



North Tyneside Council

Cabinet

20 July 2023

Monday, 31 July 2023, The Chamber – Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

Agenda Item	Page
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1. **Apologies for Absence**

To receive apologies for absence from the meeting.

2. **To Receive any Declarations of Interest and Notification of any Dispensations Granted**

You are invited to **declare** any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.

You are also invited to **disclose** any dispensation in relation to any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda.

Please complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.

If you need us to do anything differently (reasonable adjustments) to help you access our services, including providing this information in another language or format, please contact democraticsupport@northtyneside.gov.uk.

Agenda Item	Page
<p>3. Minutes</p> <p>To confirm the minutes of the meeting held on 26 June 2023.</p>	<p>5 – 28</p>
<p>4. Report of the Young Mayor</p> <p>To receive a verbal report on the latest activities of the Young Mayor and Young Cabinet.</p>	
<p>5. 2023–24 Financial Management and Performance Report to 31 May 2023</p> <p>To receive a report on a full overview of both the budget and service delivery performance position across the Authority as at 31 May 2023.</p>	<p>29 – 106</p>
<p>6. A Strategy for Economic Growth in North Tyneside – North of Tyne Combined Authority of Grant</p> <p>To seek approval to develop a comprehensive Economic Strategy for North Tyneside and accept grant funding from the North of Tyneside Combined Authority to support the development and commissioning of the Strategy.</p>	<p>107 – 116</p>
<p>7. The Business Factory (UKSPF) – North of Tyne Combined Authority Acceptance Grant</p> <p>To seek approval to accept grant funding from the North of Tyne Combined Authority to deliver “The Business Factory” project; and funding secured from UK Shared Prosperity Fund (UKSPF) to support residents and businesses in the Borough to start new or grow existing businesses.</p>	<p>117 – 128</p>
<p>8. Exclusion Resolution</p> <p>This is to give further notice in accordance with paragraphs 5(4) and 5(5) of the Local Authorities (Executive Arrangements)</p>	

(Meetings and Access to Information) (England) Regulations 2012 of the intention to consider item 9 below in private.

Cabinet is requested to consider passing the following resolution:

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

Reason(s) for taking Item 9 in private: the report contains information relating to the financial or business affairs of any particular person (including the authority holding the information).

9. Tyne Brand Strategic Property, Tynemouth 129 – 138

To seek approval to purchase land interests by the Authority within the site boundary of the former Tyne Brand Factory and all ancillary matters.

10. Date and Time of Next Meeting

Monday 18 September 2023 at 6.00pm.

Circulation overleaf ...

Circulated to Members of Cabinet:-

Dame Norma Redfearn DBE (Elected Mayor)

Councillor Karen Clark

Councillor John Harrison

Councillor Hannah Johnson

Councillor Steven Phillips

Councillor Carl Johnson (Deputy Mayor)

Councillor Sandra Graham

Councillor Janet Hunter

Councillor Anthony McMullen

Young and Older People's Representatives and Partners of North Tyneside Council.

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Monday, 26 June 2023

Present: Dame N Redfearn DBE (Elected Mayor) (in the Chair)
Councillors K Clark, P Earley, S Graham, J Harrison,
Janet Hunter, C Johnson, A McMullen and S Phillips

In Attendance: C Quinn (Young Mayor)
D Hodgson (Business Representative)
S Roe (Age UK, North Tyneside)
V Smith (Voluntary and Community Sector)
R Layton (NT Joint Trades Union Committee)

Apologies: Councillor H Johnson
S Rennison (Northumbria Police)

CAB18/23 Declarations of Interest and Dispensations

Councillor K Clark declared a non-registerable personal interest in agenda Item 11: 2022-23 Provisional Finance Outturn Report (CAB27/23), as she was a Director and Employee at Justice Prince CIC (Working Roots), which had contracts with North Tyneside Council funded to deliver community-based programmes.

CAB19/23 Minutes

Resolved that the Minutes of the previous meetings held on 22 May (Ordinary) and 1 June 2023 (Extraordinary) be confirmed and signed by the Chair.

CAB20/23 Report of the Young Mayor

The Young Mayor reported on the following activities in which he and Young Cabinet Members and/or Youth Councilors had been involved:

- The 'Year of the Voice of the Child' had been launched which was publicised on social media and elsewhere, and over the coming year there would be additional events organised by North Tyneside Council and its Partner

agencies to raise the profile of listening and involving children and young people.

- On 8 June a decision makers event was held involving participating schools who attended the Young People's Conference in March and some Youth Councillors to explore the key topics of accessing activities and each making a pledge on what they would do to make improvements, supported by their committees. MYP Sharon had been working with her committee on the new Ready for Life Game which provided a foundation about aspects of finance as young people moved into adulthood and for use in secondary schools.
- The Young Mayor had attended the Dragons Den panel, where children's councillors presented their school playground projects to the Authority's Assistant Chief Executive and the Cabinet Member responsible for Education, Inclusion, Employment and Skills; the winning playground project was a small allotment which was being developed at Benton Dene Primary School (the booklet was circulated at the meeting).
- Youth Councillor's, SEND Youth Forum members and Children in Care Council members collaborated on creating a safeguarding film with the North Tyneside Safeguarding Children's Partnership. The animation would be used in schools and colleges to inform children and young people about what safeguarding was and where to go for help.
- The Young Mayor had continued to attend Carbon Net Zero 2030 board meetings and was impressed how much was being done in the Borough; he had represented young people and their views at the Local Transport Board and the North Tyneside Public Transport Forum; had also met with the young people at North Tyneside Carers Centre and encouraged them to join the Youth Council to inform on Youth Council projects and on their own experiences and perspectives.
- Youth Councillors had taken part in the BYC YouthCon hosted by Sunderland City Council with guest speakers, debates and workshops.

The Elected Mayor thanked the Young Mayor for his update and for the support of the young people for their involvement in the delivery of these important projects.

CAB21/23 North East Pathfinder (Foster with North East) Collaboration

Cabinet received a report seeking approval to the Authority being part of a Department for Education pilot project in the North East of England known as the

North East Pathfinder (Foster with North East) Collaboration. The project was designed at improving the recruitment and retention of foster carers.

In response to the Independent Care Review published February 2021 and the launch of the Children's Social Care Implementation Strategy; 'Stable Homes, Built on love' in February 23, the Department for Education (DfE) had committed to recruiting 9,000 foster carers by 2026. The Department was seeking to deliver a holistic package of intervention on a regional basis to support the greatest sufficiency pressures and put in place end-to-end improvements that support boosting foster carer numbers. Subsequently the DfE had selected the North East as the UK's national pilot / pathfinder region for a fully-funded, 1 year project to improve foster carer recruitment and retention and had selected Together for Children Sunderland as the regional implementation lead.

The pathfinder project and regional collaboration was separated into three strands, support hub for a regional recruitment process, communications / marketing campaign and a further roll out of the Mockingbird model of foster care. This model of care had a hub home foster carer who supports a group of carers known as a 'constellation' by building strong relationships with each of them. Carers were supported to feel empowered and support one another with any problems that may arise. The Authority had one Mockingbird constellation and within this regional pilot, plans were underway to develop the second one in the Autumn.

The regional support hub strand of this project would have a number of functions, including receiving initial enquiries in a timely way and obtaining further information from prospective foster carers, but also supporting them through their assessment journey including providing a 'buddy scheme' with local, existing foster carers and providing a regional training offer. There would be telephone conversations or 'check ins' with prospective carers within the hub to ensure that the prospective foster carers were still on track and to maintain positive relationships on their journey to becoming foster carers and to identify any challenges that might derail them from successful approval.

