

Report of:	Ian Wright - Director of Finance Cllr. Chris Hobson - Executive Member for Finance & Governance
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Submitted to:	Executive - 16 February 2021
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Subject:	Revenue and Capital Budget – Projected Outturn position as at Quarter Three 2020/21
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Summary

Proposed decision(s)

- That the Executive notes the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m, 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 Three predicted outturn of £45.195m against a budget of £50.363m, 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 2021-24 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 Three 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 Three 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 Three Outturn 2020/21

6. As reported in previous reports, 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 44 to 72 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 £294,000 (-0.25%). 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	3,249	2,322	(927)
Environment and Community Services	19,055	18,629	(426)
Public Health and Public Protection	(2,346)	(3,019)	(673)
Education & Partnerships	2,082	1,676	(406)
Children's Care	36,846	40,881	4,035
Adult Social Care and Health Integration	40,295	40,074	(221)
Legal and Governance Services	7,600	8,087	487
Finance	1,258	1,110	(148)
Central Budgets	8,358	6,343	(2,015)
Revenue Outturn	116,397	116,103	(294)

8. This when added to the estimated Covid-19 pressures of £3.090m detailed in paragraphs 44 to 72 results in a total projected outturn pressure at year end 2020/21 of £2.796m. This is a reduction in the total projected outturn pressure of £1.609m from the £4.405m reported at Quarter Two. 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 Three, 35 areas are projected to be spent +/- £150,000 of the agreed budget.

Regeneration

10. There has been one additional letting at Tees Advanced Manufacturing Park (TAMP) following the Quarter Two report, creating additional unbudgeted rental income at the site, with a total of £358,000 unbudgeted additional income expected to be received in 2020/21. There is firm interest in other units on the site, which will result in a further positive effect in the income should any leases be agreed prior to the end of the financial year.
11. An underspend of £359,000 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 £927,000 total underspend on the Regeneration budget projected at year end 2020/21.

Environment and Community Services

13. The Property Services budget is now projected to be overspent by a total of £77,000 at year end, compared to a £10,000 projected underspend reported at Quarter Two. Within this budget there are projected savings of (£321,000) on building running costs due mainly to reduced occupation of buildings during Covid-19 in addition to a reduction in energy costs, in particular electricity where wholesale prices through the

NEPO arrangement have reduced. Savings of (£190,000) are also predicted due to vacant posts within Building Cleaning. However there is a projected overspend on the Integrated Transport Unit budget of £100,000 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. This overspend has decreased from Quarter Two due to drop in the anticipated demand on the service. 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 £275,000, and an overspend of £164,000 is estimated in 2020/21 due to the ongoing closure of the Transporter Bridge. Both of these overspends have increased since Quarter Two.

14. The Transport and Infrastructure budget is projected to be underspent by £263,000, a slight increase from Quarter Two, mainly due to staff savings from vacant posts, and efficiencies from the Streetlighting contract returning in-house.
15. The Environment Services budget is predicted to produce a total saving of £221,000. This is primarily due to an underspend on salary costs due to vacant posts within Catering totalling £149,000. In addition, a saving of £72,000 is expected across the Places and Spaces budgets.

Public Health and Public Protection

16. There are projected savings on Public Health budgets totalling £216,000 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 £427,000, partly as a result of charging staffing costs for work undertaken in relation to Covid-19 to Covid-19 grants.

Education & Partnerships

17. As reported at Quarter Two 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.
18. There are also projected staff savings of £179,000 within Education services. There is potential for further savings at year end relating to school contributions to capital schemes, which if agreed can be funded from other sources will create a revenue saving.

Children's Care

19. Following approval by Executive on 24 November 2020 the £2.913m 2020/21 budget for ongoing demand pressures has been transferred to Children's Care. This has been allocated across the budget headings within Children's Care, with £350,000 being allocated to the Independent Fostering Agency (IFA) placements budget, £500,000 to the in-house fostering budget, £1m to the Family and Friends Allowances budget, and the remainder to the centrally held efficiency budgets. The variances outlined below are shown against the revised budgets for the budget headings.

