



## CABINET

8 March 2022

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### **Financial Performance 2021-22 - Position at the end of December 2021**

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

Cabinet Member: Richard Wearmouth, Portfolio Holder for Corporate Services

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

- 1.1 The purpose of the report is to ensure that the Cabinet is informed of the current financial position for the Council against the Budget for 2021-22.

#### **2. Recommendations**

- a. Members are requested to:
- i. note the report.
  - ii. note the projected underspend of £3.711 million and the assumptions outlined in this report.
  - iii. note the pressures currently identified, including the impact of Covid-19 (Table 6.1), plus additional £8.992 million Covid-19 related expenditure funded from the Contain Outbreak Management Fund (Table 6.3).
  - iv. note that it is anticipated that the Council will receive further funding of £0.270 million in relation to the income that the Council has “lost” as a result of Covid-19 for April to June 2021.
  - v. approve re-profiling to the Capital Programme of £26.560 million from 2021-22 to 2022-23 to reflect estimated expenditure levels in the current financial year.
  - vi. approve reprofiling to the Capital Programme of £0.600 million from 2022-23 to 2021-22 for the Ad Gefrin Distillery and Visitor Centre as the works have progressed faster than previously anticipated.
  - vii. approve an addition of £0.282 million to the Capital Programme to fund works repairing the damage to the highways network caused by Storm Arwen to be funded from a revenue contribution.

- viii. approve the new grants and amendments to existing grants at Appendix A and the required changes to the budgets.
- ix. note the progress on the delivery of the approved savings at Appendix B.
- x. note the use of the contingency shown at Appendix Q.
- xi. note the use of reserves shown at Appendix R.
- xii. note the virements requested by services shown at Appendix S.
- xiii. approve the following which are assumed in the forecast position:
  - approve the transfer of the unused balance of £1.227 million on the NHS Partnership Agreement Reserve to the Strategic Management Reserve.
  - approve an increase of £5.000 million to the Severe Weather Reserve which will provide the Council with the 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. This has been assumed in the forecast position.
  - approve the transfer of £0.425 million to the Planning Delivery Reserve in relation to the review of the Local Plan and £0.085 million for a Gypsy and Local Travellers Plan due to the delay in adopting the Local Plan.
- xiv. Recommend that full Council agrees in principle to the addition of the Wide Area Network (WAN) project to the Capital Programme, pending the submission of a comprehensive business case by the Director of Information and Technology.
- xv. Recommend that full Council agrees that the approval of the business case and agreement to the signing of the WAN contract is delegated to the Council's Section 151 Officer in conjunction with the Portfolio Holder for Corporate Services.

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

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

### **4. Key issues**

#### **4.1 Overall Position**

- 4.1.1 The report provides information and analysis on the Council's financial performance and use of resources to the end of December 2021. The Council set its budget for 2021-22 on 24 February 2021 and this report focuses on the

financial performance to the end of December 2021 and the projected year end position at that point in time.

**5. Projected Revenue Outturn 2021-22**

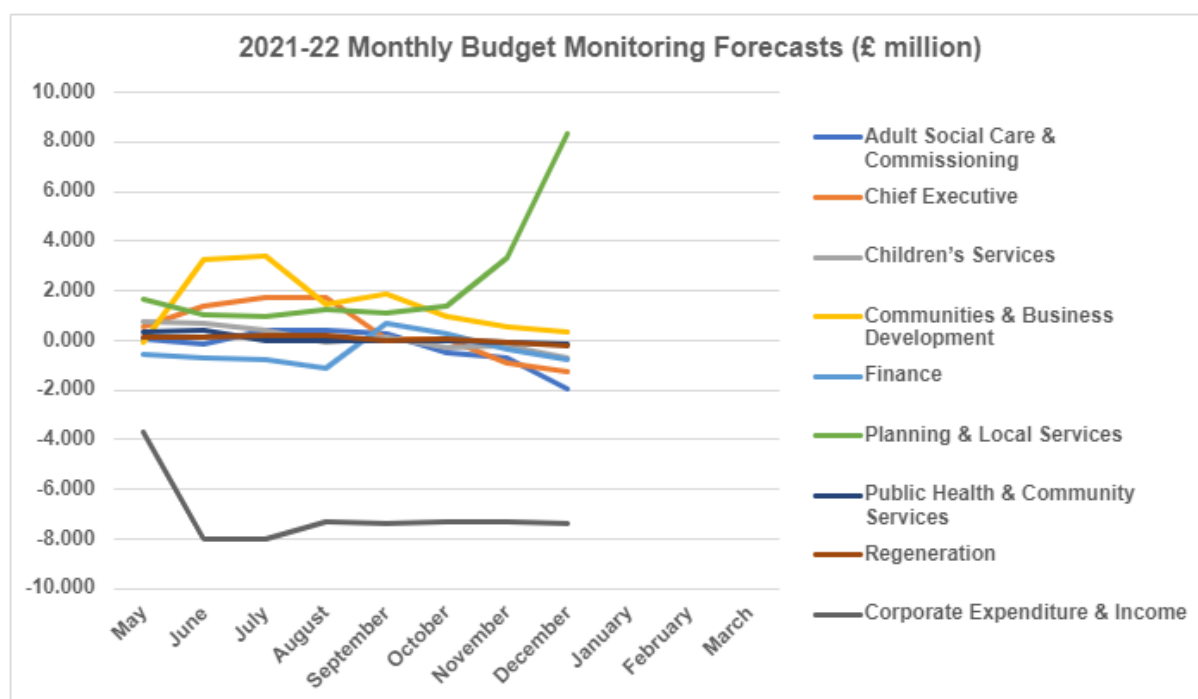
- 5.1 The Council's projected revenue outturn position, within each service area is shown in summary at Section 6 of the report (figures in brackets denote an underspend); and in detail within Appendices C - O of the report.
- 5.2 The Council's overall annual revenue expenditure is managed across a number 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 £146.729 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 is performing 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	102.994	101.057	(1.937)	(3.882)	1.945
Chief Executive	30.005	28.781	(1.224)	(1.551)	0.327
Children's Services	65.649	64.921	(0.728)	(1.606)	0.878
Communities & Business Development	15.020	15.382	0.362	(0.865)	1.227
Finance	24.186	23.388	(0.798)	(1.900)	1.102
Planning & Local Services	75.981	84.284	8.303	7.980	0.323
Public Health & Community Services	3.880	3.762	(0.118)	(0.365)	0.247
Regeneration	2.323	2.112	(0.211)	(0.211)	0.000
<b>Total Services</b>	<b>320.038</b>	<b>323.687</b>	<b>3.649</b>	<b>(2.400)</b>	<b>6.049</b>
Corporate Expenditure and Income	24.038	15.752	(8.286)	0.224	(8.510)
<b>Total Net Expenditure</b>	<b>344.076</b>	<b>339.439</b>	<b>(4.637)</b>	<b>(2.176)</b>	<b>(2.461)</b>
<b>Budget funded by:</b>					
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)	(28.851)	0.000		
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		
<b>Total Funding of Services</b>	<b>(344.076)</b>	<b>(343.150)</b>	<b>0.926</b>		
<b>Net Total</b>	<b>0.000</b>	<b>(3.711)</b>	<b>(3.711)</b>		

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



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 is £9.444 million. Of which, £8.992 million has been allocated to services to support the local response to the pandemic.

Service	Funding
	£m
Adult Social Care & Commissioning	0.686
Chief Executive	0.819
Children's Services	2.188
Communities & Business Development	1.517
Planning & Local Services	2.166
Public Health & Community Services	1.616
<b>Total COMF Allocated</b>	<b>8.992</b>

The Department of Health and Social Care has confirmed that unspent funds from COMF can be carried forward to financial year 2022-23. It is anticipated that the Council will carry forward £0.452 million.

**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 October to December 2021.
- 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 October to December 2021.
- 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 October to December 2021.

**8. Ring-fenced Accounts - Dedicated Schools' Grant (DSG) - £1.941 million forecast underspend**

2021-22 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Dedicated Schools' Grant	146.560	(146.560)	0.000	(1.941)	(1.941)

8.1 The DSG budget includes £146.729 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 is forecast to underspend by £1.941 million and the details explaining the factors leading to this variance are contained within Appendix G.

**9. Ring-fenced Accounts - Public Health - £0.574 million forecast underspend**

2021-22 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Public Health	17.062	(17.062)	0.000	(0.574)	(0.574)

9.1 It is anticipated that £0.574 million will be transferred to the Public Health reserve balance at the end of 2021-22. Further details on the Public Health budget are contained within Appendix L.