These elements required support hub staff to be able to record their work in a case management system from which detailed reporting can be provided to support analysis of the overall success of the hub in terms of the project's foster carer recruitment goals, as well as day to day operational analysis e.g. an operational

dashboard. There was a need to receive external data from other Local Authority areas to update the hub as to the progress of prospective foster carer journeys to aid this analysis. Further work in respect of this element was being developed within a data and performance subgroup. To offer further detail, the support hub would aim to:

- Increase completed fostering applications from target groups which will broaden the demographic of carers and help those children/young people who may be most difficult to place such as teenagers, those with the greatest needs and Unaccompanied Asylum-Seeking Children (UASC). Information from the support hub will look to address misconceptions about who can foster and different fostering options.
- Increase the number of quality enquiries ensuring those who progress through to application have the skills and appropriate intentions to enter into foster caring.
- Increase the conversion rate from initial enquiry to application, given the increased volume of enquiries, measured by data gathering and evaluation.
- Regional collaboration to set a consistent and coherent narrative and to lay the groundwork for regional care cooperatives in the longer term, should this be taken forward.
- Collaboration in respect of further roll out of the Mockingbird project was also proposed. This funding was to meet additional costs that would arise as a result of expanding the number of constellations in each Local Authority by 1-2. Further information in respect of the roll out of Mockingbird regionally would be shared in due course.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively, to not accept the recommendations.

Resolved that (1) the Authority become a member of the North East Pathfinder (Foster with North East) and the regional collaboration for the duration of the 1-year pilot scheme, be agreed; and
(2) the Director of Children's Services, be authorised to take all necessary steps to implement the preceding resolution.

(Reasons for decision: Foster cares in North Tyneside provide high quality care for some of our most vulnerable children and as such we value, highly, the part they

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play in making a difference to children's lives. Ideally we would want to be able to offer more children and young people the family based care provided by our foster cares.

The Directors of Children's Services within 12 North East local authorities in scope for this pilot have agreed to work with Sunderland City Council as the lead to develop the project. On a national and regional level, recruiting sufficient numbers of foster carers for the number of children requiring care remains a challenge. Testing out this way of working, alongside North Tyneside now being a Fostering Friendly Employer, may reduce some of these challenges.

Recruiting more foster carers to support children and young people being cared for in fostering families within the Borough, is a priority. This pilot will enable us to consider if this has been of benefit in recruiting more carers to achieve this. The costs associated with using external providers can be high and so it is hoped this will see a reduction.

Extending the Mockingbird model of care within this pilot, ensures we continue to offer robust support to current foster carers in the valuable roles they have in caring for vulnerable children.)

CAB22/23 North Tyneside Statement Air Quality Strategy 2023-2028

Cabinet considered a report seeking approval and adoption of a revised North Tyneside Air Quality Strategy for 2023-2028 as attached at Appendix 1 to the report.

North Tyneside was considered to have good air quality and monitoring had consistently shown that it met the UK air quality objectives. Previously, local authority areas that failed to meet the air quality objectives were required to implement an action plan. However, the introduction of the Local Air Quality Management policy guidance 2022 now required all local authorities to introduce an Air Quality Strategy that would identify aims and actions that regulated or encouraged reductions in air pollution.

The guidance encouraged local authorities to take early preventative action to improve local air quality, avoid exceedances of the air quality objectives set out in The Air Quality (England) Regulations 2000 and reduce the long-term health

impacts associated with air pollution. It was anticipated that this approach would enable local authorities to adopt measures that reduced the need for costly health interventions at a later date.

The Air Quality Strategy was intended to set out the aims of the Authority to maintain and improve air quality and show how collectively the Authority will work with partners to improve air quality. As well as setting out actions to reduce pollutants which would improve health, the Air Quality Strategy would set out the actions which would be taken help to reduce global warming associated from gases such as carbon dioxide, nitrogen dioxide and particulates. The Air Quality Strategy would provide greater focus on how small improvements in air quality would impact public health outcomes.

The Air Quality Strategy linked into existing policies including those related to planning, transport and the Carbon Net Zero 2030 policy adopted by the Authority aimed at improving air quality across the Borough. All policies adopted by the Authority must consider the impact on the environment and the Authority recognised the need to reduce its own carbon footprint, and to consider measures that would promote and support a reduction in greenhouse gases. The Air Quality Strategy linked to the policies set out below:

- Transport Strategy – aims to reduce congestion and promote cleaner transport.
- Planning Policy – seeks to maintain and improve air quality with the expectation that developers will assess the impact of any development on air quality and the environment and to provide mitigation measures.
- Joint Health and Wellbeing Strategy – aims to tackle health inequalities including those inequalities in exposure to air pollution.

Development of the draft Strategy involved the establishment of a steering group made up of officers from different areas of the Authority who were currently involved with actions that contributed towards the improvement of air quality of the Borough. This included officers from Environmental Health, Public Health, Transport, Planning and Sustainability. The aim of the group was to identify aims and actions that regulated or encouraged reductions in air quality and ensure appropriate mitigation measures were in place to reduce emissions and air quality exposure. Progress made on improving the air quality across the Borough after the implementation of Air Quality Strategy, subject to Cabinet's approval,

would be reported annually through the Annual Air Quality Status Report which it was proposed would be produced and published by the Director of Public Health.

The aims of the Air Quality Strategy were: To maintain and improve air quality and health; To reduce transport related emissions; To review air quality in planning policy, development and land use; To reviewing and promote reductions in emission from industrial processes; To promote public health and improve health outcomes linked to air quality; To encourage public participation and informed choices on air quality and health; To review and promote benefits of the Carbon Net Zero Action Plan on air quality; and To ensure the Authority worked collaboratively with partner agencies.

The Annual Air Quality Status Report, in addition to providing a review of the air quality in the Borough, would provide a progress report on the actions set out in the local Air Quality Strategy. The Annual Status Report would consider new or changing sources of emissions and monitoring of the air quality will be focused on any polluting areas. The Strategy will be reviewed at least every 5 years.

Currently, local authorities had a duty under the Environment Act 1995 to monitor and review air quality against short and long-term exposure objectives and to publish an Annual Status Report that is submitted each year to the Secretary of State. This report had consistently established that the pollutants of main concern in the Borough were fine particulates and nitrogen dioxide that arise from the burning of fossil fuels. Traffic was the predominant source of pollution in the Borough. The monitoring of air quality in North Tyneside between 2017 to 2021 had shown that North Tyneside had no exceedances in the UK air quality objectives set out in the Regulations referred to above.

The Environment Act 1995 required local authorities to declare an Air Quality Management Area if exceedances in the air quality objectives are found in their area and to produce an Air Quality Action Plan. Although the Authority had not needed to declare an Air Quality Management Area within the Borough, it continued to actively monitor air quality through 29 indicative monitoring sites located in the Borough. The locations were chosen based on potential exposure to high levels of pollutants and were predominantly sites located at housing adjacent to roads that had a high traffic flow.

At its meeting on 23 January 2023 Cabinet agreed to the commencement of

a six-week public engagement the draft Air Quality Strategy between 30 January and 2 March 2023. The Strategy had been developed following the conclusion of the consultation to enable responses to be received from those wishing to comment on the draft Air Quality Strategy. At the end of the consultation, comments were collated and reviewed.