20. The external residential placements budget is projected to be £955,000 (9%) overspent at year end. This is a reduction of £296,000 from the overspend reported at Quarter Two due to delays in placements being charged to Covid-19 costs. The number of external residential placements has reduced to 64 at Quarter Three, due to initiatives such as the Innovate Team, the Futures for Families Programme, and the provision of 9 places at Daniel Court at which is planned to be fully occupied by the end of March 2021. Phase 2 of the Innovate programme is starting in Quarter Four, but this will take time to fully implement and achieve further financial savings.
21. The Independent Fostering Agency (IFA) placements budget is projected to be £1,141,000 (21%) overspent at year-end, which is a decrease from the £1,859,000 reported at Quarter Two. As reported at Quarter Two this is due to an increased number of placements / cases in 2020/21 and the full year effect of 2019/20 increases. Whilst capacity has been maximised within the internal in-house fostering service, an overspend will still exist on this budget 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.
22. The in-house fostering services budget is projected to be £460,000 (14%) overspent at year-end, compared to the £840,000 overspend reported at Quarter Two. There has been increased demand in 2020/21, in addition to the full year effect of 2019/20 increases. An increase in this budget should be positive as a whole as the cost per child is less expensive than other demand budgets.
23. Demand on the Family and Friends Allowances budget continues to grow and this budget is still projected to have a significant overspend of £1,153,000 (55%) in 2020/21, even after the increase in budget. This is due to 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.
24. There is a predicted overspend of £585,000 (17%) on the Assessment and Care Planning and Children in Need teams budget. Despite charging some costs to Covid-19, 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 supported by the Council's management team. The recruitment of permanent Social work staff is a major challenge to the Council, with the continued reliance on the use of significant levels of agency staff being a significant risk to long term finances of the Council.
25. There is a projected overspend of £269,000 (45%) on the Review and Development budget, due to increased staffing costs to support the reduction in caseloads of social workers to more manageable levels, and the recruitment of agency staff to fill vacant posts due to challenges in recruiting to social worker positions across Children's Services.
26. Internal Residential services is projecting to underspend by £690,000 (24%) at year-end, due to a slower than anticipated implementation of new initiatives and the maximisation of grant funding. Daniel Court and Future for Families are both now

open and increasing occupancy and caseload levels will generate future savings and cost avoidance.

27. Children Looked After teams are projecting a £308,000 (15%) overspend at year end. Similar to Assessment and Care Planning and Children in Need teams, this is mainly due to agency staffing costs to fill vacancies and cover absences. As stated in paragraph 24 the reliance on agency staff, is a significant risk to the Council in the medium to longer term.

Adult Social Care and Health Integration

28. There are projected staff savings across the Service totalling £275,000 due to turnover of staff. Also, there are supplies and services savings of £240,000 across the Service projected at year end.
29. As a result of the Covid-19 pandemic, there is a projected overall reduction in the cost of care packages (mainly residential care) of £525,000. 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 £311,000 at year end.
30. A High Court ruling is anticipated in respect of payments for sleep-in shifts, it is expected the ruling will cost £629,000 in backdated payments (with £195,000 relating to 2019/20). There will be a potential on-going recurring pressure of £434,000 due to this and this will be addressed in the budget set for future years.
31. 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 has been included in the MTFP update presented to this Executive. It is proposed that the projected saving in 2020/21 is transferred at year end 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

32. The Legal Services Childcare Costs budget is projected to overspend by £217,000 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 is a slightly improved position from that reported at Quarter Two. 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.
33. There is a projected overspend on the Strategic, Information and Governance budget totalling £158,000. This comprises of an overspend of £100,000 on the main Strategic, Information and Governance budget and also an overspend of £58,000 on the Mail and Print budget, with both overspends mainly being due to unachievable income targets. The removal of the unachievable income targets has been included as part of the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive.

34. An overspend of £170,000 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

35. An overspend of £200,000 is estimated on the Support Services Income budget which was not reported at Quarter Two, due to lower levels of income being able to be recharged to external bodies such as the Pension Fund. This estimate is based on the outturn position of 2019/20 and further work is required to determine the actual outturn in 2020/21.
36. The Strategic Commissioning and Procurement main budget is projected to underspend by £193,000 at year end, mainly due to increased income from the NEPO contract rebate, in particular relating to the electricity contract and also staff savings generated from an internal review of the service.
37. There is additional unanticipated income of £200,000 estimated to be received by year end due to rental income from the recent purchase of the Captain Cook Shopping Centre.
38. It should be noted that two areas where variances +/- £150,000 were reported at Quarter Two now have variances less than +/- £150,000. These are the Insurance and Risk Management budget which is now projected to overspend by £100,000, rather than the £200,000 reported at Quarter Two. Also the Revenues and Benefits budget is now projected to overspend by £69,000, rather than the £337,000 underspend reported at Quarter Two, due mainly to an increase in the bad debt provisions for income from court costs and housing benefits overpayments and decreases in staff savings due to the filling of vacant posts.

