

# Middlesbrough Council - Draft Summary of Accounts 2020/21



*Covid Vaccination Bus – Central Middlesbrough*

## Financial Review

The draft Statement of Accounts for Middlesbrough Council provides a detailed analysis of the Council's financial position at 31 March 2021, and a summary of its income, expenditure, assets & liabilities during 2020/21. The accounts are in parts technical and complex as they have been prepared to comply with the requirements of the Chartered Institute of Public Finance and Accountancy as prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom and to comply with International Financial Reporting Standards. The draft accounts are available in full on the Council's website: [www.middlesbrough.gov.uk](http://www.middlesbrough.gov.uk).

The draft Statement of Accounts is being considered by the Council's Corporate Affairs & Audit Committee on 22 July 2021 before the external audit process commences. The Independent Auditor's Report to the Members of Middlesbrough Council will confirm whether the accounts provide a true and fair view of the Council's financial position at that time and any issues that are identified as part of the Audit.

In this summary accounts document, we are looking to provide a more understandable and accessible way of stakeholders and members of the public accessing the key figures and highlights for Middlesbrough Council on its financial position. Given the complexities of local government finance, the information provided has been simplified and combined to make it more meaningful information to the user.

At 31<sup>st</sup> March 2021, the United Kingdom was starting to emerge from an unprecedented public health pandemic due to Covid-19 following an arduous 12 months with four specific periods of lockdown restrictions. Although most of the long-term effects of the virus are at present still difficult to forecast, a return to normal now seems possible in the latter part of 2021, largely due to the success of the UK vaccination programme. The draft Statement of Accounts will aim to give the appropriate context as to how the Council responded to the pandemic and what impact it has had on the Council's financial position and performance during the year. It will also consider its future prospects given that a number of local authorities have reported financial problems expected in the short to medium term. The summary below will give highlights about how the pandemic has impacted on the financial position.

For further information in relation to the finances of Middlesbrough Council, please contact the Director of Finance, Civic Centre, Middlesbrough, TS1 9FT.

### **Revenue Budget 2020/21**

In setting the revenue budget for the financial year, service budget reductions totalling £6.4 million were approved by the Council on 26th February 2020, together with a 1.99% increase in the general level of council tax plus an additional 2% on the adult social care precept.

The revenue budget for 2020/21 was approved at £116.397 million, funded as set out below:

|  | £m             |
|--|----------------|
| Revenue Support Grant                      | 12.154         |
| Top Up Payment                             | 27.299         |
| Local Share of Non Domestic Rates          | 17.659         |
| Council Tax                                | 58.707         |
| Collection Fund Balance                    | 0.578          |
| <b>Total net revenue budget in 2019/20</b> | <b>116.397</b> |

### **Investment Strategy 2020/21**

The refreshed investment strategy for the Council covers the period 2020/21 to 2022/23. It maintains the Council's capital investment in long-term assets (principally building the town's economic base, driving financial self-sufficiency and transforming how the Council delivers services) at around £200m over the period.

The capital expenditure budget for the financial year was originally set at £65.8m, funded by borrowing of £23.4m, capital receipts of £14.7m, grants & contributions of £23.8m and funding from reserves of £3.9m.

## **Financial Outturn position**

The budget outturn for the Council was reported to Executive on 15 June 2021 and summarises the Council's final position in respect of the revenue budget, Covid-19 costs and the investment strategy.

### **Revenue**

The final position achieved on non-covid budgets in 2020/21 was an underspend of £2,391 million. This under spend position was achieved by stringent financial controls being in place within the Council but also the impact of the pandemic on how services were delivered and what funding was received from central government. The table below summarises the position by Council Directorate.

| <b>Directorate</b>                      | <b>Full Year Budget<br/>£'000</b> | <b>Full Year Outturn<br/>£'000</b> | <b>Over/(under) spend<br/>£'000</b> |
|---|-----------------------------------|------------------------------------|-------------------------------------|
| Regeneration                            | 3,571                             | 2,416                              | (1,155)                             |
| Environment and Community Services      | 19,144                            | 18,329                             | (815)                               |
| Public Health and Public Protection     | (2,784)                           | (3,505)                            | (721)                               |
| Education and Partnerships              | 2,082                             | 1,784                              | (298)                               |
| Childrens Care                          | 38,247                            | 42,480                             | 4,233                               |
| Adult Social Car and Health Integration | 37,776                            | 35,827                             | (1,949)                             |
| Legal and Governance Services           | 8,354                             | 8,631                              | 277                                 |
| Finance                                 | 1,298                             | 1,107                              | (191)                               |
| Central Budgets                         | 8,709                             | 6,937                              | (1,772)                             |
| <b>Revenue outturn</b>                  | <b>116,397</b>                    | <b>114,006</b>                     | <b>(2,391)</b>                      |