115 responses were received to the consultation and a summary of the responses was attached at Appendix 2 to the report. The majority of responses were positive and supported the introduction of the Strategy and its aims. Respondents understood the key actions the Authority needed to put in place to achieve the aims. The comments emphasised the need to show the benefits to the public of the aims of the Strategy and to encourage participation and compliance with the actions stipulated in the Strategy that would improve air quality. Promotion and reporting was a key part of the Strategy and its aims. The focus of Aim 5 of the Strategy was to promote and improve health outcomes linked to air quality.

In consideration of the public consultation, minor amendments were made to the draft Strategy, in particular to clarify the definition of the pollutant fine particulates.

Cabinet considered the following decision options: either to agree the recommendations as set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations, and to instruct officers to make amendments to the Strategy and to bring a further report to Cabinet for it to consider those amendments.

Resolved that (1) the adoption of the North Tyneside Council Air Quality Strategy for 2023-2028 attached at Appendix 1 to the report, be agreed; and (2) the comments and responses to the Air Quality Strategy in the Engagement Outcome document attached at Appendix 2 to the report, be noted.

(Reason for decision: to ensure that the Authority meets the requirements set out in the Local Air Quality Management Policy guidance and that the subject of air quality is promoted and remains high on the local agendas. The Strategy has been subject to a six week consultation exercise and views expressed during that period have been considered in formulating the final draft document.)

CAB23/23 North Tyneside Cycling Strategy

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Cabinet considered a report seeking approval to the publication of the updated North Tyneside Cycling Strategy incorporating the Local Cycling and Walking Infrastructure Plan, and the updated North Tyneside Cycling Design Guide.

In October 2021, Cabinet approved the revised and updated North Tyneside Transport Strategy. Its key principles included reducing carbon emissions from transport and improving health outcomes. The Transport Strategy contained a commitment to update, where appropriate, the specific strategies and plans which fitted within the context of the Transport Strategy. One of these was the North Tyneside Cycling Strategy.

Since the current Cycling Strategy was adopted in 2018, cycling in the borough had grown by more than 60%. During this time the Authority had increased its delivery of cycling training, put in place new cycling routes in the borough, and made cycling, walking and wheeling improvements as part of its regeneration activity. It had therefore provided a robust policy framework to promote cycling as a travel mode for both commuting and leisure purposes.

Cabinet in October 2022 approved a process of public engagement on the updated draft North Tyneside Cycling Strategy and an updated version of the North Tyneside Cycling Design Guide, which sets out the design standards for cycling provision. The engagement process was carried out over a six-week period between 28 October and 9 December 2022. Twenty-three responses were received to the consultation exercise and appropriate amendments were made to the documents: for example, to strengthen wording with reference to multi-modal trips in the strategy and continuity of cycling routes in the Design Guide.

The updated strategy and Design Guide set out how the Authority would continue to support cycling as a healthy and sustainable way to travel, both by developing routes and infrastructure suitable for everyday cycling and by seeking to expand cycling training and support. The strategy reflects the objectives of the regional North East Transport Plan developed by Transport North East, and its aims of supporting the decarbonisation of transport and encouraging active travel.

The strategy also included a detailed assessment of strategic cycle routes across the borough and walking links in town centres, known as the Local Cycling and Walking Infrastructure Plan (LCWIP). In line with Government guidance, this would

help to ensure the borough was best placed to secure external funding for further sustainable transport improvements.

The updated North Tyneside Cycling Strategy was attached at Appendix 1 to the report, which incorporated the Local Cycling and Walking Infrastructure Plan, and the updated North Tyneside Cycling Design Guide attached at Appendix 2. A summary of the responses received, and revisions to the Cycling Strategy and Design Guide proposed as a consequence of those responses, was attached at Appendix 3 to the report.

Cabinet considered the following decision options: either to agree the recommendations as set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations.

Resolved that (1) the publication of the updated North Tyneside Cycling Strategy, attached at Appendix 1 to the report, which incorporated the Local Cycling and Walking Infrastructure Plan, and the updated North Tyneside Cycling Design Guide attached at Appendix 2, be approved; and
(2) the Director of Regeneration and Economic Development, in consultation with the Deputy Mayor and the Cabinet Member for Environment, be authorised to make amendments to the North Tyneside Cycling Strategy and North Tyneside Cycling Design Guide from time to time to reflect national and local circumstances, policy and guidance.

(Reason for decision: The updated North Tyneside Cycling Strategy which incorporates the Local Cycling and Walking Infrastructure Plan, and the updated North Tyneside Cycling Design Guide will reflect how the national, regional, and local policy context has developed since the strategy and Design Guide were approved in 2018; take account of views expressed during the process of public engagement; and assist in ensuring that the Authority is well placed to make the case for future investment in cycling, walking and wheeling.)

CAB24/23 An Ambition for North Tyneside – Update

Cabinet received a progress report on delivering the overall plan of 'An Ambition for North Tyneside' since 2018, and the projects to be delivered in 2023 and beyond.

The report highlighted the level of investment and breadth of Council led regeneration that had taken place within the borough over the past 12 months, delivering against the Council's Ambition for North Tyneside.

The report set out the wide range of activity that had been delivered since the last update to Cabinet in February 2022, and provided an overview of work currently being delivered across North Tyneside. Details of these activities were set out in the report, some of the highlights were set out below:

- In the South West, Hadrians Health centre was now open, it had transformed healthcare services in the area by bringing together local clinicians and a range of community health services in the heart of Wallsend and in May Cabinet adopted the Masterplan for Wallsend that provided a framework for targeted interventions, when funding permits;
- In the North West, feasibility funding was secured to undertake traffic surveys at Moor Farm roundabout in preparation for developments at Killingworth Moor Housing Site and future investments at Indigo Park;
- In the North East, the final section of regeneration works to the Northern Promenade were completed in August, further enhancing the quality of the built environment along our Coast; and
- In the South East, work to deliver the North Shields Masterplan was well underway, the Authority demolished the former Co-op building, work on the new Transport Interchange and Civic Square was well underway and work had commenced on the Embankment Walkway linking the town centre with the Fish Quay.

The Authority had allocated £2m per year for five years (2021-26) through its budget setting process. This had enabled the Authority to successfully use this as 'match funding' and attract external funding from the North of the Tyne Combined Authority (NTCA), the North East Local Enterprise Partnership, Government and the private sector. Since 2020 officers had secured over £40m in external match funding to deliver Our Ambition for North Tyneside with details set out within section 1.5 of the report.

The wider economic impact of the Authority's combined £50m investment would be considerable. It would have created significant Gross Development Values as well as leveraging in complementary private sector investment that would be captured through the Authority's on-going benefits realisation analysis. Officers

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would continue to work with public and private sector partners to identify funding opportunities over the coming months including two revised bids for Levelling Up round 3, enabling the Authority to deliver 'An Ambition for North Tyneside'.

Subject to agreement by Cabinet, the next steps would include:

- Project development including refining delivery plans and funding mix;
- Options on the major projects moving through appropriate governance;
- Finalise the Investment Programme based on a £10m budget over 5 years, developing proposals and priorities for post 2025; and
- Develop an Investment Programme Board (IPB) request for feasibility funding for activities referenced within this report that require some initial investment before works or funding applications can be developed.

