

Report of: Ian Wright – Director of Finance
Cllr. Chris Hobson – Executive Member for Finance & Governance

Submitted to: Executive – 24 November 2020

Subject: Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2020/2021

Summary

Proposed decision(s)

- That the Executive notes the 2020/21 revenue budget Quarter Two total projected outturn of £4.405m, representing a £9,000 (-0.01%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £4.414m, and the proposed actions to address this.
- The Executive notes the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21.
- That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
- That the Executive notes the 2020/21 capital budget Quarter Two predicted outturn of £50.363m, against a budget of £55.019m, driven in the main by delays resulting from Covid-19, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes – over the financial threshold (£150,000)	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Quarterly monitoring, review and action planning plays a central role in ensuring that the Strategic Plan is delivered effectively.		

Ward(s) affected
None.

What is the purpose of this report?

1. This report advises the Executive of the Council's financial position at Quarter Two 2020/21, including the projected effect of Covid-19 on the Council's finances.

Why does this report require a member decision?

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated action. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's capital Investment Strategy.
3. This report provides the necessary information to enable the Executive to discharge its financial management responsibilities, setting out:
 - projected revenue and capital budget outturns for Quarter Two 2020/21;
 - position statements in relation to the Council's borrowing and its reserves; and
 - actions that the Council has taken and plans to address the issues raised.
4. Standing Orders and Financial Procedures require the Executive's approval of the proposed revenue budget virements over £150,000 (Appendix 1).
5. A revised Investment Strategy for the period to 2022/23 is attached at Appendix 2 for the Executive's consideration and approval.

Report Background

Revenue Budget Quarter Two Outturn 2020/21

6. As reported in the 2020/21 Quarter One Projected Outturn reports to Executive on 18 August 2020 and to Council on 2 September 2020 and the Medium Term Financial Plan Update to Executive on 29 September 2020, the Covid-19 pandemic is having a significant impact on the Council's financial position. Covid-19 financial pressures are being monitored separately from the normal non-Covid-19 financial position, and these are reported separately in paragraphs 41 to 67 below.
7. The 2020/21 Revenue budget for the Council is £116,397,000. A revised senior management structure within the Council was implemented during Quarter One and the financial position is reported against this new structure. The Council's outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £9,000 (-0.01%). The split by Directorate is shown in the table below.

Directorate	2020/21 Full Year Budget £'000s	2020/21 Projected Outturn (excluding Covid-19) £'000s	2020/21 Projected Over / (under) spend (excluding Covid-19) £'000s
Regeneration	3,211	2,511	(700)
Environment and Community Services	18,833	18,455	(378)
Public Health and Public Protection	(2,357)	(2,752)	(395)
Education & Partnerships	2,049	1,824	(225)
Children's Care	33,837	40,536	6,699
Adult Social Care and Health Integration	40,211	39,398	(813)
Legal and Governance Services	7,538	8,163	625
Finance	1,215	1,016	(199)
Central Budgets (see * below)	11,860	7,237	(4,623)
Revenue Outturn	116,397	116,388	(9)

* Includes underspend of £2.913m on budget for ongoing demand pressures, principally within Children's Social Care, as detailed in paragraph 39

8. This when added to the estimated Covid-19 pressures of £4.414m detailed in paragraphs 41 to 67 results in a total projected outturn pressure at year end 2020/21 of £4.405m. This is a small reduction to the total projected outturn pressure of £4.435m reported at Quarter One. The overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.
9. The detail of the variances is set out below. At Quarter Two, 33 areas are projected to be spent +/- £150,000 of the agreed budget.

Regeneration

10. As reported at Quarter One income from lettings at Teesside Advance Manufacturing Park (TAMP) earlier than expected is projected to result in unbudgeted additional income of £266,000 being received in 2020/21.
11. An underspend of £353,000 is projected for staff savings within the Cultural Services budgets pending a review of the wider Cultural Services.
12. In addition to the above, there are a number of budget areas within Regeneration which have projected variances below £150,000 and these account for the overall £700,000 total underspend on the Regeneration budget projected at year end 2020/21.

Environment and Community Services

13. The Property Services budget is projected to be underspent by a total of £10,000 at year end, a reduction from the £208,000 projected underspend reported at Quarter One. As reported previously, within the Property Services budget there are projected savings of (£400,000) on building running costs due mainly to reduced occupation of buildings during Covid-19 and reductions in energy costs, in particular electricity where wholesale prices through the NEPO arrangement have reduced. Savings of (£225,000) are also predicted due to vacant posts within Building Cleaning. However there is a projected overspend on the Integrated Transport Unit budget of £150,000

(an increase from the £107,000 reported at Quarter One) due to the level of demand from Children's Services and an increase in the number of low income families entitled to Home to School Transport assistance. A shortfall in income due to a decrease in the number of cremations following the opening of a crematorium in Stockton is expected to result in a pressure totalling £250,000, and an overspend of £157,000 is estimated in 2020/21 due to the ongoing closure of the Transporter Bridge. Both of these overspends have increased since Quarter One.

14. The Transport and Infrastructure budget is projected to be underspent by £242,000 (10%), an increase from Quarter One, mainly due to staff savings from vacant posts, and efficiencies from the Streetlighting contract returning in-house.

Public Health and Public Protection

15. There are projected savings on Public Health budgets totalling £266,000 mainly due to reduced activity for some demand led services, such as Stop Smoking, NHS Healthcheck programme and prescribing costs, as a result of Covid-19. Also there are staff and supplies and services savings in Public Protection totalling £129,000.

Education & Partnerships

16. As reported at Quarter One the Tackling Troubled Families budget is projected to be underspent by £150,000 (18%) at year-end, due to a projected over-achievement in completing and closing cases, thereby maximising grant income over and above the amount required to finance expenditure.

Children's Care

17. The external residential placements budget is projected to be £1,251,000 (12%) overspent at year end. This is a reduction of £704,000 from the overspend reported at Quarter One due to delays in placements being charged to Covid-19 costs. Whilst places have overall remained static during the first 6 months there have been a number of new high cost placements. There is a plan to reduce the number of placements, and these are included within the mitigation plans and Ofsted Improvement Plan by initiatives such as the Innovate Team, the Futures for Families Programme and the provision of 9 places at Daniel Court, but these will take time to fully implement and achieve financial savings.
18. The Independent Fostering Agency (IFA) placements budget is projected to be £1,859,000 (36%) overspent at year-end, which is an increase from the £1,771,000 reported at Quarter One. There is a significant projected increased number of placements / cases in 2020/21 and also there is the full year effect of 2019/20 increases. Until more capacity becomes available within the internal in-house fostering service, an overspend on this budget will occur to ensure that higher cost external residential placements are minimised. Without the increase in places in fostering in-house provision, the Independent Fostering Agency budget pressure would have increased significantly more than it has.
19. The in-house fostering services budget is projected to be £840,000 (30%) overspent at year-end, which is an increase of £267,000 from the overspend reported at Quarter One. There has been increased demand in the first half of 2020/21 in

addition to the full year effect of 2019/20 increases. An increase in this budget should be positive as the cost per child is cheaper than other demand budgets.