**10. Ring-fenced Accounts - Housing Revenue Account (HRA) - £0.102 million forecast 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)	(0.718)	(0.102)

10.1 The HRA is forecast to underspend by £0.102 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 £99.329 million from 2021-22 to 2022-23. In addition, further approvals totalling £22.330 million for additional schemes and resourcing has been agreed.



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

Directorate	Original Budget	Approved Adjustments	Revised Budget	Expenditure to date	Forecast Expenditure	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	4.140	(1.660)	2.480	1.313	2.255	(0.225)	-	(0.225)
Chief Executive's	2.142	0.017	2.159	1.391	2.159	-	-	-
Children's Services	25.716	3.536	29.252	17.980	25.137	(4.115)	0.438	(4.553)
Communities & Business Development	25.898	(10.458)	15.440	12.525	15.482	0.042	0.042	-
Finance	48.024	(8.987)	39.037	12.299	29.081	(9.956)	(1.138)	(8.818)
Planning & Local Services	68.238	(5.373)	62.865	37.058	57.451	(5.414)	0.030	(5.444)
Public Health & Community Services	32.968	(18.636)	14.332	7.333	11.855	(2.477)	-	(2.477)
Regeneration	83.423	(34.268)	49.155	20.183	43.888	(5.267)	(0.224)	(5.043)
<b>Total Programme</b>	<b>290.549</b>	<b>(75.829)</b>	<b>214.720</b>	<b>110.082</b>	<b>187.308</b>	<b>(27.412)</b>	<b>(0.852)</b>	<b>(26.560)</b>
<b>Financed by:</b>								
Capital Receipts	3.980	-	3.980					
External Grants	109.226	(24.357)	84.869					
GF Borrowing	150.964	(37.197)	113.767					
GF Revenue Contributions (RCCO)	0.755	0.804	1.559					
HRA Contributions (MRR & RCCO)	25.624	(15.079)	10.545					
<b>Total Financing</b>	<b>290.549</b>	<b>(75.829)</b>	<b>214.720</b>					

11.4 Year-to-date capital expenditure is £110.082 million. The major areas of capital investment during the year to date are as follows:

- i. £32.709 million invested in transport schemes including infrastructure, traffic management and integrated transport schemes.
- ii. £17.980 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. £5.013 million invested in fleet replacement.
  - iv. £12.798 million invested in leisure facilities including the construction of new leisure centres in Berwick and Morpeth.
  - v. £7.299 million invested in the Council's housing stock.
- 11.5 There is a net forecast underspend of £27.412 million across the 2021-22 Capital Programme comprising of £26.560 million reprofiling from 2021-22 to 2022-23 and £0.852 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 £26.560 million from 2021-22 to 2022-23.
- 11.7 A contribution of £0.600 million was included in the Council's 2021-22 MTFP for the Ad Gefrin Distillery and Visitor Centre. This was subsequently reprofiled in the Financial Performance 2021-22 – Position at the end of June 2021 report to Cabinet (7 September 2021) into 2022-23 as expenditure was not expected to reach the trigger point for the payment to be made in the current financial year. However, expenditure has accelerated since then and it is now expected the payment will be required to be made in the current financial year.
- 11.8 It is recommended that Cabinet approves reprofiling of £0.600 million from 2022-23 to 2021-22 for the Ad Gefrin Distillery and Visitor Centre.
- 11.9 Following Storm Arwen £0.282 million of capital expenditure has been identified 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.
- 11.10 It is recommended that Cabinet approves £0.282 million to the capital programme to fund works repairing the damage the highways network caused by Storm Arwen funded from a revenue contribution.
- 11.11 The Council has a Wide Area Network (WAN) that connects all of the Council's properties across Northumberland, and this allows staff in these facilities to connect to all corporate systems, email, and the Internet.
- The Council currently has several contracts in place to connect its sites. Including its data centres, there is one main contract which has been in place since 2015. This contract terminates in September 2022 and is based on outdated technology limiting the speed of connectivity between buildings.
- The Council also has several contracts in place to provided Internet services to the Council and schools.

The intention is to conduct a procurement which brings together all of the contracts and deliver economies of scale, whilst making contract and supplier management significantly easier.

The plan is to publish an invitation to tender for a replacement solution in March 2022 with a view to signing contracts in July 2022.

As these are significant contracts both in terms of value and complexity, work on the procurement process began in 2021. To identify viable solutions, suppliers were invited to several informal engagement sessions to discuss the Council's requirements and to understand how suppliers would best deliver those requirements and to ascertain if suppliers could deliver additional value as part of this contract.

There were a number of suppliers that articulated a solution which is believed would add significant value not just to the Council but to the residents and businesses in Northumberland. These suppliers discussed a project where they would work with fibre delivery partners and could commit to delivering an enhanced gigabyte fibre network throughout Northumberland. They predicted that they would pass up to 65,000 properties, providing those properties with a significant improvement to the current copper infrastructure that exists in most of the county at present.

This type of approach would require a significant capital investment from the supplier and therefore in order to make this sustainable, suppliers indicated they would be looking for a minimum term of 20 years.

The current WAN contract has been in place for six years and expires in September 2022. If the Council was to adopt this approach, contracting for 20+ years, the contract would need to ensure that technology refreshes were built in at regular intervals and that value for money tests were included to ensure the contract was still appropriate. Other local authorities that have entered into these long-term contracts have specified technology and value for money reviews are undertaken every five years with a technology refresh at least every seven years.

Several other local authorities in the Northeast are contemplating this approach, and both Sunderland and Newcastle have recently signed contracts for 22 years.

The new infrastructure would build on the Local Full Fibre Network project that is currently being delivered and would provide significant bandwidth increases in significant areas of the County.

This project has not been identified in the medium-term financial plan and there is currently no capital commitment for this project.

The successful supplier will be required to make a significant capital investment to deliver this solution as well as the Council.

The estimated capital cost for the Council is expected to be in the region of £6.000 million and the revenue cost £1.000 million (this would deliver an annual revenue saving of approximately £0.300 million).

Funding solutions for this project will be explored in the next few months but the project will require capital investment from the Council. It may be possible to set aside funds in a reserve at the year end to contribute towards the costs of this project that will be incurred during the 2022-23 financial year. The Section 151 Officer will ensure that the Cabinet is apprised of any developments with regard to this project.

It is however anticipated that the majority of the expenditure will not be incurred in financial year 2022-23 but the contract will need to be signed to commit to the project in July of this year. Due to the tight timescales and the wider benefits that it is anticipated that this project will bring Northumberland, it is recommended that full Council agrees in principle to the project pending the agreement of a comprehensive business case. The Director of Information and Technology will submit a full business case which will be included in the 2023-24 Capital Programme at the appropriate time.

It is also recommended that the approval of the business case and agreement to the signing of the contract is delegated to the Council's Section 151 Officer in conjunction with the Portfolio Holder for Corporate Services.

## **12. Capital Receipts**

- 12.1 The level of 2021-22 Capital Receipts available to support the 2021-22 Capital Programme was estimated to be £3.980 million (£1.870 million General Fund and £2.110 million HRA). A capital receipt of £4.000 million has been received which was not factored into the original estimate and the current forecast is that General Fund capital receipts will total £5.500 million. (Comprising of £4.781 million completed and available for use in year and a proportion of the Terms Agreed and Contracts Exchanged amounts, which will be available for use by 31 March 2022). The estimated overachievement of £3.630 million will be utilised to support the Capital Programme in 2021-22. The following table demonstrates the current position with regard to asset disposals:

<b>General Fund Capital Receipts Activity During 2021-22</b>	<b>Actual £m</b>
Completed and available for use in year	4.781
On the market	0.790
Terms Agreed	2.435
Contracts exchanged	0.325

- 12.2 The closing balance on the capital receipts reserve at 31 March 2021 was £4.025 million (£4.023 million HRA). This is available to support the Capital Programme in 2021-22.