Central Budgets

39. The Capital financing budget is currently projected to be underspent by £200,000 at year-end, due to expected delays on projects and reduced interest rates. This budget will be closely monitored during the remainder of 2020/21 and the final year end position will be reported in the end of year outturn report.
40. At Quarter Two it was reported that there were 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. These have reduced to £30,000 due to the recent receipt of confirmation from the Valuation Office that business rates will not be charged on areas of the buildings that are not being occupied, whereas previously it was assumed that rates would be payable for the whole of the two buildings with effect from July 2020. 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 £327,000 in 2020/21 based on confirmed tenants for the buildings, which is an improvement against the £519,000 reported at Quarter Two, due to quicker than expected lettings as well as the lower than expected non-rent costs. Tenants for the buildings have now signed contracts and will start to occupy the buildings during the remainder of the financial year following fit out of the buildings.

41. As reported at Quarter Two the Section 31 Business Rates Relief Grant budget is projected to underspend by £1,094,000 at year end due to the receipt of additional grant income.
42. The central provision for Pay and Prices is projected to underspend by £504,000 based on the current expected calls on the budget during 2020/21. This is an increased saving of £72,000 from that reported at Quarter Two mainly due to a lower than estimated cost of the staff pay award in 2020/21.

Progress against budget savings

43. 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 62 below. There are a further £674,000 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 Community Services	ECS 19	Reduction in operational costs of fleet vehicles in line with planned efficiencies in services across the authority	86
Environment and Community 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	256
Regeneration	Invest to Save	Housing Delivery Vehicle	90
Public Health and Public Protection	Invest to Save	The Live Well Centre expansion	93
TOTAL			674

Covid-19

44. As reported in the Quarter One and Two reports and the MTFP Update 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 estimates of the position for the current financial year. The paragraphs below provide an update of the position as at Quarter Three. 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

45. As reported previously 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. Four tranches of Covid-19 support funding totalling £15.574m have so far been received for 2020/21. As mentioned above there will be additional expenditure to be incurred if there are further outbreaks and local and/or national lockdowns.

46. As reported previously 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 (Council Tax and Business Rates income) shortfalls over three years as opposed to one year
47. The Sales, Fees and Charges (SFC) scheme which part funds income shortfalls 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. Two claims totalling £3.3m have been made under the scheme covering the periods April to July 2020 and August 2020 to November 2020. It is estimated that Middlesbrough Council will be able to claim a total of approximately £4.7m 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.
48. 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.
49. The Government also announced on 22 October 2020 a Contain Outbreak Management Fund to provide funding to local authorities to support public health activities, such as local enforcement and contact tracing. This was originally based on an amount per head of population depending on which tier a local authority was in and has been extended for the second national lockdown in December. The total amount allocated to Middlesbrough so far is £2.115m which covers the period until the end of December 2020. The Government has announced that there will be further allocations for the remainder of 2020/21 following the national lockdown which started on January 2021, but the actual amounts to be received have not yet been confirmed along with any additional costs to be incurred.
50. In the recent Spending Review and Provisional Local Government Finance Settlement the Government announced that, as well as allowing local authorities to spread the Collection Fund deficit (council tax and business rates income losses) arising in 2020/21 over the next 3 years (2021/22, 2022/23 and 2023/24), their commitment to compensate councils for 75 per cent of irrecoverable Council Tax and Business Rates losses for 2020/21. Further details of the Government funding estimated to be received in 2021/22 for this is detailed in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive.

Costs

51. It is currently estimated that there will be approximately £13.1m 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 £11.3m estimated at Quarter Two, 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.