20. Demand on the Family and Friends Allowances budget continues to grow and this budget is now projected to have a significant overspend of £2,292,000 (208%) in 2020/21. There is projected to be a large increase in the number of cases in 2020/21 along with the full year effect of 2019/20 increases. A working group is continuing to investigate processes and payments and there is a plan to increase benefit claim checks to attempt to mitigate this pressure.
21. There is a reduction of £229,000 in the projected overspend on the Assessment and Care Planning and Children in Need teams budget due to the charging of some costs to Covid-19, and this budget is now projected to overspend by £328,000 (10%) at year-end. The projected overspend is mainly due to staff agency costs in 2020/21 to cover sickness and vacant posts. It is currently a challenge to recruit and retain social workers, and a strategy for this is included within the Ofsted Improvement Plan, and is supported by the Council's management team. This pressure also includes assumed abatement targets not being met due to pressure of recruitment and caseloads of staff and teams.
22. There is a projected overspend of £186,000 on the Review and Development budget, due to increased staffing costs to support the reduction in caseloads of social workers to more manageable levels.
23. The Children's Care management budget is projected to be overspent by £445,000 (36%) at year-end, due to significant agency costs relating to senior staff within the Service. There is a plan to reduce agency costs relating to this during 2020/21. The increase in the overspend from Quarter One is due to the re-categorisation of Covid-19 costs relating to delayed placements, which accounts partly for the reduced overspend on external residential placements.
24. The Edge of Care project budget is projected to underspend by £547,000 (20%) at year-end, due to a slower than anticipated implementation of new initiatives and the maximisation of grant funding. The decrease in the underspend from Quarter One is partly due to the re-categorisation of Covid-19 costs relating to delayed placements, which accounts partly for the reduced overspend on external residential placements.

Adult Social Care and Health Integration

25. There are projected staff savings across the Service totalling £330,000 due to turnover of staff.
26. As a result of the Covid-19 pandemic, there has been an overall reduction in the cost of care packages (mainly residential care) of £610,000. In addition, service user's contributions to community care packages continue to be received in excess of budgeted income, resulting in a projected underspend of £244,000.
27. There is also currently a projected additional saving of £500,000 per annum in the budget requirement for long term residential care due to lower demand. This is after offsetting increased costs of Short Term care, Independent Supported Living, supporting people with Learning Disabilities and pressures on hospital social work. This saving was included in the MTFP update presented to Executive on 29

September 2020. It is proposed that the projected saving in 2020/21 is transferred to an Earmarked Reserve for future use against any potential future demand increases during the Covid-19 recovery period, and the outturn position currently assumes the transfer of £500,000 to the Earmarked Reserve.

Legal and Governance Services

28. The Legal Services Childcare Costs budget is projected to overspend by £276,000 (51%) at year-end, due to an increase in court referrals relating to the safeguarding of children and increased agency staffing costs to address the increased caseload. This budget is being closely monitored and efforts are being made to reduce the use of agency staff and the overspend, and updates will be provided in future budget monitoring reports.
29. There is a projected overspend on the Strategic, Information and Governance budget totalling £205,000 (15%). This comprises of an overspend of £100,000 on the main Strategic, Information and Governance budget and also an overspend of £105,000 on the Mail and Print budget, with both overspends mainly being due to unachievable income targets. These unachievable income targets will be reviewed in future MTFP updates.
30. An overspend of £159,000 is expected against the budget for Middlesbrough's contribution to the Coroner's Service. This is due to a rise in the number of cases, and also an increase in medical fees and toxicology reports.

Finance

31. As reported at Quarter One, the Insurance and risk management budget is projected to be overspent by £200,000 at year-end, due to an unexpected increase in the total costs of claims and the settlement of aged claims. A review of this budget is currently being undertaken to ascertain the longer term impact on this budget.
32. There is projected to be an underspend of £337,000 on Revenues and Benefits budgets mainly due to one-off income of £204,000 relating to Housing Benefit Administration being received, and staff savings due to vacant posts and staff not being at top of grade.
33. The Strategic Commissioning and Procurement main budget is projected to underspend by £162,000 (32%), mainly due to increased income from the NEPO contract rebate, in particular relating to the electricity contract.
34. There is projected to be an overspend on the Commercial Property Income budget of £250,000 (8%) at year end due to income shortfalls in rent for Sandringham House and vacant properties.

Central Budgets

35. The Capital financing budget is currently projected to be underspent by £200,000 (2%) at year-end, due to expected delays on projects and reduced interest rates. This underspend is reduced from the £600,000 projected at Quarter One mainly due to the movement of the rent elements of the pressure (£291,000) relating to Centre Square Buildings 1 and 2 from Regeneration to this budget as noted in the Quarter

One report. This budget will be closely monitored during 2020/21 and this will be reported in future reports.

36. There are also projected non-rent pressures of £228,000 in 2020/21 relating to business rates and service charges for Centre Square Buildings 1 and 2 which the Council will have to incur in 2020/21 due to tenants not being in place. The total pressure on Centre Square Buildings 1 and 2 (rent and non-rent elements) due to delays in letting the buildings, is therefore currently projected to be £519,000 in 2020/21 based on confirmed tenants for the buildings, against the £480,000 reported under Regeneration at Quarter One. Tenants for the buildings have now signed contracts and will start to occupy the buildings from November/December 2020 following fit out of the buildings.
37. As reported at Quarter One the Section 31 Business Rates Relief Grant budget is projected to underspend by £1,094,000 (35%) at year-end due to the receipt of additional grant income. There is also unbudgeted income of £154,000 which has been received by the Council relating to the Council's share of the surplus on the 2019/20 Business Rate Levy Account held centrally by the Government.
38. The central provision for Pay and Prices is projected to underspend by £432,000 based on the current expected calls on the budget during 2020/21. This is an increase of £157,000 from that reported at Quarter One mainly due to the underspend of £178,000 projected on the Concessionary Fares budget being transferred to Central Budgets from Regeneration following approval at Quarter One.
39. The 2020/21 budget for ongoing demand pressures, principally within Children's Care, of £2.913m is shown as an underspend against central budgets, but this will be required to be fully utilised to mitigate the overall projected overspend. Approval is requested in Appendix 1 for the transfer of this budget on a permanent basis to Children's Care to offset the ongoing demand pressures within Children's Care outlined above.