### 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 October to December 2021:

	Previous Quarter	Movement- December 2021	Current
Outstanding principal - at quarter end (£m)	808.200	(19.212)	788.988
Weighted average interest rate - year to date (%)	2.821	0.044	2.865
Quarter end external borrowing as % of Operational Boundary (Borrowing)	77.507	(1.842)	75.665

- 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 December 2021, the Council's external borrowing represented 75.67% 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 October to December 2021:

Lender Category	Repayment Type	Opening Balance	Repaid – Q/E Dec 2021	New Borrowing Q/E Dec 2021	Closing Balance
		£m	£m	£m	£m
PWLB	EIP	9.252	(4.250)	-	5.002
PWLB	Annuity	0.592	-	-	0.592
Salix	EIP	0.018	(0.002)	0.040	0.056
PWLB	Maturity	445.704	-	-	445.704
Other Local Authorities	Maturity	107.034	(15.000)	-	92.034
Other/Market	Maturity	245.600	-	-	245.600
<b>Total</b>		<b>808.200</b>	<b>(19.252)</b>	<b>0.040</b>	<b>788.988</b>

13.5 The following table summarises the Council's quarterly investment activity for October to December 2021:

	<b>Previous Quarter</b>	<b>Movement - Q/E Dec 2021</b>	<b>Current</b>
Outstanding principal - at month end (£m)	222.150	(1.050)	221.100
Weighted average interest rate - year to date (%)	0.548	(0.010)	0.538

13.6 The following table provides an analysis by type of the quarterly investment activity for October to December 2021:

<b>Category</b>	<b>Opening Balance</b>	<b>Repaid – Q/E Dec 2021</b>	<b>New Investment Q/E Dec 2021</b>	<b>Closing Balance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Term Deposit Banks	20.000	-	-	20.000
Term Deposit Building Societies	20.000	-	-	20.000
Term Deposit Other Local Authorities	33.250	(3.250)	10.000	40.000
Money Market Funds	118.900	(133.615)	135.815	121.100
Notice Accounts	30.000	(10.000)	-	20.000
<b>Total</b>	<b>222.150</b>	<b>(146.865)</b>	<b>145.815</b>	<b>221.100</b>

13.7 New investments during the quarter ended 31 December 2021 consisted of a £10.000 million term deposit with another local authority, for a period of four months at a rate of 0.03%. There was a net investment of Money Market Funds of £2.200 million. The movement in the Money Market Funds represents daily deposits and withdrawals to manage cashflow.

## Implications

<b>Policy</b>	This is the fourth year of this Administration's Medium-Term Financial Plan; and it fully supports the priorities outlined in the Corporate Plan 2018-21 - A Council that Works for Everyone.
<b>Finance and value for money</b>	The report is of a financial nature and the detail is contained within the body of the report.
<b>Legal</b>	There are no immediate legal implications arising from the recommendations within this report.
<b>Procurement</b>	There are no specific procurement implications within this report.
<b>Human Resources</b>	There are no specific human resources implications within this report.
<b>Property</b>	There are no specific property implications within this report.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	There are no specific equalities implications within this report.
<b>Risk Assessment</b>	The risks associated with the budget were considered in February 2021 and were considered to be acceptable.
<b>Crime &amp; Disorder</b>	There are no specific crime and disorder implications within this report.
<b>Customer Consideration</b>	There are no specific customer consideration implications within this report.
<b>Carbon reduction</b>	There are no specific carbon reduction implications within this report.
<b>Health &amp; Wellbeing</b>	The Council's budget is founded on the principle of promoting inclusivity.
<b>Wards</b>	All wards.

## Background papers

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

## Report sign off

	<b>Name</b>
Interim Monitoring Officer/Legal	Suki Binjal
Deputy Section S151 Officer	Alison Elsdon
Relevant Executive Director	Jan Willis
Chief Executive	Daljit Lally
Portfolio Holder(s)	Richard Wearmouth

## Author and Contact Details

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<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health & Social Care
<b>Name of Grant:</b>	Adult Social Care Infection Control 2021-22 - Round 3
<b>Purpose:</b>	To provide support to all adult social care providers in the county to reduce the rate of Covid-19 transmission within and between care settings through effective infection prevention and control practices and increase Covid-19 and flu vaccine uptake among staff.
<b>Value:</b>	£1,853,656
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	60% paid October 2021 and 40% paid January 2022

<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health & Social Care
<b>Name of Grant:</b>	Adult Social Care Omicron Support Fund
<b>Purpose:</b>	In recognition of the increased pressure on existing funding sources caused by the Omicron variant. Local Authorities have discretion to use the funding as needed locally, to support the adult social care sector, including relevant local authority staff, in its Covid-19 response.
<b>Value:</b>	£380,363
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	January 2022



<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health & Social Care
<b>Name of Grant:</b>	Adult Social Care Rapid Testing Fund 2021-22 – Round 3
<b>Purpose:</b>	To support the testing of staff and visitors in care settings to identify and isolate positive Covid-19 cases, and to enable close contact visiting where possible.
<b>Value:</b>	£890,606
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	60% paid November 2021 and 40% paid January 2022

<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health & Social Care
<b>Name of Grant:</b>	Workforce Recruitment and Retention Fund for Adult Social Care
<b>Purpose:</b>	To support local authorities to address adult social care workforce capacity pressures in their geographical area through recruitment and retention activity.
<b>Value:</b>	£1,030,150
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	60% paid November 2021 and 40% paid January 2022

<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health & Social Care
<b>Name of Grant:</b>	Workforce Recruitment and Retention Fund for Adult Social Care – Round 2
<b>Purpose:</b>	To support local authorities to address adult social care workforce capacity pressures in their geographical area through recruitment and retention activity.
<b>Value:</b>	£1,901,816
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	70% paid December 2021 and 30% paid February 2022

<b>Directorate:</b>	Adult Social Care & Commissioning
<b>Grant Awarding Body:</b>	Department of Health & Social Care
<b>Name of Grant:</b>	Community Support Grant
<b>Purpose:</b>	To provide Transforming Care Partnerships and Integrated Care Systems with additional funding to facilitate timely community discharge to reduce the net number of people with learning disabilities and/or autism who are inpatients in NHS hospital settings.
<b>Value:</b>	£198,222
<b>Recurrent/Non-recurrent:</b>	Funding available 2021-22 and 2022-23
<b>Profiling:</b>	January 2022 and January 2023

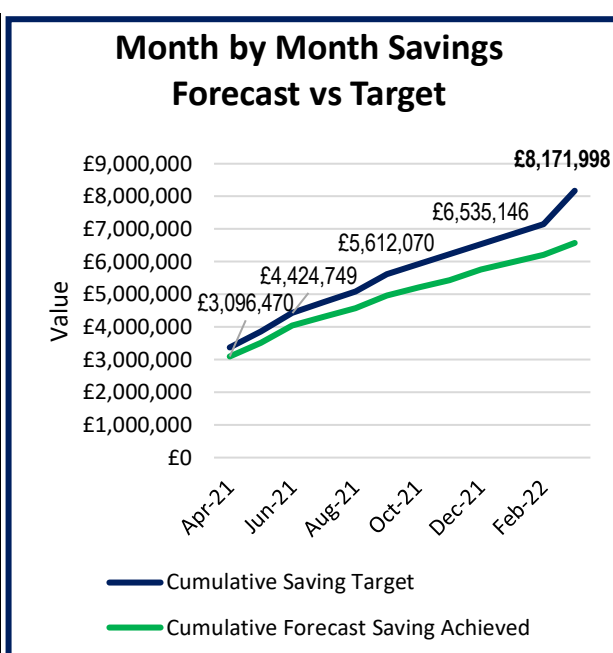
<b>Directorate:</b>	Children's Services: Education and Skills
<b>Grant Awarding Body:</b>	Department for Education
<b>Name of Grant:</b>	Dedicated Schools Grant
<b>Purpose:</b>	The grant is paid in support of the local authority's school budget. The increase for 2021-22 relates to the High Needs Block where there has been a reduction in the number of placements commissioned outside of the Local Authority or with independent providers. The additional funding for 2020-21 relates to the Early Years Block where funding was agreed in November 2021 based upon census data for January 2021.
<b>Value:</b>	£46,000 for 2021-22 and £196,000 for 2020-21
<b>Recurrent/Non-recurrent:</b>	Recurrent
<b>Profiling:</b>	Received in 25 equal instalments across the year

<b>Directorate:</b>	Public Health and Community Services
<b>Grant Awarding Body:</b>	Department for Levelling Up, Housing and Communities
<b>Name of Grant:</b>	Homelessness Prevention Grant - 2021-22 Exceptional Winter Top up Grant
<b>Purpose:</b>	The additional funding will support local authorities to help vulnerable households with rent arrears to reduce the risk of them being evicted and becoming homeless, including helping households to find a new home where necessary.
<b>Value:</b>	£103,040
<b>Recurrent/Non-recurrent:</b>	Non-recurrent
<b>Profiling:</b>	January 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	25 January 2022
Budget Year	2021-22
Planned Savings	55
Year End Target Value of Savings	£8,171,998
Forecast Savings	£6,573,363
% of Savings Achieved	80%
Value of Savings Yet to be Achieved	£1,598,635
Total Milestones Set	129
Total Milestones Completed to Date	63
% of Milestones Completed	49%