From this underspend, it was agreed by the Council's Executive to transfer £0.438m of the Public Health grant underspend to a Public Health Reserve and £1.598m to an Adult Social Care Covid Recovery Reserve. Both of these transfers are to help fund the future costs of Covid-19 recovery by the Council. Once these have been taken into account the revised underspend against the revenue budget is **£0.355m** for the financial year.

As with previous financial years, the significant revenue budget pressure experienced during 2020/21 continues to be in relation to Children's Services where additional costs on Children's Care (mainly residential agency placements, in-house foster carers, independent fostering agency payments and family and friends' allowances) ended up being £4.2m over budget. This compares with £7.9m over budget in the 2019/20 financial year and illustrates that some of the initiatives introduced over the last couple of years are starting to take effect as placements are managed more effectively and care packages are reviewed. Demand though still remains high within the Borough and above the additional resources that have been allocated to the directorate via the budget process in recent years.

This over spend position corporately for the Council was mitigated by planned savings requirements co-ordinated across all directorates and through stringent financial controls on expenditure budgets, such as staff savings, and an additional focus on income generation via new initiatives such as the Teesside Advanced Manufacturing Park. An additional £1.1m was released via S31 Business rates grant which had been kept in contingency for previous years.

Given the minor underspend position, general reserves at the end of the 2020/21 financial year are at £10.5m which is above the minimum threshold of £9.4m recommended by the Director of Finance.

### **Covid-19 and the financial impact on 2020/21**

The Covid-19 pandemic has had a significant impact on all local authority finances and this will last for years to come in line with the impact on the Country's national finances. The government recognised this immediately in terms of additional funding but also the role that these organisations would play in leading the fight against the pandemic at a local level. In total, four tranches of funding were received for general Covid-19 support during 2020/21 totalling £15.574m. £0.877m of this was used in the previous financial year leaving £14.697 available for use.

The Sales Fees & Charges Scheme (SFC) scheme, which part funds income shortfalls, whereby local authorities will absorb losses up to 5% of their planned budgeted 2020/21 income, with the Government compensating them for every 75p in the pound of any relevant loss thereafter. Two claims totalling £3.3m have been made under the scheme in the financial year with a third claim covering the final part of 2020/21 for £1.1m made at the end of May 2021. The SFC scheme will continue operating for the first quarter of 2021/22.

A national allocation of Test, Trace and Trace funding was also announced in June 2020. This funding is ringfenced for the testing regime and for any potential local outbreaks. The allocation for Middlesbrough was £1.566m. The Council spent £0.879m of this funding in 2020/21 with £0.687m being available for use in 2021/22.

During 2020/21 the Government also announced a Clinically Extremely Vulnerable grant of £0.538m to provide support those at most risk from Covid. £0.340m was used, with £0.198m being rolled forward to 2021/22.

A further Contain Outbreak Management Fund was announced during October 2020 to provide funding to local authorities to support public health activities, such as local enforcement and contract tracing. This was originally based on an amount per head of population depending on which tier a local authority was in. The total amount allocated to Middlesbrough for 2020/21 was £3.968m and this was fully utilised in the financial year.

Various specific grant funding totalling approximately £5.3m was also provided to Adult Social Care, comprising on Infection Control, Workforce Capacity Fund and Rapid Testing.

Also in the spending review and local government finance settlement the Government announced that as well as allowing local authorities to spread collection fund deficits (council and business rates losses) over the next 3 years, they would compensate Councils for 75% of any losses below a pre-determined income threshold.