Progress against budget savings

40. A total of £6.4m of budget savings for 2020/21 were approved by Council on 26 February 2020 as part of the 2020/21 budget setting. It has not been possible to achieve a number of budget savings due to Covid-19 and these are detailed in paragraph 57 below. There are a further £690,000 of budget savings (shown in the table below) which it will not be possible to achieve in 2020/21. These have been accounted for in the projected outturns for the directorates above and form part of the overall total projected outturn for 2020/21. The unachieved savings have also been factored into the MTFP where appropriate.

Directorate	Ref	Proposal:	2020/21 £'000s
Environment and Commercial Services	ECS 19	Reduction in operational costs of fleet vehicles in line with planned efficiencies in services across the authority	86
Environment and Commercial Services	REG 06	Review of Transporter Bridge operational arrangements	40
Finance	CCC 09	Increase advertising income from Love Middlesbrough to ensure self-sufficiency	9
Public Health and Public Protection	PHPP 08	Reduced partnership contributions, decommissioning of small contracts, maintaining existing vacancies and identification of alternative funding sources (part of total saving unachieved)	100
Legal and Governance Services	DIG various	Various Digital savings	272
Regeneration	Invest to Save	Housing Delivery Vehicle	90
Public Health and Public Protection	Invest to Save	The Live Well Centre expansion	93
TOTAL			690

Covid-19

41. As reported in the Quarter One reports to Executive and Council, the Covid-19 pandemic is having a significant impact on the financial position of all local authorities, including Middlesbrough, and the reports provided key areas affected and early indicative estimates of the position for the current financial year. The paragraphs below provide an update of the position as at Quarter Two. It should be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.

Government funding

42. The financial impact of Covid-19 on local authorities has been recognised by the government and they have responded by making a number of announcements about supporting local authorities financially, indicating that Local Authorities would be fully funded for their direct relevant costs incurred. As reported at Quarter One three tranches of Covid-19 support funding totalling £10.738m have so far been received. A further fourth tranche of Covid-19 support funding of £4.836m for Middlesbrough as part of £1bn nationally has been announced by the Government on 22 October 2020. This fourth tranche of funding is based on the same formula as used in the third tranche of funding, taking accounts of population, deprivation and the way that service costs vary across the country, but also includes an adjustment for the recalculation of the previous first and second tranches of funding to use the same methodology across all tranches. As mentioned above there will be additional expenditure to be incurred if there are further outbreaks and local and/or national lockdowns.
43. As reported at Quarter One the Government also announced on 2nd July 2020 further support comprising of :
- A scheme to part fund income shortfalls
 - The ability to recover Collection Fund shortfalls over three years as opposed to one year
44. Since Quarter One full details of the Sales, Fees and Charges (SFC) scheme to part fund income shortfalls has been announced. The scheme involves a 5% deductible rate, whereby local authorities will absorb losses up to 5% of their planned budgeted 2020/21 sales, fees and charges income, with the Government compensating them for 75p in every pound of relevant loss thereafter. The first claim for £1.972m under the scheme covering the period April to July 2020 has been submitted. It is estimated that Middlesbrough Council will be able to claim a total of £4.1m in 2020/21 under the SFC scheme. It should be noted that the SFC scheme does not cover commercial income lost from investment activities and rental income.
45. A national allocation of Test, Track and Trace funding (£300m) was also announced in June 2020. This funding has been allocated to support local authorities in meeting their costs associated with Test, Track and Trace. The allocation for Middlesbrough is £1.566m. This grant funding is ringfenced for Test, Track, and Trace and potential local outbreaks.

Costs

46. It is currently estimated that there will be approx. £11.3m of additional costs associated with Covid-19 in 2020/21 and these cover a wide range of areas and services. This is an increase from the £7.3m estimated at Quarter One, with the key areas of costs outlined in the following paragraphs below. All these costs and any further direct relevant costs should be fully reimbursed by the Government. It should be noted that this is a constantly changing position and therefore estimates are subject to change, dependant on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.
47. Adult Social Care - in line with Government guidance, the Council is supporting the Care market through a temporary increase in fees and through supplier relief. This is currently assumed to cost the Council approx. £1.7m in 2020/21. There are also estimated costs of approx. £0.29m relating to accommodation costs for homeless people.
48. Children's Social Care Costs – there are currently estimated to be approx. £3.1m of total additional costs comprising mainly of delays in placements of children (approx. £1.5m) and also increased staffing and agency staffing costs (approx. £1.4m) to deal with an increased number of cases and case backlogs caused by Covid-19. There is also some emerging evidence that following the end of restrictions there may be further increases in numbers of children requiring support, but these are currently not known and will updated in future reports.
49. There are other estimated costs relating to Children's Services, in particular around Legal Childcare case backlogs (estimated to be £0.25m) and also within transport of children from home to school (currently estimated to be £0.35m).
50. Environment and Community Services – costs estimated to be approx. £0.52m relating to staff costs within Highways Maintenance for work undertaken relating to Covid-19. Also there are estimated increased costs of £0.29m relating to increased costs of waste collection and disposal due to increased tonnages of waste.
51. Direct Covid-19 Costs - a number of direct costs associated with the current situation such as the procurement of PPE equipment (currently estimated to be approx. £1.2m), costs of the Community Hub, Shielding and food supplies etc.
52. Other Covid-19 costs – There are currently estimated to be increased costs of £0.17m relating to the costs of temporary mortuary provision at Teesside Advanced Manufacturing Park (TAMP), and increased costs for the removal of bodies. Additional staff costs of £0.19m are estimated within the Revenue and Benefits mainly for additional work undertaken in relation to the distribution of grants to businesses.
53. SLM Leisure Trust – As detailed in the Quarter One report there have been significant payments made to SLM, the Council's provider of leisure facilities. When leisure facilities were closed SLM furloughed the majority of their staff and the Council agreed to contribute to the remaining costs of furloughing the staff that the Government did not fund. Following the reopening of leisure facilities SLM have not been able to operate to their normal subsidy, with the effects of a restricted operation due to social distancing significantly impacting on their income. This will mean that

the total pressure to the Council is estimated to be approximately £1.1m in 2020/21. Whilst £100m of funding nationally has been announced by the Government on 22 October 2020, initial indications suggest that this will only be for local authorities who run their own leisure services, and it currently does not appear that any of this support will be available for local authorities who provide leisure services through Leisure Trusts.

Reduction in income

54. The impact of the lockdown and closure of facilities and services has resulted in a loss of income across a broad range of areas. The following list shows the main areas and the estimated loss for each main area in 2020/21:

- Car Parking (£1.9m)
- Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Newham Grange Country Park) (£1m)
- Catering income from schools (£0.5m)
- Adult Social Care - In house day centre care provision (£0.6m)
- Libraries and Community Hubs – room hire, book sales, and fines (£0.2m)
- Highways : Capital Works and Street Permit income (£0.2m)
- Education Services income from schools (£0.2m)
- Council Tax Court Costs and Housing Benefits Overpayments (£0.7m)
- Commercial Rents – business units, industrial estates, shops and bus station (£0.2m)
- Capital Finance – Rent and Interest (£0.2m)

55. The overall pressure due to a reduction of income will be linked to the recovery of Council services, and in some areas economic activity, and it is currently estimated to total approx. £6.6m in 2020/21.