In the next 12 months activity would focus on delivering already approved projects and identifying additional funding to deliver the following:

- Secure funding to upgrade the visitor offer at Segedunum
- Work with delivery partners and stakeholders to take forward projects adopted within the Wallsend Masterplan
- Commence the active travel works as part of the Wallsend Town and High Street Programme
- Agree policy priorities and a plan for the North West
- Submit Levelling Up round three bids for North Shields and Wallsend
- Agree policy priorities and a plan for Whitley Bay
- Draft a funding bid for St Marys
- Commence work on the Seafront Sustainable Route

An initial breakdown of the proposed funding allocation was set out in section 1.5.8 of the report. In line with the Authority's priorities, further work would continue to be undertaken to refine a delivery programme and to profile the spend for each project across the five-year period. Progress on the Our Ambition Plan shall be monitored by the Deputy Mayor, who had responsibility for regeneration, and regular reports on progress would be reported to Cabinet. Property related projects would be dealt with via the Strategic Property Group chaired by the Elected Mayor.

Resolved that (1) the progress made in delivering the overall plan since 2018, be noted;
(2) the projects to be delivered in 2023 and beyond, be noted; and
(3) it be agreed that 'An Ambition for North Tyneside' would continue to be monitored by the Investment Programme Board and progress reported regularly to Cabinet.

CAB25/23 An Ambition for the North West of the Borough

Cabinet received a report seeking approval for delivering the first stage of the 'An Ambition for the North West of the Borough' and a set of policy priorities to inform the next stage.

The Our North Tyneside Plan 2021-25 gave a commitment to bring investment and improvements to the North West area of the borough and ensure that regeneration delivered ambition, opportunity and benefits for all residents.

An officer team had been working with the Deputy Mayor to better understand the opportunities and challenges in the North West following the 'Big Community Conversation' held in the Summer of 2022. This had included reviewing the feedback from resident engagement but had also included further engagement with Ward members in May 2023. The officer team also engaged with partners such as Transport North East to help frame the Authority's work and future investment in the North West.

The report provided background and a summary of the work done so far and suggested a set of policy priorities and next steps. It was proposed that a series of plans were prepared for the North West of the borough. These would include an over-arching Transport Plan as well as Village Plans.

The Transport Plan: This would provide an overarching plan for travelling in and around the North West of the borough as well as addressing routes to the urban core and facilities such as healthcare as well as education and employment. The plan would encompass all modes with emphasis on the following:

- Bus provision – how services were provided, and did they go to the right places at the right time? This would also include frequency of services and would look at routing options. For example, this could include routes from the North West to

Rake Lane / North Tyneside General Hospital via Quorum Business Park, Four Lane Ends Interchange, Northumberland Park (for Metro and Heavy Rail links) and Cobalt Business Park.

- Heavy Rail (East Coast main Line): It will also examine opportunities for improved Heavy Rail connectivity with a long-term aspiration for a new station of the East Coast Main Line (ECML) at Killingworth. Whilst this would require major investment in the ECML infrastructure with additional signalling as well as a new stations, unless this aspiration is identified and embedded in an agreed plan, it is unlikely to attract funding and be delivered.
- Cycling and Walking (Active Travel): A key component of all emerging national, regional and local transport policy, this will be a central element of the Transport Plan. This will include a focus on the Wagonways as well as other routes to ensure that residents can get around the area without reliance on the intermittent public transport provision or private motor cars whilst bringing health and wellbeing benefits to users.

The Village Plans: These would be prepared for each of our settlements namely: Killingworth Village and Township; Annitsford; Dudley; Fordley; Camperdown; Burradon; Wideopen and Seaton Burn.

It was also proposed that plans were prepared for those areas in the North West that were closer to the urban core which included: Forest Hall; Westmoor; Benton; Longbenton; Palmersville and Holystone. Where there were synergies between places it may be appropriate to group places together within a plan in order to establish a clearer understanding of our places and to set out a more compelling case for funding and investment. However, this would not dilute the Authority's approach to ensuring that a sense of identity and uniqueness was achieved in line with the proposed policy objectives.

It was proposed that each 'plan' would be underpinned by an environmental audit and locality health check which would establish a baseline for each place and identify any gaps as well as opportunities. This would provide the foundation for the Village Plan which would provide a narrative and a set of proposals for each place. Subject to the policy priorities outlined in this report being agreed, the next steps would be to prepare a programme of activity for the next 12 months which would set out how we will take forward this work.

Cabinet considered the following decision options: either to agree the recommendations as set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations.

Resolved that (1) the work done to date of the Ambition for the North West of the Borough, be noted;
(2) the proposed policy priorities and delivery approach as outlined in the report, be agreed; and
(3) the next steps including wider engagement and to receiving further reports as required, be agreed.

(Reason for decision: The suggested policy priorities reflect the responses received during consultation and are considered to address the key issues facing the North West and will provide a strong foundation and focus for future planned activities.)

CAB26/23 Draft Northumberland Square Conservation Area Management Strategy Supplementary Planning Document

Cabinet considered a report seeking approval for the commencement of a six-week public consultation on a Draft Northumberland Square Conservation Area Management Strategy (CAMS) Supplementary Planning Document (SPD).

The draft CAMS had been prepared to support the delivery of the High Streets Heritage Action Zone (HAZ) scheme for the Northumberland Square conservation area in North Shields town centre. Historic England identified preparation of the CAMS for this area as one of the conditions for funding support. The funding formed part of a £2.46million project, which included an Authority contribution of nearly £1million, to revitalise the Northumberland Square Conservation Area, focused on Howard Street and Northumberland Square. The HAZ scheme had supported many physical improvements to the built environment, including the redevelopment of Northumberland Square, public realm improvements along Howard Street and refurbishment to several properties within the area. A significant number of community-based cultural projects including high-quality workshops, oral history projects and public performances had also been supported.

The Northumberland Square HAZ and preparation of the CAMS consequently formed an important contribution to the delivery of the North Shields Masterplan – a key priority for the Authority.

Subject to Cabinet’s agreement to the commencement of a six-week public consultation process as outlined at section 2.3 of the Report, it was proposed that a further report be received setting out any proposed amendments to the CAMS as a result of the consultation responses received, and to seek approval for its adoption as an SPD. Production of the draft CAMS was in line with national planning policy, contained in the National Planning Policy Framework (2021), that encourages strategies “for the conservation and enjoyment of the historic environment”.

The draft CAMS sets out potential projects and objectives for the area that would guide planning, regeneration and other development and management decisions in the conservation area. It would form a basis for any applications for external funding. The Authority adopted similar SPDs for the Fish Quay Conservation Area (2012) and Tynemouth Village Conservation Area (2014) that had proved key documents in guiding positive decisions in those areas.

The draft CAMS recommended how the conservation area could be preserved and enhanced through: identifying regeneration and enhancement opportunities, advising on the management of public realm, green spaces and trees, identifying the area’s heritage assets and considering a review of the conservation area boundary, setting out design principles, advising on good maintenance and repair, and advising on monitoring and enforcement.

A full copy of the draft CAMS was attached at Appendix 1 to the report. As part of the development of the draft CAMS, and in accordance with the relevant Regulations, the Authority had also undertaken screening exercises to establish whether it would result in likely significant effects to the environment and to habitats and species of European nature conservation importance. The respective Screening Statements were attached at Appendix 2 and 3 of the report.

Cabinet considered the following decision options: either to agree the recommendations as set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations.