52. Adult Social Care – there are additional costs of approximately £1.3m due to the Council supporting the Care market through a temporary increase in fees in line with Government guidance, along with other costs relating to Adult Social Care estimated to be £0.4m.
53. Children’s Social Care Costs – there are currently estimated to be approx. £4.4m of total additional costs comprising mainly of delays in placements of children (approximately £1.6m) and also increased staffing and agency staffing costs (approximately £2.5m) 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 be updated in future reports.
54. There are other estimated costs relating to Children’s Services, in particular around Legal Childcare case backlogs (estimated to be £0.3m) and also within transport of children from home to school (currently estimated to be £0.3m).
55. Environment and Community Services – costs estimated to be approx. £0.5m relating to staff costs within Highways Maintenance for work undertaken relating to Covid-19. Also there are estimated increased costs of £0.5m relating to increased costs of waste collection and disposal due to increased tonnages of waste.
56. 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 storage of PPE, Community Hub, Shielding and food supplies etc.
57. Other Covid-19 costs – There are currently estimated to be increased costs of £0.2m 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 £0.2m are estimated within the Revenue and Benefits mainly for additional work undertaken in relation to the distribution of grants to businesses. There are also IT costs for additional equipment of £0.6m.
58. SLM Leisure Trust – As detailed in the Quarter Two 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 £1m in 2020/21. This pressure is subject to amendment dependent on lockdown restrictions which have a direct impact on SLM’s ability to run the Centres. The Department of Culture, Media and Sport (DCMS) have announced the “National Leisure Recovery Fund” to which the Council has been awarded a notional grant of £310,000. The Council will receive formal notification of the amount awarded at the end of February 2021, and any funding received will reduce the pressure stated above.

Reduction in income

59. 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 (£2m)
 - Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Newham Grange Country Park, Parks) (£1m)
 - Catering income from schools (£0.7m)
 - Adult Social Care - In house day centre care provision (£0.7m)
 - 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 run Nurseries (£0.2m)
 - Council Tax Court Costs and Housing Benefits Overpayments (£1m)
 - Commercial Rents – business units, industrial estates, shops and bus station (£0.2m)
 - Capital Finance – Rent and Interest (£0.2m)
60. 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 approximately £7.4m in 2020/21.
61. As mentioned in paragraph 47 it is currently estimated that the Council will receive approximately £4.7m from the SFC scheme in 2020/21.

Unachievable savings

62. There are savings built into the Council's Change Programme totalling approximately £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 reflected in the year end position.

Council Tax and Business Rates Income

63. 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.

64. 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.
65. 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.
66. Our budgeted council tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
67. 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.
68. 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.
69. The current estimated overall financial impact of Covid-19 on Council Tax and Business Rates income to the Council in 2020/21 is £3.696m, but this is still to be confirmed 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 paragraphs 46 and 50 the Government have announced that this can be spread over the next three years meaning that there will be an effect of £1.232m in 2021/22, 2022/23, and 2023/24, also that Government funding to compensate councils for an element of the deficit may be received.

Summary of Covid-19 Financial Pressures

70. The projected financial impact of the Covid-19 pandemic in 2020/21, based on experience in the first nine 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 45 to 50:

	<u>Grant Allocation</u> <u>£m</u>	<u>Committed</u> <u>£m</u>	<u>Grant Remaining</u> <u>£m</u>	<u>Council Cost</u> <u>£m</u>
Income loss (2019/20)		0.492		
Extraordinary costs incurred (2019/20)		0.385		
Extraordinary costs incurred (2020/21)		13.130		
Commercial income losses		0.483		
Unachievable Change Programme savings		1.954		
Total Covid-19 Main grant	15.574	16.445	0.000	0.871
Sales, Fees and Charges (SFC) income loss grant	4.726	6.946	0.000	2.220
Test And Trace	1.566	1.566	0.000	0.000
Control Outbreak Management fund (COMF) (currently £15/head)	2.115	2.002	(0.113)	0.000
Clinically Extremely Vulnerable (CEV) Funding	0.103	0.103	0.000	0.000
Total Other Grants	3.784	3.671	(0.113)	0.000
TOTAL COVID-19 ESTIMATED GRANTS AND COMMITMENTS	24.084	27.061	(0.113)	3.090

71. 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.
72. The above table indicates that there will be a potential financial pressure due to Covid-19 of £3.090m 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

73. 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.
74. 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 and also due to the impact of Covid-19. Monthly reports on agency costs are reported to senior managers for consideration.
75. 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.

76. 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.

77. 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.

78. 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 Three Outturn 2020/21

79. As part of the Quarter Two report to Executive on 2020, Executive approved a revised capital budget for 2020/21 of £50,363,000. Following a further review and the inclusion of new additional schemes, increases to existing schemes, and reductions

to existing schemes (as detailed in paragraphs 81 to 83), it is currently predicted at Quarter Three that the Council will spend £45.195m at year-end. The underspend is mainly due to the way local authorities are now required to account for finance leases.