56. As mentioned in paragraph 44 it is currently estimated that the Council will receive approximately £4.1m from the SFC scheme in 2020/21.

Unachievable savings

57. There are savings built into the Council's Change Programme totalling approx. £1.9m which are likely to be unachievable in 2020/21 due to Covid-19. These include £189,000 of Building Cleaning planned savings which are likely to be unachieved due to the inability to reduce cleaning hours and standards and additional cleaning required because of Covid-19. There are also delays in planned savings of £175,000 relating to a review of direct payments within Adult Social Care which it will not be possible to progress in 2020/21 due to Covid-19. In addition there are £1,094,000 of planned Digital project savings and a £180,000 saving to reduce staff mileage rates across the Council, which are likely to not be achieved in 2020/21 due to Covid-19. Further reviews of the unachieved savings are continuing to take place, mainly relating to the Digital and staff mileage savings, and whether the unachieved savings can be mitigated by any savings elsewhere within the Council, for example reduced mileage undertaken by staff as a result of Covid-19, and the net effect of Covid-19 on these savings will be provided at Quarter Three.

Council Tax and Business Rates Income

58. Income from Council Tax and Business Rates (NNDR) is accounted for within the Collection Fund. Because of the way that this works in relation to the General Fund, the financial impact of any reduction in income does not immediately affect this year's financial position, it is effectively a shortfall to be resolved next year and will need to be reflected in an updated Budget and MTFP at the appropriate time.
59. Whilst full complete information is not yet available this financial year it is already clear that there are a number of issues which will result in pressures on Council Tax and Business Rates income.
60. There has been an increase in people claiming Local Council Tax Support (LCTS) as the economic impact of the pandemic increases the number of households eligible for LCTS support. This will lead to a reduction in the overall amount of council tax assessed/collected compared to the level budgeted. Whilst the Government provided additional Covid-19 Council Tax Hardship Grant Funding of £2.832m to top up the local LCTS scheme which meant approximately 6,000 customers not having to pay any Council Tax, there will still be an effect on the estimated amount of income collected.
61. Our budgeted council tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
62. Despite support for businesses through increased reliefs and grants, there remain a significant number who do not benefit from this support. There is a risk therefore that business rates revenue reduces if businesses fail or are unable to pay.
63. In addition the level of outstanding council tax and business rates debt is likely to rise and the Council will need to review the potential to collect that debt.
64. The current estimated overall financial impact of Covid-19 on Council Tax and Business Rates income to the Council is £3.916m in 2020/21, but it is unlikely to still be fully understood and for the amount to be confirmed for some months and this is being closely monitored. It is normal practice that any arising deficit would need to be fully funded in 2021/22, however as outlined in paragraph 43 the Government funding announcement made on 22 July 2020 has indicated this will be relaxed and can be recovered over three years.

Summary of Covid-19 Financial Pressures

65. The projected financial impact of the Covid-19 pandemic, based on experience in the first six months of the financial year, is summarised below along with a breakdown of the estimated funding split between the Government grant funding and the Council, based on assumptions made following the Government announcements detailed in paragraphs 42 to 44:

	<u>2019/20</u>	<u>2020/21</u>	<u>TOTAL</u>	<u>ESTIMATED</u>	<u>ESTIMATED</u>
				<u>TOTAL</u>	<u>TOTAL</u>
				<u>GOVT</u>	<u>COUNCIL</u>
				<u>FUNDING</u>	<u>FUNDING</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
A) Extra-ordinary costs incurred	0.385	11.259	11.644	11.644	0.000
B) Estimated loss of income - (Sales, Fees & Charges excluding Commercial income losses)	0.492	6.157	6.649	4.627	2.022
B) Commercial income losses	0.000	0.472	0.472	0.000	0.472
C) Unachievable Change Programme savings	0.000	1.919	1.919	0.000	1.919
D) Potential Collection Fund shortfall (due to reductions in Business Rates and Council Tax income)	0.000	3.916	3.916	0.000	3.916
	0.877	23.723	24.600	16.271	8.330
Government Grant Funding currently assumed			16.271		
Net COVID-19 pressures 2020/21 after assumed Government Funding			8.330		
Estimated Collection Fund shortfall transfer to 21/22, 22/23 and 23/24 (due to ability to recover Collection Fund shortfalls over three years)			(3.916)		
REVISED COVID-19 GAP 2020/21			4.414		

66. The overall financial position is being regularly reviewed to assess impact across all areas and it is likely that this will identify additional pressures and also some potential savings. It should also be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.
67. The above table indicates that there will be a potential financial pressure due to Covid-19 of £4.414m in 2020/21. As approved by Council on 2 September 2020 this will be funded from the General Fund Reserve in 2020/21.

Revenue budget spending controls

68. As previously reported to the Executive, a number of controls were implemented in 2019/20 to minimise overspending across the Council in-year and these remain in place for 2020/21, specifically:
- a vacancy control process overseen by the Corporate Management Team;
 - checks against proposed expenditure of over £5,000 by the procurement team; and
 - strong controls over staff travel, the ordering of stationery and use of first class post.
69. The Council is continuing to minimise the use of agency staff where it is appropriate to do so, but it is acknowledged that currently there will be a need for the use of agency staff within Children's Care, principally to support the Ofsted Improvement Plan. Monthly reports on agency costs are reported to senior managers for consideration.