The financial impact of the Covid-19 pandemic on the Council is summarised below:

|  | <u>Grant<br/>Allocation<br/>2020/21</u> | <u>Actual<br/>2020/21</u> | <u>Cost to<br/>Council<br/>2020/21</u> |
|--|---|---------------------------|--|
|  | <u>£m</u>                               | <u>£m</u>                 | <u>£m</u>                              |
| Extraordinary costs incurred                                     |   | 10.697                    |  |
| Commercial income losses   |   | 0.499                     |  |
| Unachievable Change Programme savings                            |   | 1.803                     |  |
| <b>Total Covid-19 General Support grant (2020/21)</b>            | <b>14.697</b>                           | <b>12.999</b>             | <b>-1.698</b>                          |
| <b>Sales, Fees and Charges (SFC) income loss grant (2020/21)</b> | <b>4.411</b>                            | <b>6.525</b>              | <b>2.114</b>                           |
| <b>NET COST TO COUNCIL OF COVID-19 2020/21</b>                   |   |                           | <b>0.416</b>                           |
| <b><u>OTHER COVID-19 GRANTS</u></b>                              |   |                           |  |
|  | <u>Grant<br/>Allocation<br/>2020/21</u> | <u>Actual<br/>2020/21</u> | <u>Grant<br/>Remaining</u>             |
|  | <u>£m</u>                               | <u>£m</u>                 | <u>£m</u>                              |
| Clinically Extremely Vulnerable (CEV) - see Note 1               | 0.538                                   | 0.340                     | 0.198                                  |
| Test And Trace - see Note 2                                      | 1.566                                   | 0.879                     | 0.687                                  |
| Contain Outbreak Management Fund (COMF) - see Note 2             | 3.968                                   | 3.968                     | 0.000                                  |
| <b>Total Other Covid-19 Grants</b>                               | <b>6.072</b>                            | <b>5.187</b>              | <b>0.885</b>                           |

### *Additional Expenditure & Income*

There was an additional £10.7m of expenditure above the specific grant funding allocated by government. This included £1.3m for Adult Social Care due to a temporary increase in fees to the care market in line with government guidance. £2.2m was incurred due to delays in placements of Children. £1.3m in procurement and storage of personal protective equipment. £1m in increased highways maintenance work and waste disposal and collection costs. A further £1m was payable in support of the SLM Leisure Trust due to staff being furloughed and impacts on the subsidy as part of the leisure contract. There was also additional ICT equipment required of £0.6m to allow staff to work from home.

The impact of the lockdown closure of facilities and service has resulted in a loss of totalling £7m for 2020/21, across a broad range of areas. The main areas are as follows:

- Car Parking (£1.9m)
- Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Parks) (£0.9m)
- Catering income from schools (£0.5m)
- Adult Social Care - In house day centre care provision (£0.7m)
- Libraries and Community Hubs – room hire, book sales, and fines (£0.1m)
- Highways - Capital Works and Street Permit income (£0.2m)
- Education Services income from schools (£0.2m)
- Council run Nurseries and Children’s Centres (£0.4m)
- Council Tax Court Costs and Housing Benefits Overpayments (£0.8m)
- Commercial Rents - business units, industrial estates, shops, bus station (£0.2m)
- Capital Finance - Rent and Interest (£0.2m).

### *Council Tax and Business Rates Income*

During the year there were a number of issues caused by Covid-19 that resulted in significant losses in these areas. These are accounted for in the Collection Fund, a separate legal fund outside of the revenue budget:

- There was an increase in people claiming Local Council Tax Support due to the economic impact of the pandemic. This led to a reduction in the level of council tax collected as those on support only pay 20% of their regular bill. Although the government provided £2.8m of support for this hardship issue, there was still an effect on the collection rate and income generated.
- Housing growth levels may have reduced due to the disruption caused by the pandemic and this will lead to lower income level if less than budgeted.
- The amount of relief given to businesses, particularly for Leisure, Hospitality and Retail, was increased from 33% to 100% as a result of the pandemic. This resulted in a pressure of circa £17m. Most of this was compensated by S31 grant from Government.
- The level of outstanding council tax and business rates debt has increased and the Council had to review the potential to collect that debt and increase the levels of the bad debt provision where appropriate.
- Government agreed to pay 75% of income losses below an identified threshold due to the pandemic. The Council did not qualify for either of these due to improved collection rates later in the year.