Directorate Overview							
Directorate	Exec Director	Number of Savings	Savings Target	Forecast Savings	Total Planned Milestones	Completed Milestones	% Completed Milestones
Adults and Children	Cath McEvoy-Carr	24	£4,636,000	£4,303,237	61	34	56%
Chief Executive	Daljit Lally	4	£197,000	£47,128	5	0	0%
Planning & Local Services	Rob Murfin	10	£1,628,000	£1,011,998	29	20	69%
Regeneration	Rick O'Farrell	3	£305,000	£58,000	3	3	100%
Finance	Jan Willis	9	£854,000	£803,000	19	4	21%
Communities & Business Development	Maureen Taylor	4	£510,000	£350,000	11	2	18%
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 &amp; 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	73.164	73.528	0.364	(1.581)	1.945
In-house Services	9.488	9.124	8.124	(1.000)	(1.000)	0.000
Care Management	13.002	14.656	13.728	(0.928)	(0.928)	0.000
Support & Other Services	6.859	6.050	5.677	(0.373)	(0.373)	0.000
<b>Total Adult Social Care &amp; Commissioning</b>	<b>98.671</b>	<b>102.994</b>	<b>101.057</b>	<b>(1.937)</b>	<b>(3.882)</b>	<b>1.945</b>

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

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

- a. Commissioned Services is forecast to overspend by £0.364 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 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 overspend is primarily due to additional costs linked to Covid-19, outlined below:
  - i. It is forecast that Commissioned Services will incur additional expenditure of £1.045 million supporting external care providers in response to Covid-19.
  - ii. It is estimated that £0.900 million will be spent on high-cost care packages for home care clients who are reluctant to go into residential care due to Covid-19. Officers will monitor the position closely and update members via future reports if appropriate; and,
  - ii. It is forecast that the business-as-usual purchased care will underspend by £1.581 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 are continuing 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 is forecast to underspend by £1.000 million. This is due to the following:
  - i. Staffing-related budgets are forecast to underspend by £1.036 million. In order to comply with social distancing measures, not all services have been operating to full capacity. As a result of this, posts are being held vacant for longer and the need for overtime and the use of casual staff has reduced.
  - ii. It is anticipated that the redesign of the Telecare system will not be implemented this financial year resulting in £0.310 million of the approved £0.400 million saving not being achieved. Alternative efficiencies are being considered; and,
  - ii. There are a number of minor variations across a variety of non-staffing and income related budgets which result in a forecast underspend of £0.274 million.
- c. Care Management is forecast to underspend by £0.928 million. This is due to the following:
  - i. Staffing-related budgets are forecast to underspend by £0.864 million because of vacant posts.
- d. Support & Other Services is forecast to underspend by £0.373 million. This is due to the following:
  - i. Staffing-related budgets are forecast to underspend by £0.227 million because of vacant posts.

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	0.428	0.421	(0.007)	(0.007)	0.000
Fire & Rescue	14.535	16.136	16.238	0.102	0.011	0.091
Human Resources	3.019	4.101	3.286	(0.815)	(0.815)	0.000
Internal Audit	0.664	0.620	0.611	(0.009)	(0.009)	0.000
Legal	2.327	2.592	2.530	(0.062)	(0.063)	0.001
Transformation	(0.932)	0.234	0.233	(0.001)	(0.001)	0.000
Policy	0.425	0.519	0.443	(0.076)	(0.076)	0.000
Democratic Services	2.794	3.124	2.853	(0.271)	(0.288)	0.017
Elections	0.639	1.244	1.023	(0.221)	(0.270)	0.049
Public Relations	0.866	1.007	1.143	0.136	(0.033)	0.169
<b>Total Chief Executive</b>	<b>24.804</b>	<b>30.005</b>	<b>28.781</b>	<b>(1.224)</b>	<b>(1.551)</b>	<b>0.327</b>

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

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

- a. Human Resources is forecast to underspend by £0.815 million due to:
  - i. An underspend on staffing amounting to £0.343 million due to a number of vacant posts throughout the service;
  - ii. A £0.600 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 has been identified as a recurrent pressure in the 2022-23 budget which is due to be considered by Council in February.
- b. Democratic Services is forecast to underspend by £0.271 million due to an underspend relating to staff vacancies of £0.142 million and an underspend on councillors' allowances and expenses of £0.085 million.
- c. Elections is forecast to underspend by £0.221 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	3.450	3.209	(0.241)	(0.325)	0.084
Family Placement	12.083	12.238	12.068	(0.170)	(0.170)	0.000
Purchase Budgets	8.528	8.101	8.459	0.358	0.199	0.159
Early Intervention and Prevention	3.507	6.041	5.110	(0.931)	(0.958)	0.027
Local Children's Safeguarding Board	0.042	0.125	0.014	(0.111)	(0.111)	0.000
Looked after Children	3.760	2.157	2.442	0.285	(0.199)	0.484
Social Work Teams	9.460	9.275	9.169	(0.106)	(0.106)	0.000
District Admin Offices	0.763	0.983	0.828	(0.155)	(0.155)	0.000
Family and Disability Services	2.714	2.780	2.782	0.002	0.002	0.000
Safeguarding Standards	1.099	1.228	1.142	(0.086)	(0.086)	0.000
Other Children's Services	1.834	1.829	1.732	(0.097)	(0.097)	0.000
<b>Total Children's Social Care</b>	<b>47.098</b>	<b>48.207</b>	<b>46.955</b>	<b>(1.252)</b>	<b>(2.006)</b>	<b>0.754</b>

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

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

- a. The Adolescent Services budgets are forecast to underspend by £0.241 million.
  - i. There is an underspend on staffing of £0.225 million across the service due to difficulty in recruiting to cover vacancies across the team.
- b. The Purchase budget is forecast to overspend by £0.358 million, this is due to the following:
  - i. There is an overspend on secure accommodation of £0.180 million. There have been two secure order placements made in year, one of which remains in place with the young person at Kyloe House;
  - ii. There is an expected overspend of £0.112 million on professional services associated with on-going court proceedings; and,
  - iii. There is a £0.125 million underspend on external residential care placements. There has been

a reduction in the number of placements used, however this is partially offset by the cost of agency staff required to support short term emergency placement packages for young people over 16 that can be attributed to Covid-19 at a cost of £0.159 million. There has been a change in legislation from September 2021, meaning that children under the age of 16 cannot be placed in unregulated placements.

- c. The Early Intervention and Prevention budget is forecast to underspend by £0.931 million. This is due to the following:
  - i. Public Health funding of £0.750 million has been 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 £0.193 million across the service on staffing and travel.
- d. The Looked After Children budget is forecast to overspend by £0.285 million. This is due to the following:
  - i. Kylee House secure unit is expected to overspend by £0.307 million due to an underspend on staffing of £0.108 million offset by a shortfall in income from other local authorities that purchase placements of £0.422 million. The unit has 12 bed 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, they are running at reduced capacity and expect occupancy of 9.5 beds on average over the financial year. This occupancy rate is higher than the majority of other national units

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 &amp; 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	0.267	0.261	(0.006)	(0.006)	0.000
Curriculum & Learning	1.220	0.087	0.205	0.118	(0.006)	0.124
Alternative Education (Virtual Headteacher)	0.374	0.417	0.417	0.000	0.000	0.000
Special Educational Needs & Disability	5.915	6.508	7.068	0.560	0.560	0.000
School Organisation	11.696	10.163	10.047	(0.116)	(0.116)	0.000
School Improvement	0.221	0.000	(0.032)	(0.032)	(0.032)	0.000
<b>Total Education &amp; Skills</b>	<b>19.793</b>	<b>17.442</b>	<b>17.966</b>	<b>0.524</b>	<b>0.400</b>	<b>0.124</b>

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

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

- a. The Special Educational Needs & Disability budget is forecast to overspend by £0.560 million.
  - i. £0.715 million overspend on SEN Home to School Transport. The forecast is based on 1,369 pupils and incorporates all agreed routes for the Autumn term. The next 12 months will see a review take place of all contracts which is likely to generate some savings to offset against the increase in numbers, but as yet, this cannot be quantified.
  - ii. There is an underspend on the SEND Commissioning team of £0.095 million as the cost of Paediatric OT provision will now be met from the High Needs block of the Dedicated Schools Grant.
  - iii. There is an underspend on the Preparing for Adulthood team of £0.061 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	86.833	(0.370)	(0.370)	0.000
Central Schools Block	2.494	2.981	2.939	(0.042)	(0.042)	0.000
High Needs Block	34.129	38.607	37.432	(1.175)	(1.195)	0.020
Early Years Block	16.622	17.769	17.611	(0.158)	(0.158)	0.000
Additional 2020-21 grant	0.000	0.000	(0.196)	(0.196)	(0.196)	0.000
<b>Total Dedicated Schools' Grant</b>	<b>136.238</b>	<b>146.560</b>	<b>144.619</b>	<b>(1.941)</b>	<b>(1.961)</b>	<b>0.020</b>

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

In 2021-22 the Council expects to receive Dedicated Schools' Grant totalling £146.729 million, which is ring-fenced and will be passported through to fund schools; with an element retained centrally by the Council to provide a range of support to schools. Schools that have transferred to academy status receive their funding directly from the Department for Education – this amounts to a further £117.624 million for 2021-22.