Resolved that (1) the content of the Draft Northumberland Square Conservation Area Management Strategy Supplementary Planning Document included at Appendix 1 of the report, be noted;

(2) publication of the Draft Northumberland Square Conservation Area Management Strategy Supplementary Planning Document for public consultation, as outlined in section 2.3 of the report, be agreed; and

(3) it be agreed that a further report be received at the conclusion of the public consultation process when Cabinet will be asked to consider any amendments to the Draft Northumberland Square Conservation Area Management Strategy and to approve the adoption of the Draft Northumberland Square Conservation Area Management Strategy.

(Reason for decision: Production of a CAMS is a condition of the recent Historic England HAZ finding for the area. Its production is in line with the aims of local and national planning policy and guidance, and will assist the Authority pursuing its statutory duty of preserving and enhancing the character and appearance of the conservation area. It will guide planning, regeneration and other development and management decisions in the conservation area, building on recent positive change in the area.)

CAB27/23 2022/23 Provisional Finance Outturn Report

Cabinet received a report which set out details of the provisional outturn for 2022/23 for the General Fund, Schools Finance, Housing Revenue Account, the financial and delivery aspects of the Investment Plan and the delivery of the Treasury Management Strategy together with the associated Prudential Indicators for capital and treasury.

The Finance Outturn report was the final monitoring report for the financial year 2022/23. It showed in detail how the Authority had performed against the budget. It also formed an important supplement to the Statement of Accounts which were presented to Audit Committee for formal approval on 31 May 2023. The figures in this report were provisional until the audit of the accounts was completed, and the accounts were approved.

The 2022/23 financial year was challenging in many ways. The Authority continued to see areas of pressure across Adults' and Children's Social Care, but

there were also significant impacts on income particularly across Sport and Leisure Services, Home to School Transport and Catering Services.

In addition to pressures seen in previous financial years, a number of global issues emerged during the financial year, including the war in Ukraine, leading to more supply chain issues and adding to rising inflation, especially in utility costs. The impact of these factors is driving a 'cost of living crisis', further increasing demand on the Authority's services, which added significant financial strain to the Authority's budgets. It was therefore essential that, the Authority remained prudent to ensure that the financial position of the Authority continues to be managed effectively. The impact of both the challenges and opportunities, on the Authority and its financial position were described in detail throughout the report and the Annex to the report.

With regard to the General Fund Revenue position, where details were shown in Tables 1 and 2 of the report, there had been an improvement of £2.005m from the forecast figures previously reported to Cabinet across most Services leading to an overall deficit for the year of £6.081m.

As communicated in previous reports to Cabinet and full Council, it was proposed to deal with the £6.081m overspend via a drawdown from the Strategic Reserve. After the final transfers, the General Fund Revenue Account showed spend on Budget for 2022/23, with a reduced closing balance on the Strategic Reserve of £6.345m and unchanged General Fund balances of £7.000m.

The Strategic Reserve balance would fall below the Authority's aim of holding at least £10.000m in this reserve. The likelihood of needing to use this reserve was projected throughout the financial year and the 2023-2027 Medium Term Financial Plan (MTFP) included a plan for a £9.000m replenishment over the four-year period.

One of the benefits of the Authority's regular budget monitoring process had been that its outcomes could inform both budget setting and final accounts preparation. Budget setting, budget management and final accounts could therefore be seen as related parts of a continuous process of financial management by the Council. As each year unfolded, fresh financial pressures would occur and the issue of managing these must be addressed: in effect, this was a statutory requirement under the Local Government Act 2003, a responsibility Cabinet took very seriously.

Financial management actions and one-off transactions in the later part of the year had enabled a small usage of the Strategic Reserve than then projected amount in January.

School balances had decreased from a surplus of £3.398m at the start of the financial year to a deficit of £0.382m as at 31 March 2023. Sixteen schools were in a deficit position however, most of these were marginal, with four schools making up 96% of the total. Overall, the 2022/23 position improved by £5.151m from initial projected overall deficit balances of £5.533m although a worsening from the two previous years, which were detailed in Section 2 of the Annex.

The Housing Revenue Account (HRA) had year-end balances of £3.315m. The HRA showed an underspend of £0.185m against the in-year 2022/23 Budget, plus a £0.061m improvement in the budgeted brought forward balances, which cumulatively brought the HRA to £0.246m better than the budgeted position for 2022/23, which were detailed in Section 3 of the Annex. A table containing details of new Revenue Grants received during February and March 2022 was set out in section 1.5.14 of the report.

The initial approved Investment Plan for 2022/23 was £64.431m. Net variations and reprogramming of £22.885m were approved by Cabinet during 2022/23 to give a revised Investment Plan of £87.316m. Capital expenditure for the year was £77.442m (88.69% of the revised plan). This outturn included further reprogramming of £9.781m and variations relating to gateway approvals and grant determinations of £1.698m for the 2022–2027 investment plan as shown in Section 4 of the Annex.

A specific update was also provided in the report on Treasury Management in Section 5 of the Annex. This section outlined the treasury strategy undertaken and the performance of Treasury Management activities during the year. The Authority continued to delay long-term borrowing by maximising the use of internal resources and undertaking short-term borrowing to reduce the long-term cost to the Authority. This approach had secured savings for a number of years. Recent increases in interest rates had provided opportunity for the Authority to maximise returns on investments while maintaining a low appetite to risk. Cabinet was assured that continued monitoring of interest rates was undertaken to manage risk and the Authority's borrowing position. With regard to the Prudential Indicators

(also included in section 5), all transactions during 2022-23 had been completed within the indicators set.

As part of the 2023-2027 Medium Term Financial Plan, approved by full Council on 16 February 2023, a higher-than-normal balance was allocated to contingencies. This was set aside to help address some of the main pressures the Authority faced in 2023/24 and beyond. The Authority proposed to allocate £16.702m from Contingencies and £1.779m from Corporate Growth balances within Central Items into the base Budgets of various service areas via Budget virements. Further information was included within section 6 of the Annex.

Cabinet considered the following decision options: to accept the recommendations set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations.

Resolved that (1) the provisional 2022/23 outturn for the General Fund, Schools Finance and Housing Revenue Account (Annex 1) together with a financial overview of the year, be noted;

(2) the decisions made under the Reserves and Balances Policy (paragraph 1.5.8, and Appendix A), be noted;

(3) the Authority's Investment Plan spend during 2022/23, and the associated capital financing (Annex 1);

(4) the permanent allocation of centrally held contingencies (Annex 1), be approved;

(5) the receipt of £0.649m new revenue grants, be approved;

(6) reprogramming of £9.781m within the 2022/23 Investment Plan (Annex 1 and Appendix C), be approved;

(7) variations of £1.698m to the Investment Plan (Annex 1);

(8) the Authority's Treasury Management performance (Annex 1), be noted; and

(9) the Authority's performance against the Capital and Treasury prudential indicators (Annex 1 and Appendix D), be noted.

(Reason for decision: The proposals set out in section 1.2 of this report as it forms part of the 2022/23 Final Accounts process. Reprogramming of the Investment Plan will ensure successful delivery of projects included within the Investment Plan.)

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB29/23 Strategic Property, Longbenton

Cabinet considered a report seeking approval to the acquisition of St Peter and St Paul's Church in Longbenton (shown hatched on the Plan appended to the report), which had been vacant for a number of years and was rapidly falling into dereliction and attracting vandalism and anti-social behaviour.

If the Authority acquired the property, it could then clear the site in preparation for a housing-led scheme to develop affordable homes for rent. This would help secure the Authority's own affordable housing development priorities and safeguard the wider delivery of housing in the Borough in order to meet with its Local Plan housing target. It would also result in the clearance of a property which was becoming derelict which was a priority of Our North Tyneside Plan.