80. 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.
81. No schemes are currently proposed to be removed from the Investment Strategy. Also no schemes over the £150,000 threshold were transferred between services.
82. It is proposed to add the following two schemes above £150,000, to the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
 - Transporter Bridge – On 22 December 2020 Executive approved the implementation of an initial repair programme and the funding requirements to ensure the ongoing structural integrity of the Transporter Bridge. £655,000 of funds have been added to the Investment Strategy, consisting of £328,000 of Council resources and a contribution of £327,000 from Stockton Council.
 - Contact Centre – £197,000 of Council resources have been added to the Investment Strategy to fund the conversion of a unit within the town centre bus station into a contact centre for Children’s Care. The total cost of the conversion is £254,000, and £57,000 of pre-existing resources have also been transferred from the De-risking Sites budget held within the Finance Directorate to fully fund the scheme.
83. The following additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be included in the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
 - Highways Infrastructure Development Section 106 - £1,000,000 of external funds have been added to the Investment Strategy in 2022/23, due to Section 106 contributions being received in respect of the Grey Towers Farm housing development.
 - Highways Maintenance – On 22 December 2020 Executive approved the addition of £2,098,000 of Council resources for highways infrastructure investment in 2021/22 to enable the immediate inspection of bridges and structures and subsequent repair works to be carried out.
 - Disabled Facilities Grant – On 8 December 2020 the Ministry for Housing, Communities and Local Government announced that additional funding of Disabled Facilities Grant for 2020/2021 had been made available, the award of £269,166 to Middlesbrough Council has been added to the Investment Strategy.

84. The following reduction to an existing scheme within the current Investment Strategy is included within Appendix 2 for consideration and approval :

- Education Primary / Secondary Sufficiency Scheme - £300,000 of Council resources have been removed from the Investment Strategy. This has not had a detrimental effect on the scheme as the Council funding has been replaced by previously unallocated pre-existing Basic Needs grant.

85. It should be noted that a further year will be added to the Investment Strategy in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive, which will be presented for approval by Council on 24 February 2021.

86. 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, increased schemes, reduced schemes, and transfers between directorates are excluded. Explanations for variances of +/- £150,000 across five 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	MEMO	
	Budget	Projected Outturn	Projected Outturn Variance	New, increased & reduced Schemes / transfers £'000	Real projected outturn variance excluding new, increased, & reduced schemes / transfers £'000
	£'000	£'000	£'000		
Regeneration	26,233	25,180	(1,053)	70	(1,123)
Environment and Community Services	8,673	8,993	320	419	(99)
Public Health and Public Protection	0	0	0	0	0
Education & Partnerships	4,618	4,912	294	(300)	594
Children’s Care	723	395	(328)	243	(571)
Adult Social Care and Health Integration	3,633	3,597	(36)	269	(305)
Legal and Governance Services	2,491	1,713	(778)	0	(778)
Finance	3,992	405	(3,587)	(57)	(3,530)
Total	50,363	45,195	(5,168)	644	(5,812)

Regeneration

87. Middlesbrough Development Company - The Development Company has reassessed its funding requirements following the confirmation of start dates for construction works at Tollesby Shops and Bright Ideas sites. This has resulted in £925,000 of planned funding to the company being transferred to 2021/22.

Adult Social Care and Health Integration

88. Disabled Facilities Grant – Demand for the service remains strong however issues associated with Covid-19, including contractor’s ability to undertake the works and concerns from clients who are shielding or those in high risk categories of contracting the virus, have delayed delivery, resulting in £264,000 being transferred into 2021/22.