70. As outlined in the Quarter Four report for 2019/20 a number of plans have been put in place for 2020/21 to mitigate overspending within Children's Services. These are outlined below :
- Subjecting cases of children looked after by the Council to ongoing audit, consistent decision making processes and a solutions panel chaired by the Director of Children's Care.
 - Re-establishing a Middlesbrough Multi Agency Children's Hub from 1 July 2020 to secure the consistency of thresholds and increasing step-downs to early help and more timely support for children and young people.
 - Increasing internal residential capacity at the Futures for Families Middlesbrough Hub (6 places) and Daniel Court (9 places) by 15 additional places, an increase of 136% on current provision. This will mean that more young people will be able to be accommodated by the Council at a lower cost than externally procured placements.
 - All external residential placements are being reviewed by a specialist project team set up by the Director of Children's Services to ensure that no children are in residential care who can be fostered or safely returned to their families or the care of relatives. In addition this team will look at all cases that are nearing requirement for residential care with the aim of making sure that all alternative options for support are fully explored before residential provision is approved.
 - Work continues to build on the 30% increase in the number of internal foster placements achieved in the financial year 2019/20, allowing children to be placed in high quality, local authority foster care as an alternative to more expensive agency placements.
 - An in depth review is taking place of the processes around the placement of children with friends and family to ensure that these are only made where necessary and that financial support represents value for money.
71. While the mitigations above will be progressed, the experience in 2019/20 suggests that whilst efficiencies may have been made in placement methods these will not have a positive effect on the bottom line position unless the overall numbers of children in care are brought under control.
72. The position around our numbers of children in care has been specifically referenced by the DfE Commissioner, and it is clear that for both quality of practice and financial reasons the number needs to be safely reduced. This will entail improvement of edge of care provision to support families and prevent children needing to become looked after and crucially improving practice and care planning to allow those children who are able to return home, be placed with family or friends or be adopted in as timely a manner as possible. This work is interdependent on our overall improvement journey and will not be a short term fix, however prioritisation in these areas is crucial to ensuring that our resources, both human and financial, are sufficient to deliver improvement. The position is constantly monitored and in future MTFP reviews an informed and prudent view will be taken of the length of time that will need to be allowed for this work to deliver results as well as the monitoring arrangements required.
73. The Council has set aside approximately £1.6m per annum of Council funding for 2020/21 and 2021/22 to support the Ofsted improvement plan. Progress against the plan is being monitored by the Multi Agency Strategic Improvement Board, and any

variances from the budgets contained in the Ofsted improvement plan will be detailed in future budget monitoring reports.

Capital budget Quarter Two Outturn 2020/21

74. As part of the MTFP report to Executive on 2 September 2020, Executive approved a revised capital budget for 2020/21 of £55,019,000. Following a further review and the inclusion of new additional schemes and increases to existing schemes (as detailed in paragraphs 77 to 79) it is currently predicted at Quarter Two that the Council will spend £50,363,000 at year-end. The underspend is mainly due to delays on major schemes resulting from the Covid-19 pandemic.
75. The revised Investment Strategy to 2022/23 is included at Appendix 2 for approval. It should be noted that capital receipts assumptions have been re-evaluated in light of Covid-19 and the Revised Investment Strategy takes accounts of this.
76. No schemes are currently proposed to be removed from the Investment Strategy. Also no schemes over the £150,000 threshold were transferred between services.
77. It is proposed to add the following two additional externally funded schemes above £150,000, along with several additional externally funded schemes below £150,000, to the revised Investment Strategy, set out at Appendix 2 for consideration and approval.

Directorate	Scheme	Funder	Value
Education & Partnerships	School Conditions Allowance grant – 2021/22	DfE	£230,000
	Contributions from schools towards schemes	Schools	£162,000

78. It is proposed to add the following additional Invest to Save scheme above £150,000 relating to Children’s Care, to the revised Investment Strategy, set out at Appendix 2 for consideration and approval. The Children’s Care Invest to Save scheme totalling £333,000 comprises of the following elements
- the purchase of a house costing £155,000 (including fees) for a carer which will produce revenue savings above the property cost as the carer will forego future Special Guardianship Order payments
 - the subsequent purchase of the carer’s current property at a cost of £75,000 for use as supported lodgings in order to place children currently in residential placements, therefore saving on payments to providers of external residential placements in excess of the borrowing costs
 - Rosecroft Children’s Home – renovation works costing £103,000 to enable children, currently in external residential placements, to be placed in the home, producing savings on payments to providers of external residential placements
79. The following additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be increased in the revised Investment Strategy, set out at Appendix 2 for consideration and approval.

- Teesside Advanced Manufacturing Park – the Executive Member for Finance & Governance on 14 October 2020 approved an increase of £310,000 to the budget in 2020/21 in order to facilitate a new tenancy at a unit by extending the size of the yard
- Middlesbrough Development Company - Executive on 1 September 2020 approved loans to Middlesbrough Development Company of up to £17,000,000 to fund the construction of an apartment development at the former Cleveland Scientific Institute site, and £7,000,000 to fund the Boho Village Development at Middlehaven. Both loans are subject to further sign off from the Council's Section 151 Officer before inclusion in the Investment Strategy. The Boho Village Development has now received the appropriate sign off and consequently this loan has been added to the revised Investment Strategy in 2021/22. The Cleveland Scientific Institute loan will be added to the Investment Strategy at a later date when it has been signed off by the Council's Section 151 Officer.

80. The split by Directorate is shown in the table below, which also shows the “real” projected outturn variance if all of the additional new schemes are excluded. Explanations for variances of +/- £150,000 across 10 schemes are set out in the following paragraphs. These variances require movement within the Council’s four-year Investment Strategy, but do not affect the overall investment or cost of borrowing.

Directorate	2020/21	2020/21	2020/21
	Budget	Projected Outturn	Projected Outturn Variance
	£'000	£'000	£'000
Regeneration	29,844	26,233	(3,611)
Environment and Community Services	9,419	8,673	(746)
Public Health and Public Protection	0	0	0
Education & Partnerships	4,391	4,618	227
Children's Care	357	723	366
Adult Social Care and Health Integration	4,204	3,633	(571)
Legal and Governance Services	2,778	2,491	(287)
Finance	4,026	3,992	(34)
Total	55,019	50,363	(4,656)

MEMO	
New Schemes	Real projected outturn variance excluding new schemes
£'000	£'000
310	(3,921)
0	(746)
0	0
162	65
333	33
0	(571)
0	(287)
0	(34)
805	(5,461)

Regeneration

81. Empty Homes 2015 to 2018 – due to the current low level of applications from home owners, Homes England have agreed for a proportion of the grant (£281,000) to be carried into 2021/22.
82. Replacement of Pay & Display Parking Ticket Machines - The Council is assessing technology options with respect to pay on exit at the Council’s off-street parking facilities. The replacement of the machines is linked to this review and the replacements are now not expected to be undertaken in 2020/21, and therefore the full £189,000 budget has been transferred to 2021/22.
83. Boho X is being redesigned and a revised planning application expected to be submitted in December 2020. In conjunction with the preferred contractor the final

design will be complete by April 2021 and construction is set to start in August 2021. The re-design will result in £1,500,000 of the budget for 2020/21 being transferred to 2021/22.