Cabinet considered the following decision options: to approve the recommendations at paragraph 1.2 of the report and agree to the acquisition of the Property on the terms and conditions outlined in Section 1.5.2; or alternatively, to decline the opportunity to acquire the Property in which case it will not be possible to deliver affordable homes on the site of the Property or on the Authority owned land shown on the plan appended to the report.

Resolved that (1) the Director of Resources, in consultation with the Head of Law, be authorised to complete the acquisition of the Property (shown hatched on the Plan) as detailed in the report in accordance with the Authority's financial regulations and applicable legislation;

(2) the Director of Resources, in consultation with the Head of Law, be authorised to agree the final terms and conditions of the acquisition of the Property as considered appropriate and to deal with any ancillary matters arising that are consistent with the preceding recommendation, and;

(3) the Director of Housing and Property Services, in consultation with the Director of Resources, Director of Commissioning and Asset Management and Head of Law, be authorised to progress the procurement of a contract to secure the demolition of the Property either with the benefit of Brownfield Land Grant funding or through utilising existing resources available within the Housing Revenue Account, (HRA), Capital Budget.

(Reason for decision: It is considered to be the best way to secure the Authority's own affordable housing development priorities and safeguard the wider delivery of housing in the Borough in order to meet with its Local Plan housing target. It will also secure the clearance of the site through the demolition of the Property which is gradually becoming derelict and is attracting vandalism and anti-social behaviour.)

CAB30/23 Chief Officer Structure

Cabinet considered a report seeking approval to the adjustment of two Chief Officer roles, namely, the Director of Services for Children and Adults and the Director of Commissioning and Asset Management together with the permanent appointments to the Director of Children's Services and the Director of Adult Services posts, which had been filled on an interim basis since October 2022.

The Chief Officer structure was last considered by Cabinet at its meeting on 28 March 2022. The departure of a Director to another Authority and the announcement of the retirement of one of the Directors meant that a further revision to the structure was proposed. The current Chief Officer structure and proposed revision was set out in Appendix 1 and 2 of the report.

Cabinet considered the following decision options: to approve the proposed structure; or alternatively, to not agree the proposed structure and ask for further work to be done.

Resolved that (1) The adjustment of the role of the Director of Services for Children and Adults so that this Director becomes the Director of Children's Services with effect from 31 December 2023, be agreed;
(2) the re-designation of the role of the Director of Commissioning and Asset Management to that of Director of Adult Services with effect from 31 December 2023, be agreed;

- (3) the re-alignment of the responsibilities that currently sit within the Children's and Adults Services Directorate and the Commissioning and Asset Management Directorate across the Chief Officer Team as set out in paragraph 1.5.9 of the report with effect from 31 December 2023, be agreed;
- (4) the Chief Executive be authorised to take any further steps necessary and deal with any ancillary matters arising that are consistent with the preceding recommendations; and
- (5) the Monitoring Officer be authorised to update the Constitution and associated documents as appropriate to reflect the changes in the Chief Officer structure including the Officer Delegation Scheme when the changes referred to in the preceding recommendations take effect.

(Reasons for decision: It represents a considered response to the leadership requirements of the Authority; It strengthens capacity and leadership in areas which are priorities for the Elected Mayor and Cabinet; It reflects agreement following consultation and discussion with the Senior Leadership Team; and It represents value for money.)

CAB31/23 Date and Time of Next Meeting

Monday 31 July 2023 at 6.00pm.

Minutes published on Thursday 29 June 2023.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny Co-ordination and Finance Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Thursday 6 July 2023.

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North Tyneside Council Report to Cabinet 31 Jul 2023

Title: 2023/24 Financial Management & Performance Report to 31 May 2023

Portfolios: Elected Mayor Finance and Resources Deputy Mayor	Cabinet Member: Dame Norma Redfearn DBE Councillor Anthony McMullen Councillor Carl Johnson
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Report from: Finance and Corporate Strategy

Responsible Officer: Jon Ritchie, Director of Resources Tel: 643 5701
Jackie Laughton, Assistant Chief Tel : 643 5724
Executive

Wards affected: All

1.1 Executive Summary

1.1.1 This report provides Cabinet with a full overview of both the budget and service delivery performance position across the Authority as at 31 May 2023. In terms of the budget, it sets out the forecast outturn position for 31 March 2024 for both revenue and capital. For performance, it sets out the key areas of service delivery for Cabinet to note, including where this impacts in budget terms. It also contains the key performance metrics which will be monitored by the new Office for Local Government which has now been established by Government.

1.1.2 The report also sets out for Cabinet to note the current position in relation to schools finance, the Authority's Investment Plan and treasury management.

In addition, it provides details of additional revenue grants received up until 31 May 2023 for Cabinet to approve.

- 1.1.3 From a budget perspective, the initial projection for 2023/24 is that the General Fund will outturn with a pressure of £11.7m and the Housing Revenue Account will have a forecast underspend of £0.015m.
- 1.1.4 The report sets out the programme of work which is in place to manage and mitigate the 2023/24 budget pressures and form the 2024-2028 Medium Term Financial Plan.
- 1.1.5 From a performance point of view, service delivery overall across the Authority remains strong. Key areas of strength are delivery of the Our North Tyneside Plan 2021-2025 programmes including delivery of the affordable homes and carbon reduction programme. The Ambition for North Tyneside Programme is progressing very well with regeneration projects across all four areas of the borough. The Authority continues to manage high levels of demand in a number of areas including Education, Health and Care Needs Assessments, children in care and home care.

1.2 Recommendations

- 1.2.1 It is recommended that Cabinet:
 - (a) notes the forecast budget monitoring position for the General Fund, Housing Revenue Account (HRA), schools finance and Treasury Management together with the service delivery performance position across the Authority as at 31 May 2023 (sections 1.5.1, 1.5.2, 1.5.3 and 1.5.5 of this report),
 - (b) notes the Authority's Investment Plan spend of £6.3m to 31 May 2023 and the proposed financing of the Plan to the end of the year (section 1.5.4 of this report),
 - (c) approves variations of £6.8m and reprogramming of £0.3m for 2023/24 within the 2023-2028 Investment Plan (section 1.5.4 of this report), and
 - (d) approves the receipt of £2.274m new grants (as outlined in section 1.5.6 of this report), including the acceptance of all Grant Funding Agreements and, in relation to the UK Shared Prosperity Fund for Communities and Place, authorise the Assistant Chief Executive to procure any goods, works or services to deliver the outcomes for that grant.

1.3 Forward Plan:

1.3.1 Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 23 June 2023.

1.4 Authority Plan and Policy Framework:

1.4.1 This report relates to all priorities in the Our North Tyneside Plan.

1.5 Information:

1.5.1 General Fund

1.5.1.1 The forecast net pressure for the current year as at 31 May 2023 is £11.7m. Table 1 below breaks this down by Directorate, with the key areas of variation summarised in following paragraphs. A more detailed commentary of pressures is contained in section 1 of Annex 1.