Legal and Governance Services

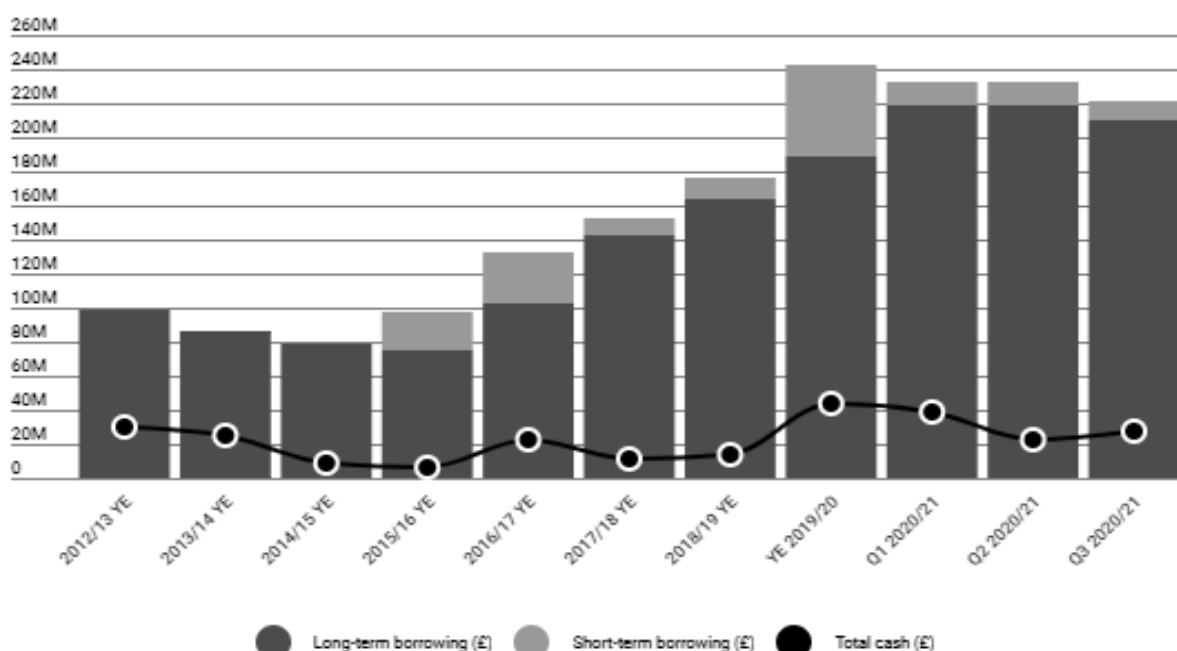
89. Desktop Strategy / Device Refresh – Due to the Covid-19 pandemic the programme of works have been re-prioritised resulting in £177,000 of planned expenditure being re-profiled into 2021/22.
90. Enterprise Agreements – Following a review of the payment profile of the agreements £361,000 of charges previously assumed to be paid in the current financial year have been transferred into 2021/22.

Finance

91. Capitalisation of Property Finance Lease Arrangements – The Chartered Institute of Public Finance and Accountancy (CIPFA) has deferred the requirement to show finance lease arrangements for properties within capital in their statement of accounts by one year. This has resulted in £3,500,000 being transferred into 2021/22.

Borrowing and reserves

92. The Council's total borrowing decreased by £10.3m from Quarter Two to stand at £221.7m at Quarter Three. This was due mainly to a reduction of £8.6m caused by an over recognition of the value of the finance leases for the two Centre Square buildings in the 2019/20 accounts, plus a reduction of £1.7m due to some annuity loans being repaid and the use of some internal borrowing from cash balances.



93. 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.

94. 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	0	746	4,928	0	(2,796)	12,278
Earmarked Reserves	16,068	(2,355)	1,730	(4,887)	0	0	10,557
School balances	3,241	0	0	0	0	0	3,241
Provisions	2,507	0	0	(41)	(35)	0	2,431
TOTAL	31,217	(2,355)	2,476	0	(35)	(2,796)	28,508

What decisions are being asked for?

95. That the Executive notes the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m, and the proposed actions to address this.
96. 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.
97. That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
98. That the Executive notes the 2020/21 capital budget Quarter Three predicted outturn of £45.195m against a budget of £50.363m, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

Why is this being recommended?

99. 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

100. Not applicable.

Impact(s) of recommended decision(s)

Legal

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

Financial

102. The Council's revenue outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £294,000 (-0.25%). This, when added to the estimated Covid-19 pressures of £3.090m, detailed in paragraphs 44 to 72 results in a total projected outturn pressure at year end 2020/21 of £2.796m. The total overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.
103. The predicted 2020/21 capital budget outturn at Quarter Three is £45.295m, which if approved will become the revised Investment Strategy budget.

Policy framework

104. 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

105. 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

106. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Strategic Plan 2020-23 – Progress at Quarter Three 2020/21 report.