- a. The Schools Block is forecast to underspend by £0.370 million.
  - i. There has been a refund from the Education and Skills Funding Agency of £0.185 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 is expecting to underspend by £0.083 million due to additional income received under the Voluntary Persons Resettlement Scheme.
  - iii. The Growth fund has underspent by £0.077 million as fewer additional surplus places were required in September 2021 than anticipated.
- b. The High Needs Block is expecting to underspend by £1.175 million, this is due to the following:
  - i. The Inclusion Service is now predicting an underspend of £0.308 million. This is based upon current pupils and an estimate of a further 7 exclusions per month from January onwards.
  - ii. There is an overspend across the SEN Top-ups budget of £0.546 million predominantly due to growth in the number of young people in Northumberland Special Schools., with an additional 17 places in the summer term and 69 places across the Autumn term.
  - iii. There is an underspend across Independent Special School places of £1.146 million,

- growth was added to this budget for 2021-22 which has not been required due to a significant number of leavers at the end of the Summer term and additional places commissioned in Northumberland Special Schools at an additional cost of £0.161 million.
- iv. There is an underspend of £0.312 million across SEN Support Services including £0.086 million on staff vacancies and travel, £0.088 million on running costs and a further £0.108 million in additional income.
  - c. 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 schools expect to be able to maintain their reserves during the coming year:

	Closing School Reserve	Closing School Reserve	Estimated School Reserve
	2019-20	2020-21	2021-22
	£m	£m	£m
<b>Primary/First</b>	2.381	3.843	4.150
<b>Middle</b>	0.714	0.862	0.791
<b>Secondary/High</b>	(1.669)	(0.495)	(0.078)
<b>Special/PRU</b>	0.872	1.330	0.893
<b>Overall</b>	<b>2.298</b>	<b>5.540</b>	<b>5.756</b>

Overall, there are 14 schools predicting a deficit position compared to 21 schools in the previous year. Of these, 10 schools have an approved licensed deficit, 2 schools have a minor deficit of less than 0.05% of their budget; and work is ongoing with the remaining 2 schools to work towards an achievable budget recovery plan.

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 &amp; 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	2.001	1.586	(0.415)	(0.426)	0.011
Registrars & Coroners	2.197	1.217	1.418	0.201	0.181	0.020
Tourism, Culture, Leisure & Heritage	12.361	9.563	10.631	1.068	(0.128)	1.196
Improvement & Innovation	1.196	1.540	1.278	(0.262)	(0.262)	0.000
Northumberland Communities Together	0.006	0.460	0.200	(0.260)	(0.260)	0.000
Information Governance	0.236	0.239	0.269	0.030	0.030	0.000
<b>Total Communities &amp; Business Development</b>	<b>17.700</b>	<b>15.020</b>	<b>15.382</b>	<b>0.362</b>	<b>(0.865)</b>	<b>1.227</b>

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

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

- a. Customer Services is forecast to underspend by £0.415 million. Within the Contact Centre and One Stop shops there is a £0.374 million underspend on staffing vacancies. Of this underspend, £0.188 million is attributed to nine staff who are working on Test & Trace calls and are being funded from the Contain Outbreak Management Fund.
- b. Registrars & Coroners is forecast to overspend by £0.201 million due to:
  - i. A £0.358 million overspend within Coroners in relation to post mortems and body storage costs; and,
  - ii. A £0.260 million underspend within Registrars due to an over recovery of income due to the increase in weddings and associated fees following Covid-19.
- c. The Tourism, Culture, Leisure & Heritage Service is forecast to overspend by £1.068 million due to a forecast cost of £1.069 million to provide additional support to Active Northumberland in response to the Covid-19 pandemic. This figure could vary in the future; officers will monitor the position closely and update the value within future reports if appropriate.
- d. Improvement & Innovation is forecast to underspend by £0.262 million due to an underspend on staffing costs with a number of posts within the service being funded from the Contain Outbreak Management Fund.

- e. Northumberland Communities Together is forecast to underspend by £0.260 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	1.603	1.103	(0.500)	(0.300)	(0.200)
Information Services	9.161	9.180	10.157	0.977	(0.237)	1.214
Corporate Finance	22.839	5.839	5.298	(0.541)	(0.541)	0.000
Strategic Property	5.296	6.835	6.667	(0.168)	(0.256)	0.088
Procurement	1.343	0.729	0.163	(0.566)	(0.566)	0.000
<b>Total Finance</b>	<b>40.232</b>	<b>24.186</b>	<b>23.388</b>	<b>(0.798)</b>	<b>(1.900)</b>	<b>1.102</b>

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

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

- a. The Revenues and Benefits Service is forecast to underspend by £0.500 million due to:
  - i. An underspend on staffing amounting to £0.571 million due to a number of vacant posts throughout the service which are not expected to be filled.
  - ii. Additional new burdens grant income of £0.647 million, mainly for the administration of the Covid-19 business grant schemes and the transition to Universal Credit; partly offset by £0.135 overspend on the Restart programme for Council Tax and Business Rates and overspend on agency staff costs of £0.220 million to cover additional work due to Covid-19.
  - iii. An overspend on the Cost of Benefits in relation to Rent Allowance and Rent Rebate payments of £0.357 million. This is due to two reasons; 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. This figure is offset by £0.178 million Discretionary Housing Grant not included in the budget. The grant relates to 2020-21, but was not accrued; and,
  - iv. A £0.237 million net under recovery of council tax legal costs and reduction in court fees due to the Hardship Fund scheme, which has reduced the liability of the working age council tax support claimants and the court fee per summons reducing from £3.00 to £0.50.
- b. Information Services is forecast to overspend by £0.977 million due to:
  - i. An overspend of £0.410 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, which will be 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 £0.232 million due to a number of vacant posts throughout the year.
- iv. Unachieved savings of £0.100 million for removal of software licences which have not been realised. This saving is from previous years and has been included as a pressure in the MTFP which is to be considered by County Council in February.
- c. Corporate Finance is forecast to underspend by £0.541 million due to:
  - i. An underspend of £0.292 million in relation to vacant posts which are now being or have been filled.
  - ii. An underspend of £0.135 million on professional services; and,
  - iii. An underspend of £0.093 million on external auditor fees.
- d. Strategic Property is forecast to underspend by £0.168 million due to:
  - i. A forecast underspend of £0.242 million on County Hall running costs, including the restaurant service, due to the county hall refurbishment and reduced service requirements; and,
  - ii. An overspend of £0.200 million on repairs and maintenance on county owned buildings.
- e. Procurement is forecast to underspend by £0.566 million due to:
  - i. An underspend on staffing of £0.137 million due to vacant posts; and,
  - ii. An overachievement of income of £0.360 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	24.556	24.534	(0.022)	(0.022)	0.000
Neighbourhood Services	11.711	10.439	10.517	0.078	0.005	0.073
Waste PFI Contract	19.037	21.286	21.736	0.450	0.200	0.250
Technical Services	21.083	18.392	25.542	7.150	7.150	0.000
<b>Total Local Services</b>	<b>76.358</b>	<b>74.673</b>	<b>82.329</b>	<b>7.656</b>	<b>7.333</b>	<b>0.323</b>
Planning	1.343	1.024	1.671	0.647	0.647	0.000
Corporate Health & Safety	0.274	0.284	0.284	0.000	0.000	0.000
<b>Total Planning &amp; Local Services</b>	<b>77.975</b>	<b>75.981</b>	<b>84.284</b>	<b>8.303</b>	<b>7.980</b>	<b>0.323</b>

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

The main reason for the forecast position for the Planning and Local Services Directorate is outlined below:

- a. Neighbourhood Services is forecast to overspend by £0.078 million. The costs associated with emergency works and the ongoing recovery from Storm Arwen is forecast to cost £0.413 million. This is partly offset from the settlement of a longstanding insurance claim following the fire at the Cowpen Crematorium in 2015. The final settlement received is £0.206 million. In addition, income from waste fees and charges is anticipated to exceed the budget.
- b. The Waste PFI budget is forecast to overspend by £0.450 million. This is based partly on a number of assumptions linked to Covid-19 and its impact on waste. As more people are still working from home, it has changed the landscape of waste habits and increased kerbside waste collection tonnages and has also had impacts on HWRC recycling and kerbside recycling performance levels. Some of the Covid-19 related impacts affect the payments made to the Waste PFI contractor and these impacts are currently the subject of contractual discussions. In addition, the forecast includes potential additional costs in relation to a claim for exceptional insurance premiums received from the PFI contractor. Discussions are ongoing with the contractor and settlement has not yet been reached over these matters.
- c. Technical Services is forecast to overspend by £7.150 million mainly due to:
  - i. Highways is forecast to overspend by £7.458 million. This is largely in relation to the estimated

costs of £2.043 million dealing with the consequences of Storm Arwen and making the network safe, with these clean-up and recovery activities expected to continue through to the end of March 2022. This includes work to remove debris from footways and carriageways, clearance of gullies, the deployment of road sweeping teams and to repair damage to the network. This total includes £0.282 million of Storm Arwen repair activities which are capital in nature and which it is recommended that a new scheme be added to the capital programme funded by a revenue contribution. The remainder of the overspend in Highways is due to the use of private contractors covering for staff sickness, additional pothole repairs and a shortfall in income from EV charging;

The overspend includes provision to increase the Severe Weather reserve by £5.000 million which will provide the Council with the resilience to fund future highways repairs 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.

- iii. A forecast overspend in home to school transport of £0.500 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,
- iv. This is partly offset through additional income, mainly from a forecast overachievement of car parking fees and fines of £0.425 million and a forecast over recovery of £0.300 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 is forecast to overspend by £0.647 million mainly due to:
  - i. A forecast underachievement of planning fee income of £0.400 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 it is not anticipated that this saving will be achieved in the current financial year. The Council is working collaboratively with other North East Council's 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 is now unlikely to be received. However, 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. In addition, there is an £0.080 million forecast underachievement of income from Planning Performance Agreements as uptake of the scheme has been slower than anticipated: and,
  - iii. The forecast position assumes the transfer to reserves of £0.425 million in relation to the Review of the Local Plan and £0.085 million for a Gypsy and Local Travellers Plan. These areas of work have been delayed whilst the Local Plan is formally adopted, this is currently in the final stages and

expected to be adopted imminently.

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 &amp; 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	0.801	1.041	0.240	0.240	0.000
Public Protection	2.559	3.079	2.721	(0.358)	(0.605)	0.247
<b>Total Public Health &amp; Community Services</b>	<b>3.480</b>	<b>3.880</b>	<b>3.762</b>	<b>(0.118)</b>	<b>(0.365)</b>	<b>0.247</b>

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

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

- a. Housing is forecast to overspend by £0.240 million mainly due to Northumbrian Water primary agency fee income being retained within the HRA to meet potential debt liability and administrative costs following the extension of water rate collection to southeast area tenants and income from enhanced trading activity and private sector landlord accreditation is not expected to be received.
- b. Public Protection is forecast to underspend by £0.358 million, mainly due to an underspend on salaries of £0.677 million due to delays in recruitment and staff turnover, offset by an anticipated shortfall in licensing income of £0.222 million resulting from the loss of business arising from the impact of Covid-19. There are also overspends relating to vehicles and travel (£0.042 million) and a revenue contribution to capital (£0.065 million) for the replacement of noise monitoring equipment.

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 &amp; Community Services - Public Health

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	1.443	0.613	(0.830)	(0.830)	0.000
Stop Smoking Initiatives	0.674	0.520	0.445	(0.075)	(0.075)	0.000
Drug & Alcohol Services	3.615	3.647	3.570	(0.077)	(0.077)	0.000
Sexual Health Services	1.936	1.872	1.826	(0.046)	(0.046)	0.000
0-19 Public Health Services	6.265	6.416	6.575	0.159	0.159	0.000
Other Health Initiatives	3.714	3.164	3.459	0.295	0.295	0.000
<b>Total Public Health &amp; Community Services</b>	<b>17.100</b>	<b>17.062</b>	<b>16.488</b>	<b>(0.574)</b>	<b>(0.574)</b>	<b>0.000</b>

## NOTES

- a. The Council's Public Health service will receive 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. Public Health England has 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 will receive an allocation of £0.171 million which is non-recurrent.
- c. 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. There are no plans at present to utilise the Public Health reserve in 2021-22.
- d. Public Health staff continue to support the Council's response to Covid-19 and 66% of their pay costs are being funded from the Contain Outbreak Management Fund during 2021-22. The staffing underspend will be used during the year to support and maintain public health activities within Children's services.
- e. A reduced level of demand led services primarily because of social distancing requirements and non-essential services being put on hold has resulted in a £0.350 million underspend.
- f. The previously commissioned Health Improvement and Stop Smoking services have been brought back in-house with effect from 1 October 2021. It is anticipated that this will generate in-year efficiencies of £0.200 million against these budgets.

## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Public Health &amp; 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	6.502	6.239	(0.263)	(0.263)	0.000
Housing Special	0.620	0.645	0.744	0.099	0.075	0.024
Repairs and Maintenance	7.595	8.026	8.265	0.239	0.090	0.149
Housing Capital Works	0.747	0.515	0.516	0.001	0.001	0.000
Other HRA Services	13.080	13.444	13.495	0.051	0.051	0.000
HRA Income	(29.468)	(29.748)	(29.977)	(0.229)	(0.229)	0.000
<b>Total HRA Expenditure &amp; Income</b>	<b>(1.485)</b>	<b>(0.616)</b>	<b>(0.718)</b>	<b>(0.102)</b>	<b>(0.275)</b>	<b>0.173</b>

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

The main reasons for the forecast variance for the Housing Revenue Account are as follows:

- a. Housing Management is forecast to be underspent by £0.263 million. This mainly relates to staffing budgets for part year vacancies as well as underspends on a number of smaller budgets including travel, advertising and furniture.
- b. Repairs and Maintenance is forecast to overspend by £0.239 million. This mainly relates to the costs of employing agency staff to clear the backlog of gas servicing as a result of Covid-19.
- c. Other HRA Services is forecast to overspend by £0.051 million. The main reasons for this are:
  - i. Depreciation charges are estimated to be £0.285 million overspent 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 forecast to be £0.134 million overspent and interest received on balances underachieved by £0.064 million; and,
  - iii. The income from NWL for the collection of water rates is anticipated to exceed the budget by £0.383 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 debts, this figure also includes reimbursement for void properties.
- d. HRA Income is forecast to overachieve by £0.229 million mainly due to increased dwelling rental income. The budgeted void rate was increased in 2021-22 to reflect the rates seen in 2020-21

which included the effects of Covid-19 and long-term voids including hard to let 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	2.153	1.900	(0.253)	(0.253)	0.000
Executive Director of Regeneration, Commercial & Economy	0.283	0.031	0.073	0.042	0.042	0.000
Climate Change	0.000	0.139	0.139	0.000	0.000	0.000
<b>Total Regeneration</b>	<b>2.212</b>	<b>2.323</b>	<b>2.112</b>	<b>(0.211)</b>	<b>(0.211)</b>	<b>0.000</b>

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

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

- a. Concessionary Travel is forecast to underspend by £0.260 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.

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	38.314	30.428	(7.886)	0.624	(8.510)
Treasury Management	(25.501)	(22.960)	(22.860)	0.100	0.100	0.000
Capital Financing	36.665	8.684	8.184	(0.500)	(0.500)	0.000
Corporate Funding	(400.051)	(344.076)	(343.150)	0.926	0.000	0.926
<b>Total Other Corporate Expenditure &amp; Income</b>	<b>(362.717)</b>	<b>(320.038)</b>	<b>(327.398)</b>	<b>(7.360)</b>	<b>0.224</b>	<b>(7.584)</b>

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

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

- a. Corporate Items is forecast to underspend by £7.886 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; and,
  - ii. £0.560 million overspend due to a corporate savings target which will not be delivered in year.
- b. Capital Financing is forecast to underspend by £0.500 million due to:
  - i. A £0.189 million underspend on interest payable. 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,
  - ii. A £0.311 million underspend on the Minimum Revenue Provision in relation to the repayment of borrowing.
- c. Corporate Funding is forecast overspend by £0.926 million due to:
  - i. A recharge from the Invest to Save Reserve of £1.196 million will not be utilised as the Improvement and Innovation team has undertaken work in relation to Covid-19 and the cost of the service will be charged against the government funding received; and,
  - ii. £0.270 million is expected to be 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.