1.5.1.2 Table: 1 2023/24 General Fund Revenue Forecast Outturn as at 31 May 2023

Services	Budget	Forecast May	Variance May	Variance Outturn	Change since Outturn
	£m	£m	£m	£m	£m
Adults Services	64.210	66.486	2.276	1.130	1.146
Children's Services	33.267	38.648	5.381	8.866	(3.485)
Public Health	1.594	1.594	0.000	0.000	0.000
Commissioning & Asset Management	8.590	14.761	6.171	4.949	1.222
Environment	42.469	42.435	(0.034)	(0.198)	0.164
Regeneration & Economic Development	11.383	11.766	0.383	0.249	0.134
Corporate Strategy	2.316	2.768	0.452	0.507	(0.055)
Chief Executive Office	(0.070)	(0.079)	(0.009)	(0.089)	0.080
Resources	4.838	5.836	0.997	1.457	(0.460)
General Fund Housing	2.343	2.994	0.651	0.517	0.134
Central Items	(8.663)	(13.231)	(4.568)	(11.307)	6.739
Support Services	20.181	20.181	0.000	0.000	0.000
Total Authority	182.458	194.159	11.700	6.081	5.619

- 1.5.1.3 Many of the pressures in the current year are consistent with those faced in recent years. This includes the impact of inflation, on both in-house delivery and externally commissioned services, as well as rising demand and increased complexity for services within both adults and children's social care. An overview of the key areas of pressure and related performance information is set out below.
- 1.5.1.4 Adults Services has a forecast pressure of £2.3m. Within this, costs for externally commissioned care are the main cause, with the greatest pressure continuing within residential care. This is partly mitigated by vacant posts, additional health income but the main improvement being seen in increased client contributions. The pressure is driven by a range of factors, but primarily inflationary pressure on care providers fees and the lack of home care provision, resulting in more short-term residential care placements to facilitate hospital discharge. Further detail is contained within section 1.2 of the annex.
- 1.5.1.5 From a performance perspective within Adults Services, despite the focus to facilitate hospital discharge, the number of clients in short- and long-term placements in residential and nursing care settings has remained constant. There is an on-going drive to find alternatives to short-term residential placements, where home care is not available, as well as improve the monitoring and reporting of these placements. Demand for homecare services remains high and there is ongoing work to support the homecare market, which is a national issue across all authorities.
- 1.5.1.6 Children's Services has a forecast pressure of £5.4m. In 2022/23 there were significant pressures (£14.6m at its height) in Children's Services. The majority of this (£12.3m) related to services for children in care. This was due to increased staffing costs for children's social care and increased numbers of children, both in need and in care, compared to the numbers assumed when the budget was set originally.
- 1.5.1.7 A significant programme of work to analyse and understand the position, has resulted in an increase to the gross budget of £9.7m based on new assumptions. This assumes a level of children in need at 1,600, with 330 of those being children in care. The associated staffing requirement has been increased to 74 social workers. In previous years the budget had been based on assumptions of 1,400 children in need with 260 children in care, supported by 55 social workers. This led to significant financial pressures as well as increased demand on the team. Within the current year, the increased budget has improved the position, however, there is still a forecast financial pressure due to the number of external residential care placements and the level of demand remaining higher than assumed. The number of

children in care is at 362, with the overall level of children in need at 1662. Work is therefore ongoing with this area as part of the programme to mitigate and manage both the budget pressures and set the Medium-Term Financial Plan. More information on Children's Services is set out in section 1.3 of the annex.

- 1.5.1.8 Commissioning and Asset Management (C&AM) has a forecast pressure of £6.2m due to two main areas. Firstly, Home to School Transport which has a pressure of £2.9m due to higher-than-expected levels of children with complex needs who have support with transport. This is further exacerbated by inflationary pressures on the transport contracts. There is also a forecast pressure of £2.9m for Catering Services. This is due to a combination of inflation on the costs of food purchases, staffing costs relating to sickness, maternity cover and 'deep cleaning' days and due to reduced income from fewer schools now using this service. Further information on C&AM is included in section 1.5 of the annex.
- 1.5.1.9 These main pressures in the General Fund are partly offset by a forecast underspend in Central items. This includes savings in the minimum revenue provision (£1.5m), treasury management savings (£1.0m) and the application of contingencies for general inflationary pressures (£1.1m). Further details on Central Items is included in section 1.11 of the annex.
- 1.5.1.10 Cabinet will wish to note that a programme of work is in place to both manage and mitigate the 2023/24 budget pressures as well as form the 2024-2028 Medium Term Financial Plan. A full overview of the 15 workstreams within this programme is set out in section 6 of the annex. The workstreams include the work in relation to the High Needs Block (section 1.5.2) and Children's Services as referenced above.

1.5.2 Schools

- 1.5.2.1 In relation to individual schools, they are required to submit their rolling three-year budget plan to the Authority by 31 May each year. All schools have provided returns but two still require final Governor approval, therefore the figures for 2023/24 included in this report are draft.
- 1.5.2.2 The provisional outturn for school balances for 2022/23 is a deficit of £0.4m. Budget plans submitted by schools indicate that this will increase to a deficit of £8.5m by the end of 2023/24. There are currently 14 schools that have submitted a deficit budget plan for 2023/24. Cabinet should note that there are five new schools requiring a licenced deficit agreement in 2023/24 and nine schools that continue to require support. Of these nine schools, one has a structural deficit, which means that the school is unable to submit a recovery plan which shows it coming back into financial balance within 3

years which is required in line with the scheme for financing schools. The Authority will hold budget review sessions with the fourteen schools involved across July and September.

- 1.5.2.3 Cabinet will recall there has also been significant pressures within the Dedicated Schools Grant (DSG) in relation to the High Needs block which ended 2022/23 with an overspend of £9.6m. As reported previously, to address these pressures, the Authority joined the Department for Education's (DfE) Safety Valve Intervention Programme on 1 April 2023. Subject to meeting specific performance measures, this will provide the Authority with £19.5m of revenue funding to support the current deficit position within this budget area. The DSG Management Plan (which was submitted to the DfE as part of the agreement), demonstrates how, over a five-year period, the Authority will bring the High Needs Block back into balance by the end of that period. The Authority is on track to reach a positive in-year balance on this budget by the end 2027/2028. The current year position includes the first tranche of funding from the DfE of £7.8m.
- 1.5.2.4 The Authority's DSG management plan forecasts that there would be 2,134 Education Health and Care Plans (EHCP) maintained in January 2024 and currently the authority is on track to do this. There are 2,140 EHCPs at the end of May 2023. The rate of EHCPs maintained by the authority has slowed, despite the higher demand for Education, Health and Care Needs Assessments in North Tyneside compared to national and regional rates.
- 1.5.2.5 As part of the Safety Valve Intervention Programme, the Authority will receive £4.7m from the DfE in capital funding to support the Dedicated Schools Grant (DSG) Management Plan which will be used to develop an Early Years hub and increase the Additionally Resourced Provisions (ARPs) in schools. As part of this programme, the Authority is working with its maintained special schools to agree pupil numbers and the banding of these pupils which could impact on the funding they receive.

1.5.3 Housing Revenue Account

- 1.5.3.1 The projected outturn position for the Housing Revenue Account (HRA) is an underspend of £0.015m. The main areas of pressure within this budget area relate to housing repairs due to the impact of inflationary increases on materials and subcontractor prices. There is also an anticipated pressure due to the 2023/24 pay award expected to be greater than assumed in the HRA Business Plan. Other significant pressures relate to the cost-of-living crisis and the continued uncertainty and volatility of utility bill costs. In performance terms for housing, rental income collection is better than forecast despite the gradual increase in rent arrears for current tenants due

to the impact of Universal Credit. Fewer than 1% of homes are empty and available for letting, therefore maximising the amount of rent that can be collected.