84. £380,000 of the budget for Teesside Advanced Manufacturing Park has been transferred to 2021/22. This is associated with the element of the budget relating to incentives provided to developers to secure long term lettings. Whilst there is interest in the majority of the remaining unlet units, due to the Covid-19 pandemic the assumption is that there will only be one further tenancy secured in 2020/21 and the remaining funds transferred to 2021/22.
85. Local Transport Plan - Due to delays in undertaking work as a result of Covid-19 and other strategic priorities, such as the pothole purge, it is anticipated that a proportion of the integrated transport element of the Local Transport Plan schemes budget will not now complete in 2020/21. This has resulted in £500,000 of this budget being transferred to 2021/22.
86. Housing Growth - Expenditure in 2020/21 was anticipated for the production of a masterplan, associated studies, and the marketing of the Newham Hall site. A disposal options report has recently been commissioned, which will inform both the route and timing of the disposal. It is anticipated that internal discussions and a subsequent Executive approval will be required to progress the disposal, which has the potential to delay the expenditure on the masterplan. In view of this £232,000 of this budget has been transferred to 2021/22. Also a further £146,000 of the Housing Growth budget for 2020/21 has been transferred to 2021/22 due to minor delays on a number of schemes due to Covid-19.
87. Middlesbrough Development Company - £230,000 of Section 106 resources assigned to the Council's Empty Homes Initiative have been transferred to 2021/22 for use when suitable properties are available.

Environment & Community Services

88. £800,000 of budget relating to the East Middlesbrough Community Hub has been transferred to 2021/22 due to delays in the scheme caused by the Covid-19 pandemic and environmental issues which have delayed the start of construction.

Adult Social Care and Health Integration

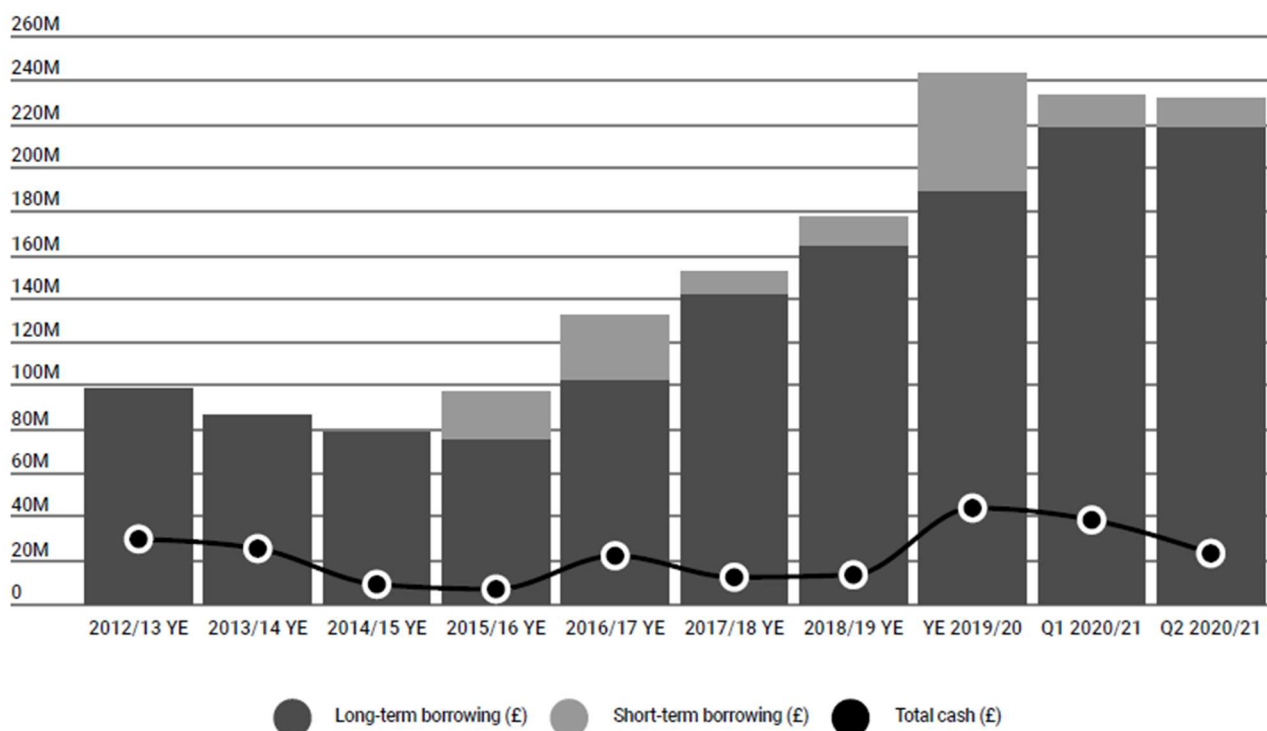
89. There has been a reduction in contractors available to undertake planned Disabled Facilities Grant work due to Covid-19, resulting in delays in expenditure. Therefore £466,000 of the budget for 2020/21 has been transferred to 2021/22.

Finance, Governance and Support

90. Some projects planned to be undertaken in 2020/21 relating to the Former Partnership Investment (ICT Infrastructure Revenues and Benefits) scheme have been delayed due to reduced resource being available to deliver the projects as a result of Covid-19 related additional workload. In light of this an anticipated further £180,000 of budget has been transferred to 2021/22. It should be noted that £65,000 of this budget has been allocated to the upgrade of Business World financial system, and this is now shown separately.

Borrowing and reserves

91. The Council's balance of borrowing decreased slightly by £0.8m from Quarter One to stand at £232.0m at Quarter Two, with the minimal change being due to some principal annuity loans being repaid and also some of the Council's cash balances being used instead of borrowing.



92. Borrowing is well within the legal limit of £300m set by Council for 2020/21 as detailed within the Capital Strategy Report approved by Council on 26 February 2020. All other prudential indicators also remain within the limits originally set.

93. The table below sets out a summary of the balance of reserves and provisions at the start of 2020/21 and the projection as at year-end. The projected year-end balance assumes the Council's approval of the use of General Fund Reserve to cover the projected total 2020/21 revenue budget overspend.

Reserves and Provisions	Opening Balance £000's	Use In Year £000's	Additional Contributions £000's	Transfers between reserves £000's	Transfers to General Fund £000's	Used to fund Outturn Position £000's	Balance at Year End £000's
General Fund	9,400		746	4,928		(4,405)	10,669
Earmarked Reserves	16,070	(1,770)	1,730	(4,887)	0	0	11,143
School balances	3,241						3,241
Provisions	2,507			(41)	(35)		2,431
TOTAL	31,218	(1,770)	2,476	0	(35)	(4,405)	27,484

What decisions are being asked for?

94. That the Executive notes the 2020/21 revenue budget Quarter Two total projected outturn of £4.405m, representing a £9,000 (-0.01%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £4.414m, and the proposed actions to address this.
95. The Executive notes the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21.
96. That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
97. That the Executive notes the 2020/21 capital budget Quarter Two predicted outturn of £50.363m, against a budget of £55.019m, driven in the main by delays resulting from Covid-19, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

Why is this being recommended?

98. To enable the effective management of finances, in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and agreed corporate financial regulations.

Other potential decisions and why these have not been recommended

99. Not applicable.

Impact(s) of recommended decision(s)

Legal

100. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

Financial

101. The Council's outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £9,000 (-0.01%). This, when added to the Covid-19 pressures detailed in paragraphs 41 to 67 results in a total projected outturn pressure at year end 2020/21 of £4.405m of which £4.414m relates to Covid-19 pressures. The total overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.