<b>Key Capital Movements by Service</b>
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<b>Service: Adult Social Care and Commissioning – Forecast variance (£0.225) million</b>
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Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Person Centred Care Information System	-	(0.225)
<b>Total</b>	<b>-</b>	<b>(0.225)</b>

<b>NOTES - Year End Variances of £0.250 million or more</b>
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There are no significant variances to report.
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Service: Children's Services – Forecast variance (£4.115) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Ashington Academy	0.004	-
Wise Academy Trust – Haltwhistle Schools	0.210	-
Ponteland Secondary School & Leisure Centre	0.216	-
Special Provisions Capital Fund	0.008	-
Schools Building Programme (SCIP)	-	(2.000)
Mobile Classroom Replacement Programme	-	(0.407)
Port of Blyth – Welding and Fabrication Skills Centre	-	(1.061)
Berwick Partnership of Schools	-	(0.500)
Schools Reorganisation West	-	(0.385)
Children's Homes Provision	-	(0.200)
<b>Total</b>	<b>0.438</b>	<b>(4.553)</b>

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

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

- a. Schools Building Programme (SCIP) – Works in relation to the 2021-22 programme have been impacted by Covid-19. Some schemes require further condition surveys and feasibility studies to be completed prior to the full estimated costs being identified. Some of the works are likely to slip into 2022-23.
- b. Mobile Classroom Replacement Programme – Initial design work of the programme has commenced and work at Corbridge Middle School is largely complete with the remaining projects expected to be completed by the summer term.
- c. Port of Blyth – Welding and Fabrication Skills Centre – A delay in the tendering process and issues surrounding the lease agreement will result in only the design work being completed before year end with an anticipated completion date of September 2022.
- d. Berwick Partnership of Schools – It is unlikely work will progress on the scheme in the current financial year.
- e. Schools Reorganisation West - Whilst the majority of the work is complete there have been land/site ownerships issues at Bellingham Middle School that have become known, and work cannot progress until this matter is resolved. Therefore, it is now likely that the work will slip into 2022-23.

Service: Communities and Business Development – Forecast variance £0.042 million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Blyth Sports Centre	0.042	-
<b>Total</b>	<b>0.042</b>	<b>-</b>

NOTES - Year End Variances of £0.250 million or more
There are no significant variances to report.

Service: Finance – Forecast variance (£9.957) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Contingency for Grant Funded Projects	(1.155)	-
Loans to Third Parties	-	(6.287)
Property Stewardship Fund:		
– Powburn Depot Roof	-	(0.060)
– Public Toilet Refurbishment	(0.050)	(0.100)
Leisure Essential Remedials:		
– Essential Remedials	0.093	-
– Concordia Air Handling Units	(0.141)	-
– Wentworth Pool Room	0.048	-
County Hall Refurbishment	-	(0.600)
Hexham Tyne Mills Depot	-	(0.150)
Alnwick Lindisfarne Site	-	(0.200)
Holy Island and Seahouses Public Toilet Refurbishment	0.050	-
Other Property Schemes	0.016	-
CISCO Infrastructure	-	(0.100)
Community Broadband	-	(1.321)
<b>Total</b>	<b>(1.139)</b>	<b>(8.818)</b>

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

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

- Contingency for Grant Funded Projects – No projects have been proposed to date in the current financial year that require the use of this funding.
- Loans to Third Parties – A review of the requirements for the current financial year has been undertaken. The full budget allocation will not be required in the current financial year due to delays on projects due to the impact of Covid-19 and will require reprofiling into 2022-23.
- County Hall Refurbishment – Due to delivery delays on certain materials the Front of House works are now expected to be completed in April 2022.
- Community Broadband - the planned voucher scheme was instead funded through Borderland funding which was available for the current year. The project will be fully spent in 2022-23 and will be used to continue the voucher scheme across Northumberland.

Service: Planning and Local Services – forecast variance (£5.414) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
FCERM schemes	0.008	-
Local Transport Plan	(0.650)	(0.900)
Union Chain Bridge	0.650	-
Highways Maintenance Investment in U and C Roads and Footpaths	-	(0.037)
New DfT Challenge Fund Support – Steel Structures	-	(2.500)
Ponteland Broadway and Callerton Lane	-	(0.081)
Salt Barns	-	(0.103)
Cramlington Section 106 Improvements	-	(0.383)
New Hartley Section 106 Improvements	-	(0.050)
Car Parks	-	(0.578)
Chathill Surface Water Scheme	-	(0.113)
Lynemouth Bay Landfill Encapsulation	-	(0.348)
Ovingham Surface Water	-	(0.040)
Hepscott Flood Alleviation Scheme	-	(0.050)
Red Row Flood Alleviation Scheme	-	(0.043)
Otterburn Surface Water	-	(0.048)
Country Parks Improvement Programme	0.022	-
Milburn Park Play Area (Parks Enhancement Programme)	-	(0.050)
England Coast Path (Bamburgh to Scottish Borders)	-	(0.120)
<b>Total</b>	<b>0.030</b>	<b>(5.444)</b>

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

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

- a. Local Transport Plan – Works have been delayed due to 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 relates to

the unallocated contingency that is being used to fund part of the Council's share of the increased costs at Union Chain Bridge.

- b. Union Chain Bridge – It should be noted the scheme is continuing to progress and is not envisaged to be completed until late spring 2022-23 which will result in an increase in overall costs, the forecast of which is currently being assessed along with consideration of mitigation measures to limit the additional resource that will be required. Any cost increases will be shared equally between NCC and Scottish Borders Council as per the signed partnership agreement. It is assumed that the LTP will fund the Council's share.
- c. Department for Transport Challenge Fund Support – Steel Structures – Schemes are currently out to tender with works due to commence in 2022-23. In addition, a scheme due to commence in the current financial year has been delayed due the contractor entering administration prior to any works commencing on site.
- d. Cramlington Section 106 Improvements – The project is yet to commence with work now expected to be delivered in 2022-23.
- e. Car Parks – The programme of works is progressing with Morpeth Goosehill and Amble Car parks with works running into 2022-23. The new 250-space long-stay car park being developed off Alemouth Road, Hexham is expected to be completed at the end of March/beginning of April with payment made to the developer on completion.
- f. Lynemouth Bay Landfill Encapsulation Works - Scheme progressing on a phased approach using NCC funds only. Anticipated commencement on site for main works is expected to be May 2022 dependent on receiving the local enforcement position from the Environment Agency.



Service: Public Health and Community Services – forecast variance (£2.477) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Major Repairs Reserve	-	(1.321)
Green Homes – Social Housing	-	(1.156)
<b>Total</b>	<b>-</b>	<b>(2.477)</b>

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

The main reasons for the forecast 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.
- b. Green Homes – Social Housing – Approval was received to deliver energy efficient improvements to 140 dwellings with the programme expected to conclude in 2022-23. A request has been made to the funder to extend the eligible period for the grant.

Service: Regeneration – forecast variance (£5.267) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
County Hall Solar Car Port	-	(0.168)
Climate Change Capital Fund	-	(0.054)
Blyth Sports Centre Solar PV	-	(0.227)
Alnwick Lindisfarne Solar PV	-	(0.033)
Sustainable Warmth Grant (LAD 2)		(2.114)
Green Homes – Private Sector Housing	-	(0.354)
Local Cycling and Walking Infrastructure	-	(0.500)
Blyth Future High Street Fund	-	(0.080)
Hexham HAZ	-	(0.342)
Ad Gefrin	0.600	-
Borderlands – Berwick Maltings	-	(0.842)
Rural Business Growth Fund	-	(0.329)
Strategic Energy Site	(0.752)	-
Restoring your Railway	(0.250)	-
Rural Growth Network Local Growth Fund	0.178	-
<b>Total</b>	<b>(0.224)</b>	<b>(5.043)</b>

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

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

- a. Sustainable Warmth Grant (LAD 2) – Minimal expenditure is now expected in the current financial year. All expenditure was originally due to be incurred by 31 March in line with the grant conditions. However, this has now been extended to 30 June allowing more time to incur the works expenditure.
- b. Green Homes – Private Sector Housing – Approval was received to deliver 200 energy efficiency measures in owner-occupied sector. Work to the value of £0.990 million has been completed to date with a small number of installations expected to slip into 2022-23.
- c. Local Cycling and Walking Infrastructure – No expenditure is expected to be incurred in the current financial year. A cycle improvement scheme at Waterloo Road, Blyth was recently approved using a mixture of Department for Transport Active Travel Fund Grant and this

funding is to enable cycling and walking improvements. NCC's contribution will not be utilised until 2022-23.