The final outturn position after the various pressures on the Collection Fund was as follows:

| <b>Funding</b> | <b>Total Deficit<br/>£000</b> | <b>Share with<br/>preceptors<br/>%</b> | <b>Share<br/>of<br/>Deficit<br/>£000</b> | <b>S31<br/>Grant</b> | <b>Final<br/>Deficit<br/>£000</b> | <b>3-year<br/>spread<br/>£000</b> |
|----------------|-------------------------------|--|--|----------------------|-----------------------------------|-----------------------------------|
| Council Tax    | 2,978                         | 83.35                                  | 2,482                                    | -                    | 2,482                             | 827                               |
| Business Rates | 21,784                        | 49.00                                  | 10,674                                   | (10,555)             | 119                               | 40                                |
| <b>Total</b>   | <b>24,762</b>                 |  | <b>13,156</b>                            | <b>(10,555)</b>      | <b>2,601</b>                      | <b>867</b>                        |

The final outturn positions for council tax and business rates were much improved from the statutory amounts incorporated into the budget setting in February 2021 by approximately £0.4m per year over the 3-year spread period to 2023/24. The improved amounts will be incorporated into the next MTFP refresh.

### *Capital*

The table below summarises the capital outturn position for 2020/21. Total capital expenditure of £42.078m was achieved against a revised budget of £45.195m.

| <b>Directorate</b>                          | <b>Revised Budget<br/>£'000</b> | <b>Full Year Outturn<br/>£'000</b> | <b>Over/<br/>(under)<br/>spend<br/>£'000</b> |
|---|---------------------------------|------------------------------------|--|
| Regeneration                                | 25,180                          | 24,960                             | (220)  |
| Environment and<br>Community Services       | 8,993                           | 7,524                              | (1,469)                                      |
| Public Health and Public<br>Protection      | 0                               | 0                                  | 0  |
| Education and Partnerships                  | 4,912                           | 4,093                              | (819)  |
| Childrens Care                              | 395                             | 414                                | 19   |
| Adult Social Care and<br>Health Integration | 3,597                           | 3,012                              | (585)  |
| Legal and Governance<br>Services            | 1,713                           | 1,596                              | (117)  |
| Finance                                     | 405                             | 479                                | 74   |
| <b>Total</b>                                | <b>45,195</b>                   | <b>42,078</b>                      | <b>(3,117)</b>                               |

The £3m underspend above is a combination of delays due to the joint tender arrangements on the inspection of bridges and other structures (£1.1m), delays on Middlesbrough Development Company council funded schemes (£0.7m) due to funding issues, and delays on other capital schemes resulting from a lack of contractor availability due to the pandemic or other Covid-19 related delays. These under budget positions were offset by bringing forward the sale of the new civic centre at Fountain Court (£1.8m).

The capital expenditure above was funded by a combination of borrowing of £18.2m, capital receipts of £6.4m and grants & contributions of £17.5m.

## Core Financial Statements 2020/21

The **Comprehensive Income and Expenditure Statement** – shows the income and expenditure of the Council for the last financial year in line with both the statutory and CIPFA Accounting Code of Practice requirements. In order to conform with these and generally accepted accounting practice, a number of technical adjustments are required within the accounts for charges related to fixed assets, pensions costs, financial instruments and collection fund accounting. The final position on this statement is set out below:

| Comprehensive Income and Expenditure Statement  | 2020/21           |                  |                           |
|---|-------------------|------------------|---------------------------|
|   | Gross Expenditure | Gross Income     | Net Expenditure /(Income) |
| Cost of Services by Service Area  | £000              | £000             | £000                      |
| Regeneration  | 17,672            | (11,877)         | 5,795                     |
| Public Health & Public Protection   | 18,313            | (26,097)         | (7,784)                   |
| Education   | 83,717            | (79,831)         | 3,886                     |
| Children's Care   | 50,682            | (5,022)          | 45,660                    |
| Business Performance and Change   | 0                 | 0                | 0                         |
| Adult Social Care and Health Integration  | 96,239            | (56,889)         | 39,350                    |
| Environment and Community Services  | 52,019            | (8,564)          | 43,455                    |
| Finance   | 76,557            | (64,267)         | 12,290                    |
| Legal and Governance Services   | 18,148            | (4,474)          | 13,674                    |
| Prevention and Partnerships   | 0                 | 0                | 0                         |
| Central Costs   | 473               | (5,989)          | (5,516)                   |
| Covid-19 Overspend  | 0                 | 416              | 416                       |
| <b>Total Cost of Service</b>  | <b>413,820</b>    | <b>(262,594)</b> | <b>151,226</b>            |
| Other Operating Income and Expenditure  | 6,639             | (6,224)          | 415                       |
| Financing & Investment Activities   | 37,191            | (27,210)         | 9,981                     |
| Taxation and Non Specific Grants  | 0                 | (127,559)        | (127,559)                 |
| <b>(Surplus) or Deficit on Provision of Services</b>  | <b>457,650</b>    | <b>(423,587)</b> | <b>34,063</b>             |
| <i>Items that will not be re-classified to the Surplus or Deficit on the Provision of Service</i> |                   |                  |                           |
| (Surplus) or Deficit on revaluation of Property Plant and Equipment Assets                        |                   |                  | (641)                     |
| Actuarial (Gains) or Losses on Pension Fund charged to the Pensions Reserve                       |                   |                  | 10,265                    |
| Depreciation written out to the Revaluation reserve   |                   |                  | (4,166)                   |
| <b>Other Comprehensive Income and Expenditure</b>   |                   |                  | <b>5,458</b>              |
| <b>Total Comprehensive Income and Expenditure</b>   |                   |                  | <b>39,521</b>             |