Actions to be taken to implement the decision(s)

107. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.
108. The actions outlined within the body of the report in relation to overspending within Children's Safeguarding will continue to be implemented.
109. The virements detailed in Appendix 1 will be actioned in the Council's accounts following approval by Executive.
110. 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 of Middlesbrough 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
02/09/20	Council	Revenue and Capital Budget – 2020/21 Quarter One Projected Outturn position and the use of reserves for in year Covid-19 Pressures
29/09/20	Executive	Medium Term Financial Plan Update
24/11/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2020/21
24/11/20	Executive	Refreshing the Strategic Plan for the 2021-24 period
24/11/20	Executive	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
22/12/20	Council	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
16/2/21	Executive	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22

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Appendix 1 : Proposed virements over £150,000 at Quarter Three 2020/21

<i>Proposed Virement Request</i>	Regeneration £000s	Environment & 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>									
Transfer of Mail and Print budget from Revenues & Benefits relating to cessation of Kier contract							161	(161)	
Total Virement	0	0	0	0	0	0	161	(161)	0
								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	775	1,798	784	4,235	3,344	891
Teesside Media & Innovation Village	7	-	-	-	7	7	-
Middlehaven Related Projects	1,180	132	102	500	1,914	1,865	49
Housing Growth	253	406	2,155	1,201	4,015	3,711	304
BOHO 8	113	2,462	-	-	2,575	-	2,575
BOHO X	440	1,110	11,415	13,960	26,925	1,900	25,025
Acquisition of Town Centre Properties	-	10,090	-	30,000	40,090	40,090	-
Centre Square Buildings 1 & 2	12,665	-	-	-	12,665	12,665	-
Middlesbrough Development Company	700	1,745	12,158	-	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	1,000	1,730	-	1,730
Stainton Way Dixon Bank Junction - Section 106	1,348	12	-	-	1,360	12	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	64	-	-	135	64	71
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	-	416	-	500	-	500
Local Transport Plan	922	1,072	621	-	2,615	51	2,564
Hemlington Grange Way	318	-	-	-	318	318	-
Town Hall Venue Development	68	85	22	-	175	175	-
Cultural Transformation	-	-	35	-	35	35	-
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	27	31	-	80	80	-
Newham Grange Leisure Farm	890	99	-	-	989	989	-
Leisure Trust Investment - Equipment	-	-	75	-	75	75	-
Town Hall Telephone Kiosks Upgrade	-	15	-	-	15	15	-
Stewart Park Section 106	-	-	45	-	45	-	45
Total Regeneration	41,338	25,180	32,557	47,975	147,050	94,996	52,054

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
Environment and Community Services	£'000	£'000	£'000	£'000	£'000		
Purchase of New Vehicles	1,889	358	870	1,000	4,117	4,117	-
Capitalisation of Wheeled Bin Replacement	100	100	100	100	400	400	-
Capitalisation of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	220	220	-
Capitalisation of Highways Maintenance	575	575	575	575	2,300	2,300	-
Property Services Building Investment	340	340	340	340	1,360	1,360	-
Parks Improvement	97	83	-	-	180	180	-
Bereavement Services	412	-	-	-	412	412	-
Middlesbrough Sports Village	-	-	-	-	-	(404)	404
Nunthorpe Playing Fields Section 106	6	57	-	-	63	-	63
Local Transport Plan - Highways Maintenance	1,547	2,465	2,198	-	6,210	2,098	4,112
Street Lighting-Maintenance	358	578	468	468	1,872	1,872	-
Urban Traffic Management Control	7	393	100	-	500	-	500
Flood Prevention	206	144	-	-	350	-	350
DFT Pothole Fund	-	1,100	-	-	1,100		1,100
Members Small Schemes	25	33	108	60	226	226	-
Property Asset Investment Strategy	2,341	1,083	548	1,099	5,071	5,000	71
Nunthorpe Sports Facilities	-	-	100	-	100	-	100
East Middlesbrough Community Hub	1,367	129	900	-	2,396	2,396	-
Christmas Lights	-	350	-	-	350	350	-
Section 106 Ormesby Beck	-	-	15	-	15	-	15
Section 106 Cypress Road	-	-	20	-	20	-	20
Hostile Vehicle Mitigation	-	495	75	-	570	570	-
Transporter Bridge	-	655	-	-	655	328	327
Total Environment and Community Services	9,325	8,993	6,472	3,697	28,487	21,425	7,062

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
Public Health and Public Protection	£'000	£'000	£'000	£'000	£'000		
Health and Wellbeing Hub	30	-	756	-	786	679	107
Middlesbrough Alcohol Centre of Excellence	245	-	-	-	245	-	245
Total Public Health and Public Protection	275	-	756	-	1,031	679	352

