008)
Salt Barns	-	(0.041)
Electric Vehicle Charger Installation	0.130	-
Cycle Stands (Department for Transport Emergency Travel Fund)	-	(0.021)
A189 Moor Farm - Dynamic Queue Warning	0.041	-
Blyth Cycleway Improvement Scheme	-	(0.015)
Wylam Waggonway Improvements	-	(0.256)
Cramlington Section 106 Improvements	-	0.003
New Hartley Section 106 Improvements	-	(0.112)
Car Parks	-	(1.511)
Winter Maintenance Software	-	(0.031)
Flood and Coastal Erosion Risk Management Schemes	0.007	0.001
Bingfield A68 Surface Water Scheme	-	(0.038)
Ovingham Surface Water	-	0.032
Red Row Flood Alleviation Scheme	-	(0.009)
Otterburn Surface Water	-	(0.010)
Wark Surface Water Scheme	-	(0.046)
Storm Arwen Highways Damage	-	(0.156)
Members Local Improvement Schemes	-	(0.667)
Streetlighting Replacement and Modernisation Programme	-	0.162

Fleet Replacement Programme	-	(0.352)
Parks Enhancement Programme	-	(0.026)
Parks Enhancement Programme – Hirst Park	(0.035)	-
East Cramlington Nature Reserve Car Park	-	(0.003)
Castle Vale and Coronation Parks Improvements	-	(0.018)
Wansbeck Riverside Park	-	(0.044)
Country Parks Improvement Programme	0.027	-
England Coastal Path (Amble to Bamburgh)	-	(0.050)
England Coast Path (Bamburgh to Scottish Borders)	-	(0.019)
Total	(0.134)	(7.112)

NOTES - Year End Variances of £0.250 million or more

The main reasons for the variance for Planning and Local Services are outlined below:

- a. Local Transport Plan/Highways Maintenance Investment in U and C Roads and Footpaths – Works have been delayed due to the disruption caused by Storm Arwen, co-ordination with other works and the requirement to obtain approvals from third parties. The budget is committed against schemes which will now be delivered in 2022-23. The underspend is offsetting the overspend on Electric Vehicle Charger Installation and the A189 Moor Farm Dynamic Queue Warning.
- b. Department for Transport Challenge Fund Support – Steel Structures – Remaining schemes are currently out to tender with works due to commence in 2022-23.
- c. Wylam Waggonway Improvements – The initial scheme has been completed and is under budget. Discussions are being held with the funder, Sustrans, to agree a programme of works that can utilise the remaining grant funding in 2022-23.
- d. Car Parks – The programme of works on schemes is progressing with Morpeth Goosehill and Amble Car parks works running into 2022-23. The new 250-space long-stay car park being developed off Alemouth Road, Hexham is expected to be completed in April/May with payment made to the developer on completion.
- e. Members Local Improvement Schemes – Reprofilng required due to the level of schemes approved and able to be delivered in the financial year.
- f. Fleet Replacement Programme – Reprofilng required due to delays in delivery on a small number of vehicles that were expected to be delivered by 31 March 2022. There were no impacts to service delivery as a result of the delay.

Service: Public Health and Community Services – Variance (£0.635) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Major Repairs Reserve	-	(0.370)
HRA re-provision, re-modelling and new build	-	(0.127)
Green Homes – Social Housing	-	(0.076)
Empty Homes Repair and Lease (7 Years)	(0.017)	-
Community Housing Fund	-	0.020
Noise Monitoring Equipment	-	(0.065)
Total	(0.017)	(0.618)

NOTES - Year End Variances of £0.250 million or more

The main reasons for the variance for Public Health and Community Services are outlined below:

- a. HRA Major Repairs Reserve – Delivery of the programme has been delayed due to longer preparation time being required and access to materials as a result of Covid-19.