Policy framework

102. The Strategic Plan(s) and associated budgets form part of the Council's Policy Framework. All proposed variations set out in this report are in line with authority delegated to the Executive.

Equality and diversity

103. As reported to Council in January 2020, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2020-23 or the Council's planned budgetary expenditure.

Risk

104. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reviewed in the quarter, and will be reported to Executive on 24 November 2020 as part of the Strategic Plan 2020-23 – Progress at Quarter Two 2020/21 report.

Actions to be taken to implement the decision(s)

105. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.

106. The actions outlined within the body of the report in relation to overspending within Children's Safeguarding will continue to be implemented.

107. The virements detailed in Appendix 1 will be actioned in the Council's accounts following approval by Executive.

108. If approved the revised Investment Strategy included at Appendix 2 will be adopted.

Appendices

- 1 Proposed revenue budget virements over £150,000
- 2 Proposed revised Investment Strategy to 2022/23

Background papers

15/01/20	Council	Priorities of the Elected Mayor and Strategic Plan 2020-2023
26/02/20	Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2020/21
16/06/20	Executive	Strategic Plan 2020-23 – Progress at Year-end 2019/20
18/08/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2020/21
2/09/20	Council	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2020/21 and the use of reserves for in year Covid-19 pressures
29/9/20	Executive	Medium Term Financial Plan Update

Contact: Andrew Humble, Head of Financial Planning & Support
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Appendix 1 : Proposed virements over £150,000 at Quarter Two 2020/21

<i>Proposed Virement Request</i>	Regeneration £000s	Environment and Community Services £000s	Public Health and Public Protection £000s	Education & Partnerships £000s	Children's Care £000s	Adult Social Care and Health Integration £000s	Legal & Governance Services £000s	Finance £000s	Central Budgets £000s
<i>Permanent</i>									
Increased pay award budget uplift (original budget uplift based on 2.00% pay inflation, actual increase 2.75% pay inflation) - includes effect of revised NI calculation	40	231	11	33	96	80	51	43	(585)
Transfer of Ongoing Pressures budget to Children's Care					2,913				(2,913)
Formal transfer of budgets between Finance & Legal & Governance Services following Senior Management Review							2,908	(2,908)	
<i>Total Virement</i>	40	231	11	33	3,009	80	2,959	(2,865)	(3,498)
								Total:	0

Appendix 2: Proposed revised Investment Strategy to 2022/23

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
Regeneration	£'000	£'000	£'000	£'000	£'000		
Town Centre Related Projects	878	810	1,798	784	4,270	3,379	891
Teesside Media & Innovation Village	7	-	-	-	7	7	-
Middlehaven Related Projects	1,180	234	-	500	1,914	1,865	49
Housing Growth	253	334	2,018	1,411	4,016	3,712	304
BOHO 8	113	2,387	-	-	2,500	-	2,500
BOHO X	440	1,000	11,600	13,960	27,000	1,900	25,100
Acquisition of Town Centre Properties	-	10,090	30,000	-	40,090	40,090	-
Centre Square Buildings 1 & 2	21,126	-	-	-	21,126	21,126	-
Middlesbrough Development Company	700	2,670	11,233	-	14,603	9,703	4,900
Teesside Advanced Manufacturing Park	15,607	1,543	380	-	17,530	12,933	4,597
BOHO Car Park & Building Improvements	64	-	-	-	64	64	-
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120	2,120	-
Affordable Housing Via Section 106	-	-	1,255	-	1,255	830	425
Highways Infrastructure Development Section 106	-	-	730	-	730	-	730
Stainton Way Dixon Bank Junction - Section 106	1,348	11	-	-	1,359	11	1,348
Section 106 Longlands to Ladgate Lane Link	5	-	-	-	5	-	5
Section 106 Acklam / Hall Drive Improvements	97	-	-	-	97	-	97
Rose Cottage Pedestrian Links - Section 106	31	-	-	-	31	-	31
The Big Screen	-	20	-	-	20	20	-
A66 Throughabout	1,658	2,537	-	-	4,195	-	4,195
Mandale Interchange	72	319	100	-	491	-	491
Tees Amp Footway / Cycleway	12	293	-	-	305	-	305
Replacement of Pay & Display Parking Ticket Machines	-	-	189	-	189	189	-
LED Street Lighting Upgrade (Phase 2)	1,844	332	85	-	2,261	2,261	-
Joint Air Quality Unit (JAQU) - All schemes	849	622	-	-	1,471	-	1,471
Members Small Schemes	71	4	-	-	75	39	36
Grove Hill Joint Venture Projects	-	-	14	-	14	-	14
Gresham Projects	414	789	-	-	1,203	1,203	-
North Ormesby Housing Joint Venture - Section 106 funded	-	100	321	-	421	-	421
Empty Homes 2015 To 2018	84	135	281	-	500	-	500
Local Transport Plan	922	1,228	500	-	2,650	51	2,599
Hemlington Grange Way	318	-	-	-	318	318	-
Town Hall Venue Development	68	-	72	-	140	140	-
Cultural Transformation	-	50	-	-	50	50	-
Theatre Winches / Lifts	77	-	43	-	120	120	-
Municipal Buildings	22	-	-	-	22	22	-
Dorman Museum	48	21	-	-	69	69	-
Orange Pip Market Equipment	36	-	-	-	36	36	-
Contribution To Public Arts Projects	13	17	-	-	30	30	-
Public Art Work	22	58	-	-	80	80	-
Newham Grange Leisure Farm	890	99	-	-	989	989	-
Leisure Trust Investment - Equipment	-	-	75	-	75	75	-
Total Regeneration	49,799	26,233	61,224	17,185	154,441	103,432	51,009

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Environment and Community Services	£'000	£'000	£'000	£'000	£'000
Purchase of New Vehicles	1,889	228	1,000	1,000	4,117
Capitalisation of Wheeled Bin Replacement	100	100	100	100	400
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	55	55	55	55	220
Capitalisation of Highways Maintenance	575	575	575	575	2,300
Property Services Building Investment	340	340	340	340	1,360
Parks Improvement	97	83	-	-	180
Bereavement Services	412	-	-	-	412
Middlesbrough Sports Village	-	-	-	-	-
Nunthorpe Playing Fields Section 106	6	57	-	-	63
Local Transport Plan - Highways Maintenance	1,547	2,262	-	-	3,809
Street Lighting	358	578	468	468	1,872
Urban Traffic Management Control	7	493	-	-	500
Flood Prevention	206	144	-	-	350
Department for Transport Pothole Fund	-	1,403	-	-	1,403
Members Small Schemes	25	106	60	60	251
Property Asset Investment Strategy	2,341	1,100	873	840	5,154
Nunthorpe Sports Facilities	-	-	100	-	100
East Middlesbrough Community Hub	1,367	229	800	-	2,396
Christmas Lights	-	350	-	-	350
Section 106 Ormesby Beck	-	-	15	-	15
Section 106 Cypress Road	-	-	20	-	20
Section 106 Stewart Park	-	-	45	-	45
Hostile Vehicle Mitigation	-	570	-	-	570
Total Environment and Community Services	9,325	8,673	4,451	3,438	25,887