There is a difference of £36m between the revenue outturn position reported to Executive and the deficit on the provision of services in the statement above. This reflects a number of technical accounting adjustments to comply with proper accounting practice. None of these affect the Council's financial position or reserves. These cover a combination of capital, pensions and collection fund accounting adjustments. Further details on these adjustments can be found in the notes to the statement of accounts.

The **Balance Sheet** – shows the value at the 31<sup>st</sup> March 2021 of the assets and liabilities owned or owed by the Council. The net assets (assets less liabilities) are matched by revenue and capital reserves held.

| 31 March<br>2020 | Balance Sheet                                    | 31 March<br>2021 |
|------------------|--|------------------|
| £000             |  | £000             |
| 400,052          | Property, Plant & Equipment                      | 396,851          |
| 27,563           | Heritage Assets                                  | 32,443           |
| 19,195           | Other Long Term Assets                           | 27,409           |
| 55,414           | Money Owed to the Council                        | 57,831           |
| 52,146           | Cash, Investments, Stocks and Assets for<br>Sale | 29,729           |
| <b>554,370</b>   | <b>Total Assets</b>                              | <b>544,263</b>   |
| (234,670)        | Borrowing  | (218,756)        |
| (44,981)         | Money owed by the Council                        | (58,305)         |
| (283,561)        | Pension Scheme                                   | (314,066)        |
| (2,507)          | Provisions                                       | (4,006)          |
| <b>(11,349)</b>  | <b>Assets Less Liabilities</b>                   | <b>(50,870)</b>  |
|                  |  |                  |
| (41,934)         | Usable Reserves                                  | (56,770)         |
| 53,283           | Unusable Reserves                                | 107,640          |
| <b>11,349</b>    | <b>Total Reserves</b>                            | <b>50,870</b>    |

The net total of assets less liabilities has reduced over the financial year by just over £39m. The Council is now in a negative net worth position. Most of the movement in-year relates to an ongoing increase in pensions liabilities. It is expected that the assets that underpin the scheme will grow over time to offset these liabilities and to restore the positive nature of the balance sheet position.

The main reasons for the changes in the Balance Sheet in 2020/21 are as follows:

**Assets (what the Council owns)** - £10m decrease in total: The Council had very high cash levels at the end of March 2020 due to taking short term borrowing for liquidity purposes at the start of the pandemic plus receiving some large up-front payments from central government just before the year-end. These have now returned to more normal levels with the borrowing repaid and much of cash funds used in the Council's Covid-19 response.

**Liabilities (what the Council owes)** – £30m increase in total: Long term liabilities have increased mainly due to the current valuation of the pension fund, low corporate bond rates and the incorporation of a number of recent landmark legal cases into pensions entitlement and higher pension liabilities as a result. The other major change relates to some Covid grants that require repayment back to central government now that the lockdown period has come to an end.

**Usable Reserves (available funds)** – £14m increase in total: Usable reserves have increased markedly for the Council in line with most other local authorities. However most of this funding is either rolled forward Covid-19 funding which will be used in the first quarter of 2021/22 or is monies set aside by the Council for Covid-19 recovery costs and is not available for general purposes.

**Unusable Reserves (unavailable funds)** – £54m decrease in total: These are reserves held by the Council that cannot be used to fund revenue activities or capital investment. They contain the net sum of all the accounting entries that do not affect usable reserves on either assets or liabilities.