Service: Regeneration – Variance (£11.218) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
County Hall Solar Car Port	-	(0.011)
General Ground Source Heat Pump (GSHP)	(0.091)	-
Alnwick Lindisfarne GSHP	0.091	(0.259)
General Photovoltaic (PV) Panels	-	(0.033)
Prudhoe Waterworld Solar PV	-	(0.011)
Wentworth Leisure Centre PV	-	(0.086)
Public Sector Decarbonisation – GSHP	-	(1.594)
Sustainable Warmth Grant (LAD 2)	-	(0.100)
Green Homes – Private Sector Housing	-	(0.628)
Newcastle Northumberland Rail Line	-	(0.450)
Bedlington Town Centre – Grant to Advance Northumberland	-	(0.590)
Energising Blyth – Gasholder Site	-	(0.040)
Energising Blyth – Culture Centre and Market Place	-	(0.155)
Energising Blyth Northern Gateway Phase 1	-	(0.119)
Energising Blyth – Energy Central Campus (Phase 1)	-	(0.156)
Hexham High Street Action Zone	-	(0.078)
Amble Bord Waalk	-	(0.036)
Port of Berwick Grant	-	(0.050)
Borderlands – Carlisle University	-	(0.970)
Borderlands – Carlisle Station	-	(0.374)
Borderlands – Berwick Maltings	-	0.073
Rural Business Growth Fund	-	0.035
Kielder Observatory	-	(0.003)
Strategic Energy Site	(0.752)	-
Restoring your Railway	(0.250)	-
Rural Growth Network Local Growth Fund	0.110	-
East Sleekburn Enterprise Zone	-	(3.470)
Northumberland Energy Park 1 – Farrans	0.053	-
Ashington North East Quarter Re-development Phase 2	0.015	-
Loan to North East Local Enterprise Partnership (NELEP) – Ashwood	-	(1.289)
Total	(0.824)	(10.394)

NOTES - Year End Variances of £0.250 million or more

The main reasons for the variance for Regeneration are outlined below:

- a. Alnwick Lindisfarne GSHP – Works are due to complete in 2022-23 and are being undertaken in conjunction with the refurbishment of the building.
- b. Public Sector Decarbonisation GSHP – All of the projects are complete with the exception of Willowburn Leisure Centre which is due for completion in 2022-23.
- c. Green Homes – Private Sector Housing – Approval was received to deliver 200 energy efficiency measures in owner-occupied sector. Work to the value of £0.900 million has been completed to date with a small number of installations slipping into 2022-23.
- d. Newcastle Northumberland Rail Line – The project is continuing to progress with the acquisition of the required land for the project. Once the outcome of the Transport and Works Act order is received then a further report on the project will be presented to Cabinet outlining final costs and seeking approval for the final grant award.
- e. Bedlington Town Centre – Grant to Advance Northumberland – The project is front funded from the Local Enterprise Partnership to enable the drawdown of funds from the Government. It is envisaged the Council's funding will be utilised during 2022-23.
- f. Borderlands – Carlisle University – Final approval of the scheme is awaited from Department for Levelling Up, Housing and Communities with any payments made to the university on a claims basis.
- g. Borderlands – Carlisle Station – All payments due to Cumbria County Council have been processed based on the agreed payment schedule. This has resulted in a small underspend requiring reprofiling into 2022-23. The scheme is on-going and is funded from the Borderlands grant.
- h. Strategic Energy Site - The site was acquired in April 2021 with all transactions now processed resulting in an underspend against the allocated budget.
- i. Restoring your Railway – The Council was unsuccessful in attracting Government funding for this project. If a suitable funding stream can be identified in the future, then a proposal will be presented to Cabinet seeking funding to be approved in the Council's budget.
- j. East Sleekburn Enterprise Zone – Funds are being drawn down by Advance Northumberland with the project expected to be completed during 2022-23 financial year.
- k. Loan to NELEP – Ashwood – Funds are being drawn down by Advance Northumberland with the project expected to be completed during 2022-23 financial year.