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
Education & Partnerships	£'000	£'000	£'000	£'000	£'000		
Block Budget (Grant) School Condition Allocation	-	-	124	-	124	-	124
Block Budget (Grant) Basic Needs	-	-	6,907	-	6,907	-	6,907
Block Budget (Grant) Special Provision Fund	-	-	-	-	-	-	-
Schemes in Maintained Primary Schools	2,538	2,786	930	125	6,379	1,878	4,501
Schemes in Primary Academies	11	221	28	-	260	-	260
Schemes in Secondary Academies	-	865	1,786	-	2,651	-	2,651
Schemes in Special Schools	78	936	147	-	1,161	594	567
Capitalisation of Salary Costs	102	104	106	-	312	0	312
Contribution to New School at Middlehaven	-	-	1,700	-	1,700	700	1,000
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	-	-	7	-	7	-	7
Caldicotes 2 year old provision	56	-	-	-	56	-	56
Total Education & Partnerships	2,785	4,912	11,735	125	19,557	3,172	16,385

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Children's Care	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	209	336	35	-	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	-	20	150	16	186
Children's Care Residential Provision	-	-	230	-	230
Contact Centre - Bus Station Unit 1	-	20	214	20	254
Total Children's Care	591	395	629	36	1,651

Council Funding	External Funding
£'000	£'000
553	27
155	-
225	-
1	13
-	7
186	-
230	-
254	-
1,604	47

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Adult Social Care and Health Integration	£'000	£'000	£'000	£'000	£'000
Chronically Sick and Disabled Persons Act - All schemes	740	630	735	610	2,715
Disabled Facilities Grant - All schemes	2,194	2,681	2,729	-	7,604
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Assistance Loan	8	-	-	-	8
Home Loans Partnership (formerly 5 Lamps)	0	60	21	-	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	3,597	3,645	660	11,272

Council Funding	External Funding
£'000	£'000
2,608	107
823	6,781
200	-
-	8
-	81
-	73
330	54
-	207
3,961	7,311

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Legal & Governance Services	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	303	283	177	-	763
Enterprise Agreements	256	345	361	-	962
CRM	-	69	46	-	115
ICT BOHO	20	-	-	-	20
IT Refresh - Scanning	81	-	-	-	81
Early Help Module (Children's)	42	-	-	-	42
IT Refresh - Network Refresh	180	7	156	-	343
IT Refresh - Lights On	200	253	48	-	501
IT Refresh - LCS Development Capture	5	-	25	-	30
IT Refresh - Business Intelligence	-	3	-	-	3
ICT Essential Refresh & Licensing	65	341	2,339	2,185	4,930
ICT Innovation Budget	14	324	162	-	500
GIS Replacement	218	38	129	-	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 & Governance Services	1,584	1,713	3,550	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 & Bene	38	74	360	-	472
Business World Upgrade	-	35	30	-	65
Derisking Sites	247	254	104	1,200	1,805
Town Centre Accommodation Strategy	143	42	-	4,396	4,581
Capitalisation of Property Finance Lease Arrangements	-	-	3,500	1,000	4,500
Middlesbrough Share in Veritau Tees Valley	20	-	-	-	20
					-
Total Finance	448	405	3,994	6,596	11,443

Council Funding	External Funding
£'000	£'000
472	-
65	-
1,805	-
4,581	-
4,500	-
20	-
11,443	-

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
All Directorates	£'000	£'000	£'000	£'000	£'000
Total All Directorates	59,716	45,195	63,338	61,274	229,523

Council Funding	External Funding
£'000	£'000
146,312	83,211

	Total Funding				
	2019/20	2020/21	2021/22	2022/23	TOTAL
Funded by:-	£'000	£'000	£'000	£'000	£'000
Borrowing	28,312	18,549	13,490	10,728	71,079
Finance Leases	12,374	-	3,500	31,000	46,874
Capital Receipts	1,165	5,358	14,597	5,951	27,071
Grants	14,700	18,081	25,787	12,595	71,163
Contributions	3,158	2,140	5,750	1,000	12,048
Revenue Resources	7	1,067	214	-	1,288
Funding from Reserves	-	-	-	-	-
Total Funding	59,716	45,195	63,338	61,274	229,523

Council Funding	External Funding
£'000	£'000
71,079	-
46,874	-
27,071	-
-	71,163
-	12,048
1,288	-
-	-
146,312	83,211

Note

Expenditure and funding in 2019/20 has decreased by £8,461,000 from previous reports due to a change in the accounting requirement for the recognition of the Centre Square Buildings following the 2019/20 audit of the Council's accounts.