## Collection Fund Accounts

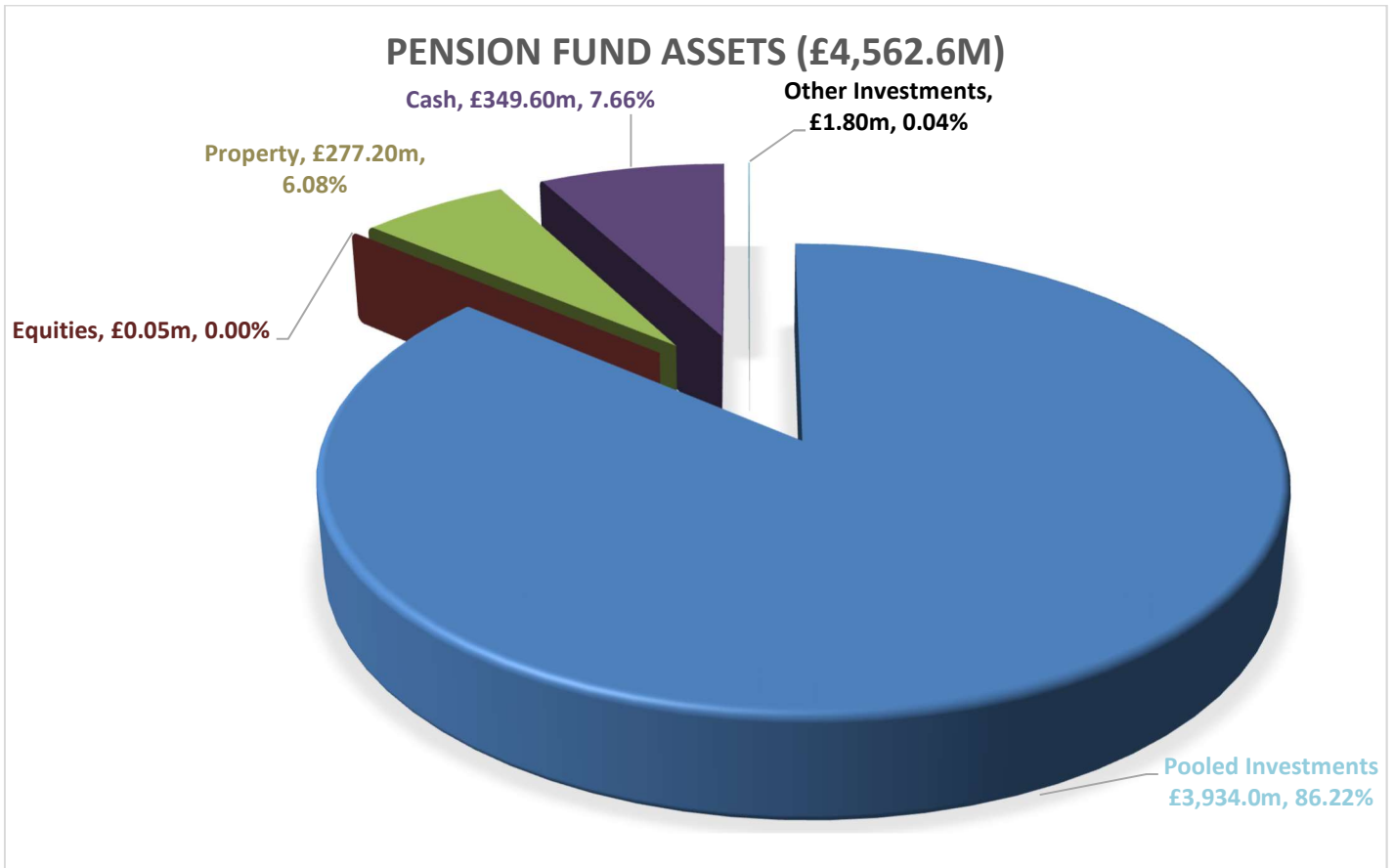
The Collection Fund summarises the transactions of Middlesbrough Council (as the billing authority) in relation to the collection from taxpayers and the redistribution to local Authorities and the Government of Council Tax and Business Rates. These are an important element of funding the Council's revenue budget with the relevant sums and balances at the financial year end set out below. There is a reduced financial position in 2020/21 due to the pandemic and some of the reliefs and support that have been given to individuals due to Covid-19. The Council can spread any losses from this year over the next three financial years.