Items approved from the Council's Contingency – January to March 2022

The following items have been approved from the Council's contingency during January to March 2022.

Recurrent Funding	2021-22	2022-23
	£	£
Tableau licences	54,740	57,510
Regrade Tourism General Manager	7,900	18,960
Band 8 Software Developer (Elections)	5,120	45,570
Fire pay award	158,440	-
NHS pay award	651,380	-
Local Government pay award	2,128,590	-
Total amount drawn from Contingency recurrently	3,006,170	122,040

Non-Recurrent Funding	2021-22	2022-23
	£	£
Living Leader programme	114,500	-
Covid staff survey vouchers	360	-
LOVE2SHOP vouchers for NEAT teams	11,000	-
External Legal fees associated with Governance issues	220,390	-
Election Team salary costs	33,440	-
Health Inequalities	3,730	-
Attain Consultants – Dementia Care project work	143,720	22,000
O365 backup	14,420	-
Platinum Jubilee celebrations	15,120	-
Total amount drawn from Contingency non-recurrently	556,680	22,000
Reversal of Public Relations transfer, delay on projects due to Covid	(182,790)	-
Transfer back unused funding for vouchers and donations	(24,670)	-
Net amount drawn from Contingency non-recurrently	349,220	22,000

Movement in the Council's Reserves

	Opening Balance at 1 April 2021*	Movement in Reserve	Proposed Movement	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
General Reserves/Balances				
General Fund	(70.469)	(0.540)	-	(71.009)
Total General Reserve	(70.469)	(0.540)	-	(71.009)
Ring-Fenced Reserves/Balances				
Housing Revenue Account	(28.890)	(1.093)	-	(29.983)
Major Repairs (HRA)	(8.607)	(1.521)	-	(10.128)
HRA Capital Investment	(3.108)	0.931	-	(2.177)
Total Earmarked HRA Reserves	(40.605)	(1.683)	-	(42.288)
Specific Reserves/Balances				
Capital Grants Unapplied	(43.831)	15.001	-	(28.830)
Capital Receipts	(0.002)	0.002	-	-
Capital Receipts - HRA	(4.023)	(0.745)	-	(4.768)
Total Specific Reserves/Balances	(47.856)	14.258	-	(33.598)

Appendix R

	Opening Balance at 1 April 2021*	Movement in Reserve	Proposed Movement	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
Earmarked Reserves				
ADC Parks & Open Spaces	(0.020)	0.011	-	(0.009)
ADC Section 106	(0.050)	0.004	-	(0.046)
Balances held by Schools	(5.498)	(3.677)	-	(9.175)
Borderlands Energy Masterplan	(1.067)	0.251	-	(0.816)
Business Recovery Reserve	(2.322)	-	-	(2.322)
Cessation of NHS Partnership Agreement	(1.500)	1.500	(0.261)	(0.261)
Collection Fund Smoothing	(26.291)	11.136	-	(15.155)
Community Led Housing	(0.829)	0.142	-	(0.687)
Contain Outbreak Management	-	-	(2.130)	(2.130)
Council Commissioned Services	(11.100)	1.559	-	(9.541)
Council Transformation Fund	(7.466)	(10.435)	-	(17.901)
Dedicated Schools Grant	(0.898)	(3.168)	-	(4.066)
Economy & Regeneration Investments	(0.420)	0.062	-	(0.358)
Empty Dwelling Management Order	-	-	(0.047)	(0.047)
Estates Rationalisation	(8.677)	1.685	-	(6.992)
EU Exit Funding	(0.315)	0.315	-	-
EU Exit Funding - PP	(0.020)	0.020	-	-
Exceptional Inflationary Pressures	-	-	(5.208)	(5.208)
Fire and Rescue Service HMICFRS Improvement	(0.060)	0.010	-	(0.050)
Firefighters' Immediate Detriment	(0.250)	-	-	(0.250)
Firefighters' Pension Fund Admin Grant	(0.033)	-	-	(0.033)
Haltwhistle Repairs Reserve	(0.015)	(0.024)	-	(0.039)