- d. Hexham HAZ – The uptake of grants for the scheme has been slow as businesses are reluctant to commit to their required match funding in the present climate due to uncertainty around the future shopping habits of individuals as a result of Covid-19. However, Public Realm works are commencing within the town, but any unspent grant will be returned to the funder with the Council having the opportunity to rebid for it.
- e. Borderlands – Berwick Maltings – The scheme is currently being reviewed as part of the Borderlands refresh with it now expected to commence in 2022-23.
- f. Rural Business Growth Fund - Based on current forecasts it is anticipated £0.433 million of grants will be issued in the current financial year. This forecast depends on external applicants submitting claims in line with the expenditure profiles previously submitted.
- g. Ad Gefrin – A contribution of £0.600 million was included in the Council's 2021-22 MTFP for the Ad Gefrin Distillery and Visitor Centre. This was subsequently reprofiled in the Financial Performance 2021-22 – Position at the end of June 2021 report to Cabinet (7 September 2021) into 2022-23 as expenditure was not expected to reach the trigger point for the payment to be made in the current financial year. However, expenditure has accelerated since then and it is now expected the payment will be required to be made in the current financial year.
- 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.

### Items approved from the Council's Contingency – October to December 2021

The following items have been approved from the Council's contingency during October to December 2021.

Recurrent Funding	2021-22	2022-23
	£	£
Legal Services Restructure	35,610	71,090
<b>Total amount drawn from Contingency recurrently</b>	<b>35,610</b>	<b>71,090</b>
Realignment of HRA Recharge	(109,860)	-
<b>Net amount drawn from Contingency recurrently</b>	<b>(74,250)</b>	<b>71,090</b>

Non-Recurrent Funding	2021-22	2022-23
	£	£
Staff rewards – vouchers and donations	75,000	-
Senior Manager Programme Lead	31,540	-
Outreach workers – April to September	34,820	-
Cost of interim management structure	190,310	135,930
Penna review for senior management structure	29,710	-
AP Oxygen finance scheme	65,000	-
<b>Total amount drawn from Contingency non-recurrently</b>	<b>426,380</b>	<b>135,930</b>
Reversal of bus partnership – external funding now received	(204,700)	-
<b>Net amount drawn from Contingency non-recurrently</b>	<b>111,820</b>	<b>135,930</b>

## Movement in the Council's Reserves

	Opening Balance at 1 April 2021*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
General Reserves/Balances				
General Fund	(70.469)	-	(4.401)	(74.870)
<b>Total General Reserve</b>	<b>(70.469)</b>	<b>-</b>	<b>(4.401)</b>	<b>(74.870)</b>
Ring-Fenced Reserves/Balances				
Housing Revenue Account	(28.890)	-	(0.706)	(29.596)
Major Repairs (HRA)	(8.607)	-	1.046	(7.561)
HRA Capital Investment	(3.108)	-	0.779	(2.329)
<b>Total Earmarked HRA Reserves</b>	<b>(40.605)</b>	<b>-</b>	<b>1.119</b>	<b>(39.486)</b>
Specific Reserves/Balances				
Capital Grants Unapplied	(43.831)	-	15.001	(28.830)
Capital Receipts	-	-	-	-
Capital Receipts - HRA	(4.025)	-	0.924	(3.101)
<b>Total Specific Reserves/Balances</b>	<b>(47.856)</b>	<b>-</b>	<b>15.925</b>	<b>(31.931)</b>

## Appendix R

	Opening Balance at 1 April 2021*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
Earmarked Reserves				
Balances held by Schools	(5.498)	5.378	(5.421)	(5.541)
Business Recovery Reserve	(2.322)	-	-	(2.322)
Cessation of NHS Partnership Agreement	(1.500)	-	1.500	-
Collection Fund Smoothing	(26.291)	-	15.266	(11.025)
Community Led Housing	(0.829)	0.035	0.091	(0.703)
Contain Outbreak Management	-	-	(0.673)	(0.673)
Council Commissioned Services	(11.100)	1.281	9.819	-
Council Transformation Fund	(7.466)	(10.486)	0.948	(17.004)
Dedicated Schools Grant	(0.898)	(0.170)	(1.941)	(3.009)
Economy & Regeneration Investments	(0.420)	-	0.061	(0.359)
Energy Masterplan	(1.067)	-	0.534	(0.533)
Estates Rationalisation	(8.677)	0.836	1.001	(6.840)
EU Exit Funding	(0.315)	0.315	-	-
EU Exit Funding - PP	(0.020)	0.020	-	-
Firefighters' Immediate Detriment	(0.250)	-	0.100	(0.150)
FPF Admin Grant	(0.033)	-	0.033	-
FRS HMICFRS Improvement	(0.060)	-	0.029	(0.031)
Haltwhistle Repairs Reserve	(0.015)	-	-	(0.015)
Insurance	(9.661)	-	0.500	(9.161)
Invest to Save Reserve	(10.507)	10.507	-	-
Legal Challenge	(0.637)	0.059	0.035	(0.543)
Local Authority Mortgage Scheme	(0.424)	0.424	-	-
NCC Economic Regeneration	(0.083)	(0.055)	-	(0.138)

## Appendix R

	Opening Balance at 1 April 2021*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
Northumberland Enterprise Holdings	(0.300)	-	0.300	-
Open Spaces Maintenance Agreements	(0.065)	0.007	-	(0.058)
Planning Delivery	(0.206)	-	(0.510)	(0.716)
Problematic Empty Properties	(0.050)	-	0.006	(0.044)
Regeneration Additional Capacity Reserve	(0.304)	0.114	-	(0.190)
Regeneration Development Reserve	(1.578)	(0.104)	0.757	(0.925)
Repair and Maintenance	(0.250)	-	-	(0.250)
Restructuring Reserve	(1.000)	-	1.000	-
Revenue Grants	(19.231)	1.500	8.045	(9.686)
Rural Growth Network	(0.095)	-	0.095	-
Sealodge	(0.017)	-	-	(0.017)
School Libraries	(0.009)	-	-	(0.009)
Section 106	(7.699)	0.005	(1.205)	(8.899)
Severe Weather	(2.500)	-	(5.000)	(7.500)
Social Fund	(1.695)	-	1.066	(0.629)
Sports Development	(0.256)	-	0.046	(0.210)
Strategic Management Reserve	(49.002)	(2.041)	2.200	(48.843)
Violence Reduction	(0.030)	0.030	-	-
Winter Services	(2.000)	-	-	(2.000)
ADC Parks & Open Spaces	(0.020)	0.011	-	(0.009)
ADC Section 106	(0.050)	0.004	-	(0.046)
<b>Total Earmarked Reserves</b>	<b>(174.430)</b>	<b>7.670</b>	<b>28.682</b>	<b>(138.078)</b>
<b>Total Usable Reserves</b>	<b>(333.360)</b>	<b>7.670</b>	<b>41.325</b>	<b>(284.365)</b>

	Opening Balance at 1 April 2021*	Movement in Provision	Commitments	Forecast Closing Balance at 31 March 2022
	£m	£m	£m	£m
<b>Provisions</b>				
Redundancy Costs	(0.171)	-	0.171	-
NNDR Appeals	(7.494)	-	1.749	(5.745)
Estates Rationalisation Project	(0.577)	-	0.227	(0.350)
Compensation Claims	(0.150)	0.003	0.147	-
<b>Total Provisions</b>	<b>(8.392)</b>	<b>0.003</b>	<b>2.294</b>	<b>(6.095)</b>
<b>Total Reserves &amp; Provisions</b>	<b>(341.752)</b>	<b>7.673</b>	<b>43.619</b>	<b>(290.460)</b>

\*Provisional un-audited opening balance figure



## Virements October to December 2021

Directorate	Reason for Virement	Virement from	Virement to	£
Adult Social Care & Commissioning	2021-22 variation to the Better Care Fund	Increase Better Care Fund income	Increase Home Care budget in Commissioned Services	810,510
Adult Social Care & Commissioning	Creation of a budget for the Joint Equipment Loans Scheme following the end of the Partnership Agreement with Northumbria Health Care Trust. This service was previously commissioned therefore there was no additional cost to the Council	Adults - Commissioned Services	Adults – In-House Services	1,322,970
Adult Social Care & Commissioning	Variation to the 2021-22 staffing budgets following the end of the Partnership Agreement with Northumbria Health Care Trust. There was no additional cost to the Council from this virement.	NHCT staffing budget	NCC and TUPE staffing budget	10,042,929
Public Health & Community Services	Creation of Training budget within Repairs & Maintenance to comply with Health & Safety Regulations.	Housing Management	Repairs and Maintenance	25,000