| 2019/20   |   | 2020/21         |                 |                 |
|-----------|---|-----------------|-----------------|-----------------|
| £000      |   | £000            | £000            | £000            |
| Total     |   | Council Tax     | Business Rates  | Total           |
|           | <b>Income</b>   |                 |                 |                 |
| (69,475)  | Council Tax receivable                                | (73,013)        | 0               | (73,013)        |
| (36,469)  | Business Rates receivable                             | 0               | (15,314)        | (15,314)        |
| (105,944) | <b>Total Income</b>                                   | <b>(73,013)</b> | <b>(15,314)</b> | <b>(88,237)</b> |
|           | <b>Expenditure</b>                                    |                 |                 |                 |
|           | <b>Precepts and Demands:</b>                          |                 |                 |                 |
| 55,285    | Middlesbrough Council                                 | 58,707          | 0               | 58,707          |
| 8,420     | Cleveland Police and Crime Commissioner               | 8,941           | 0               | 8,941           |
| 2,600     | Cleveland Fire Authority                              | 2,705           | 0               | 2,705           |
|           | <b>Business Rates</b>                                 |                 |                 |                 |
| 17,807    | Payments to Central Government                        | 0               | 17,886          | 17,886          |
| 356       | Payments to Cleveland Fire Authority                  | 0               | 358             | 358             |
| 17,451    | Payments to Middlesbrough Council                     | 0               | 17,528          | 17,528          |
| 172       | Costs of Collection                                   | 0               | 170             | 170             |
|           | <b>Bad &amp; Doubtful Debts</b>                       |                 |                 |                 |
| 174       | Write Offs  | 0               | (1)             | (1)             |
| 4,180     | Provision for Bad Debts                               | 5,401           | 1,796           | 7,197           |
| (320)     | Provision for Appeals                                 | 0               | (431)           | (431)           |
| 106,125   | <b>Total Expenditure</b>                              | <b>75,754</b>   | <b>37,306</b>   | <b>113,060</b>  |
|           | <b>Contributions towards previous year's estimate</b> |                 |                 |                 |
| 238       | Collection Fund Deficit / (Surplus)                   | 562             | 222             | 784             |
| 419       | <b>Deficit / (Surplus) for the Year</b>               | <b>3,303</b>    | <b>22,214</b>   | <b>25,517</b>   |
|           | <b>COLLECTION FUND BALANCE</b>                        |                 |                 |                 |
| (1,174)   | Balance brought forward at 1 April                    | (325)           | (430)           | (755)           |
| 419       | Deficit / (Surplus) for the year (as above)           | 3,303           | 22,214          | 25,517          |
| (755)     | <b>Balance carried forward at 31 March</b>            | <b>2,978</b>    | <b>21,784</b>   | <b>24,762</b>   |
|           | <b>Allocated to:</b>                                  |                 |                 |                 |
| (482)     | Middlesbrough Council                                 | 2,484           | 10,674          | 13,158          |
| (41)      | Cleveland Police and Crime Commissioner               | 379             | 0               | 379             |
| (17)      | Cleveland Fire Authority                              | 115             | 218             | 333             |
| (215)     | Central Government                                    | 0               | 10,892          | 10,892          |
| (755)     | <b>Balance carried forward at 31 March</b>            | <b>2,978</b>    | <b>21,784</b>   | <b>24,762</b>   |

## Teesside Pension Fund - Summary of Accounts

The Teesside Pension Fund (administered by Middlesbrough Council) is independently managed and legally separate from the Council's own finances. This statement is an extract from the Pension Fund's accounts and summarises the financial position of the Fund, including all income and expenditure for 2019/20, assets, and liabilities as at 31 March 2021. It is useful to include the financial position on the fund within this summary given that the Council is the accountable body.

The following chart summarises the Assets of the Fund at the end of the financial year:



The assets on the pension fund have increased from £3,713.2m to £4,562.6m, an increase of 18.6% during the financial year. This is due partly due to the financial markets recovering from the initial shock of the pandemic in March 2020 and recovering any losses from this period. This is also due to having an appropriate investment strategy in place and these assets continuing to grow in a healthy manner during the financial year. The Pension Fund continues to be above 100% solvent in terms of its accessible cash holdings in the short term.

Further details on the financial position of the Pension Fund and its accounting policies can be seen within the detailed Statement of Accounts for the Council. ([www.middlesbrough.gov.uk](http://www.middlesbrough.gov.uk)).