Appendix R

	Opening Balance at 1 April 2021*	Movement in Reserve	Proposed Movement	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
Highways Maintenance Investments	-	-	(0.225)	(0.225)
Insurance	(9.661)	1.137	-	(8.524)
Invest to Save Reserve	(10.507)	10.507	-	-
Legal Challenge	(0.637)	0.094	(1.257)	(1.800)
Local Authority Mortgage Scheme	(0.424)	0.424	-	-
NCC Economic Regeneration	(0.083)	(0.056)	-	(0.139)
Northumberland Enterprise Holdings	(0.300)	0.300	-	-
Open Spaces Maintenance Agreements	(0.065)	(0.022)	-	(0.087)
Planning Delivery	(0.206)	(0.448)	-	(0.654)
Problematic Empty Properties	(0.050)	-	-	(0.050)
Recruitment & Retention Reserve	-	-	(0.500)	(0.500)
Regeneration Additional Capacity Reserve	(0.304)	0.114	-	(0.190)
Regeneration Development Reserve	(1.578)	0.096	(1.000)	(2.482)
Repair and Maintenance	(0.250)	-	-	(0.250)
Restructuring Reserve	(1.000)	-	(1.000)	(2.000)
Revenue Grants	(19.231)	3.727	-	(15.504)
Rural Growth Network	(0.095)	0.095	-	-
School Libraries	(0.009)	0.002	-	(0.007)
Sealodge	(0.017)	(0.006)	-	(0.023)
Section 106	(7.699)	(3.118)	-	(10.817)
Severe Weather	(2.500)	(5.000)	-	(7.500)
Social Fund	(1.695)	1.067	(2.308)	(2.936)
Sports Development	(0.256)	0.003	-	(0.253)

Appendix R

	Opening Balance at 1 April 2021*	Movement in Reserve	Proposed Movement	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
Storm Arwen	-	-	(2.178)	(2.178)
Strategic Management Reserve	(49.002)	0.158	0.607	(48.237)
Transformation of the Revenue & Benefits Service	-	-	(0.215)	(0.215)
Violence Reduction	(0.030)	-	-	(0.030)
Winter Services	(2.000)	-	-	(2.000)
Total Earmarked Reserves	(174.430)	8.465	(15.722)	(181.687)
Total Usable Reserves	(333.360)	20.500	(15.722)	(328.582)

Appendix R

	Opening Balance at 1 April 2021*	Movement in Provision	Proposed Movements	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
Provisions				
Compensation Claims	(0.150)	0.003	-	(0.147)
Estates Rationalisation Project	(0.577)	-	-	(0.577)
Exceptional Cost Increases	-	-	(0.234)	(0.234)
NNDR Appeals	(7.494)	1.749	-	(5.745)
Redundancy Costs	(0.171)	0.171	-	-
Total Provisions	(8.392)	1.923	(0.234)	(6.703)
Total Reserves & Provisions	(341.752)	22.423	(15.956)	(335.285)

*Pending final audit approval of the 2020-21 Accounts

Virements January to March 2022

Directorate	Reason for Virement	Virement from	Virement to	£
Adult Social Care & Commissioning	Income received from Northumberland Clinical Commissioning Group to bring forward to December 2021 the uplift to commissioned care provider rates to increase employee pay rates to the real living wage	Commissioned Care income	Commissioned Care expenditure	2,068,160
Children's Services	Estates Budget merged with Adult Services on request of the service	Estates – Children's Services	Estates – Adult Services	25,180
Public Health & Community Services - Housing Revenue Account	Creation of budget to cover residual costs following the appropriation of Lyndon Walk into the HRA pending re-development.	Housing Revenue Account- Rents, Rates and other	Housing Revenue Account – Lyndon Walk	6,650