Council Funding	External Funding
£'000	£'000
4,117	-
400	-
220	-
2,300	-
1,360	-
180	-
412	-
(404)	404
-	63
-	3,809
1,872	-
-	500
-	350
-	1,403
251	-
5,083	71
-	100
2,396	-
350	-
-	15
-	20
-	45
570	-
19,107	6,780

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Public Health and Public Protection	£'000	£'000	£'000	£'000	£'000
Health & Wellbeing Hub	30	-	756	-	786
Middlesbrough Alcohol Centre of Excellence	245	-	-	-	245
Total Public Health and Public Protection	275	-	756	-	1,031

Council Funding	External Funding
£'000	£'000
679	107
-	245
679	352

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Education And Partnerships	£'000	£'000	£'000	£'000	£'000
Block Budget (Grant) School Condition Allocation	-	-	551	-	551
Block Budget (Grant) Basic Needs	-	-	9,079	-	9,079
Schemes in Maintained Primary Schools	2,538	2,847	684	-	6,069
Schemes in Primary Academies	11	249	-	-	260
Schemes in Secondary Academies	-	865	-	-	865
Schemes in Special Schools	78	546	101	-	725
Capitalisation of Salary Costs	102	104	106	-	312
Contribution to New School at Middlehaven	-	-	1,700	-	1,700
Block Budget (Grant) Education Funding Agency Early Years 2 Year olds Entitlement (Trajectory Project)	-	7	-	-	7
Caldicotes 2 Year Old Provision	56	-	-	-	56
Total Education and Partnerships	2,785	4,618	12,221	-	19,624

Council Funding	External Funding
£'000	£'000
-	551
-	9,079
2,045	4,024
-	260
-	865
494	231
0	312
1,700	-
-	7
-	56
4,239	15,385

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
	£'000	£'000	£'000	£'000	£'000
Children's Care					
Edge Of Care Project (Hub)	209	371	-	-	580
Edge Of Care Project (Spencerfield 117-120)	144	11	-	-	155
Edge Of Care Project (3 Broadwell)	217	8	-	-	225
Gleneagles Alterations	14	-	-	-	14
Holly Lodge Alterations	7	-	-	-	7
Rosecroft Renovations	-	103	-	-	103
Saltersgill Avenue	-	75	-	-	75
House Purchase	-	155	-	-	155
Total Children's Care	591	723	-	-	1,314

Council Funding	External Funding
£'000	£'000
553	27
155	-
225	-
1	13
-	7
103	-
75	-
155	-
1,267	47

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
	£'000	£'000	£'000	£'000	£'000
Adult Social Care and Health Integration					
Chronically Sick & Disabled Persons Act - All Schemes	740	705	660	610	2,715
Disabled Facilities Grant - All Schemes	2,194	2,676	2,465	-	7,335
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Assistance Loan	8	-	-	-	8
Home Loans Partnership (Formerly 5 Lamps)	-	26	55	-	81
Small Schemes	25	48	-	-	73
Connect/Telecare IP Digital Switchover	146	128	110	-	384
Purchase of 5 Vehicles - Tees Community Equipment Service	207	-	-	-	207
Total Adult Social Care and Health Integration	3,370	3,633	3,340	660	11,003

Council Funding	External Funding
£'000	£'000
2,608	107
823	6,512
200	-
-	8
-	81
-	73
330	54
-	207
3,961	7,042

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
	£'000	£'000	£'000	£'000	£'000
Legal and Governance Services					
Desktop Strategy / Device Refresh	303	460	-	-	763
Enterprise Agreements	256	706	-	-	962
Customers Relationship Management	-	75	40	-	115
ICT BOHO	20	-	-	-	20
IT Refresh - Scanning	81	-	-	-	81
Early Help Module (Children's)	42	-	-	-	42
IT Refresh - Network Refresh	180	43	120	-	343
IT Refresh - Lights On	200	301	-	-	501
IT Refresh - LCS Development Capture	5	-	25	-	30
IT Refresh - Business Intelligence	-	3	-	-	3
ICT Essential Refresh & Licensing	65	407	2,273	2,185	4,930
ICT Innovation Budget	14	297	189	-	500
GIS Replacement	218	79	88	-	385
Melrose House Data Centre	116	-	-	-	116
Civic Centre Device Refresh	38	-	-	-	38
Prevention & Partnership Tablets	-	70	-	-	70
HR Pay	-	-	37	-	37
Dashboards	46	50	-	-	96
Total Legal and Governance Services	1,584	2,491	2,772	2,185	9,032

Council Funding	External Funding
£'000	£'000
763	-
962	-
115	-
20	-
81	-
42	-
343	-
501	-
30	-
3	-
4,930	-
500	-
385	-
116	-
38	-
70	-
37	-
96	-
9,032	-

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Finance	£'000	£'000	£'000	£'000	£'000
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	38	74	360	-	472
Business World Upgrade	-	65	-	-	65
Derisking Sites	247	311	104	1,200	1,862
Town Centre Accommodation Strategy	143	42	-	4,396	4,581
Capitalisation of Property Finance Lease Arrangements	-	3,500	500	500	4,500
Middlesbrough Share in Veritau Tees Valley	20	-	-	-	20
Total Finance	448	3,992	964	6,096	11,500

Council Funding	External Funding
£'000	£'000
472	-
65	-
1,862	-
4,581	-
4,500	-
20	-
11,500	-

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
All Directorates	£'000	£'000	£'000	£'000	£'000
Total All Directorates	68,177	50,363	85,728	29,564	233,832

Council Funding	External Funding
£'000	£'000
153,217	80,615

	Total Funding				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Funded by:-	£'000	£'000	£'000	£'000	£'000
Borrowing	28,312	19,528	10,116	5,597	63,553
Finance Leases	20,835	3,500	30,500	500	55,335
Capital Receipts	1,165	6,319	14,795	10,996	33,275
Grants	14,696	17,831	25,891	12,471	70,889
Contributions	3,162	2,209	4,355	-	9,726
Revenue Resources	7	976	71	-	1,054
Funding from Reserves	-	-	-	-	0
Total Funding	68,177	50,363	85,728	29,564	233,832

Council Funding	External Funding
£'000	£'000
63,553	-
55,335	-
33,275	-
-	70,889
-	9,726
1,054	-
0	-
153,217	80,615