1.5.4 Investment Plan

1.5.4.1 The approved 2023–2028 Investment Plan totals £329m (£114m in 2023/24) and is detailed in table 22 of Annex, within section 4.

1.5.4.2 A review of the Investment Plan has resulted in proposals for variations (changes to the financing of the Plan) of £6.8m and reprogramming (changes to the delivery of the Plan) of £0.3m in 2023/24, details of which are set out in Section 4 of Annex, paragraphs 4.3 and 4.4. At the end of May 2023, spend of £6.3m had been incurred in year, representing 5.21% of the overall plan for 2023/24.

Progress at the end of May:-

- **Affordable homes delivery programme;** there are several projects progressing during 2023/24. Work is currently on site with three projects including conversion of two former recreation rooms to affordable bungalows by the end of July 2023 and a further phase of the project converting garage sites in Battle Hill to nine new affordable homes due to complete early 2024. Aurora Affordable Homes continues to purchase homes on the open market and currently owns 97 homes, with 7 homes in the legal process to be purchased.
- **Housing Capital delivery programme;** is on track to deliver a range of improvements to maintain homes to the decent homes standard.
- **Education Investment Works;** delivery of the priority condition related projects as part of the agreed Schools Condition Investment Programme following consultation with all schools, with works to be delivered over the summer.
- **Asset Planned Maintenance programme;** delivery of the priority condition related projects across the asset property estate is on track.
- **Highways and Infrastructure Works;**
 - Delivery of the Local Transport Plan including the annual resurfacing programme and integrated transport projects. Larger projects will include the strengthening of Harrow Street pedestrian bridge at Shiremoor.
 - Delivery of the Additional Highway Maintenance Programme including footway improvements in line with the Mayor's priorities.

- Continuation of the Tanners Bank highway improvement scheme at various junctions in North Shields.
- Progression of a number of major highway improvement schemes such as the Seafront Sustainable Cycle Route, Stephenson Street junction upgrades and the next phases of the Routes to Metro project.
- Continuation of the surface water programme to reduce the risk of flooding in the borough.
- **Ambition for North Tyneside;**
 - **Wallsend** – A draft masterplan prepared with proposals to upgrade public realm, housing development and employment and business support programmes. The plan was considered by Cabinet on 22 May 2023, following public engagement, and powers delegated to officers to finalise the plan. Government advised in January that the Levelling Up Fund bid had been unsuccessful and therefore the next round of bidding is now awaited.
 - **Killingworth Lake** – work refining draft concept plans are underway and cost estimates are being produced to inform potential funding bids.
 - **Waggonways project** – work is underway to develop the scope of the project and ecological surveys have been commissioned focusing on Waggonway route in the North West of the borough. Work is underway to assimilate potential S106 contributions to use in part to fund the project. A concept plan has been developed and a funding bid has been submitted to the North of Tyne Combined Authority to cover design fees.

1.5.5 Treasury Management

- 1.5.5.1 The level of external borrowing (excluding PFI) has remained the same since 31 March 2023 at £422m to 31 May 2023. The level of internal funding remains high at £68.5m at 31 May 2023 (£102m at 31 March 2022). This is in line with the Authority's Treasury Management Strategy as this avoids external interest charges wherever possible.
- 1.5.5.2 As at 31 May 2023 the Authority had Treasury investments of £15m. During April and May 2023, £0.2m was generated through interest earned on investments, of which £0.1m relates to income earned on HRA balances. The Authority invests in line with Chartered Institute of Public Finance Accountancy (CIPFA) guidance, maintaining a low-risk approach to investments.

1.5.6 New Revenue Grants Received

1.5.6.1 The table below sets out the details of new revenue grants received up to end May 2023 for Cabinet's approval.

Table 3 – Grants Received April and May 2023/24

Directorate	Grant Provider	Grant	Purpose	2023/24 value £m
Corporate Strategy & Customer Services	Department for Levelling Up, Housing and Communities (DLUHC)	UK Shared Prosperity Fund (UKSPF) – Communities and Place	Development of Community Partnership to support VCSE.	Revenue 1.081 Capital 0.400
Children's	DfE	Initial Teacher Training Reform Set-Up Costs Grant Funding	ITT course development ahead of ITT reform delivery in 2024/25.	0.025
Environment	Arts Council England	Coronation Library Fund	To support local celebrations of the Coronation	0.001
Environment	Material Focus	Electrical Recycling Fund	Working to stop electricals being hoarded and thrown away, and ensure they're reused and recycled instead.	0.015
Environment	Trees for Climate	North East Community Forest – Trees for Towns	Various environmental benefits from tree planting schemes	0.048
Environment	Trees For Climate	Trees for Climate – Extraordinary Payments for Replanting in Exceptional Circumstances	Various environmental benefits from tree planting schemes	0.004
Regeneration and Economic Development	North of Tyne Combined Authority	The Business Factory Project	Support residents and businesses in the Borough looking to start up and grow, increasing the number of businesses, availability of jobs and levels of productivity within North Tyneside Council	0.700
Total				2.274

1.6 Decision Options:

1.6.1 The following decision options are available for consideration by Cabinet:

1.6.2 Option 1

Cabinet may approve the recommendations at paragraph 1.2 of this report.

1.6.3 Options 2

Cabinet may decide not to approve to recommendations at paragraph 1.2 of this report.

1.7 Reasons for Recommended Option:

1.7.1 Option 1 is recommended for the following reasons:

1.7.2 Cabinet is recommended to agree the proposals set out in section 1.2 of this report as it is important that Cabinet continues to monitor performance against the Budget, especially given the current level of financial pressures faced by the public sector.

1.8 Appendices:

Annex 1: Financial Management Report to 31 May 2023

Annex 2: Performance Report to 31 May 2023

Appendix 1: Investment Plan Summary

1.9 Contact Officers:

Jon Ritchie – Corporate Finance matters – Tel. (0191) 643 5701

Claire Emmerson – Corporate Finance and Schools matters – Tel. (0191) 643 8109

David Dunford – Corporate Finance and General Fund matters – Tel. (0191) 643 7027

Jane Cross – Corporate Finance and General Fund matters

David Mason – Investment Plan matters – Tel. (0191) 643 5747

Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052

Jackie Laughton – Performance matters – Tel (0191) 643 5724

Pam Colby – Performance matters – Tel (0191) 643 7252

1.10 Background Information:

1.10.1 The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- (a) Revenue budget 2023/24
https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202023_24.pdf
- (b) Investment Plan 2023–2028
<https://democracy.northtyneside.gov.uk/documents/s11473/Annex%201%20Appendix%20D%20i%202023%20-%202028%20Investment%20Plan.pdf>
(Agenda reports pack 16 February 2023 – Appendix D(i))
- (c) Reserves and Balances Policy
<https://democracy.northtyneside.gov.uk/documents/s11480/Annex%201%20Appendix%20G%20-%202023-24%20Reserves%20and%20Balances%20Policy.pdf>
(Agenda reports pack 16 February 2023 – Appendix G)
- (d) Overview, Scrutiny and Policy Development Performance Report
<https://democracy.northtyneside.gov.uk/documents/s11482/Annex%201%20Appendix%20I%20-%202023-24%20Report%20of%20the%20Overview%20Scrutiny%20and%20Policy%20Development%20Committee%20Jan%202022.pdf>
(Agenda reports pack 16 February 2023 – Appendix I)
- (e) North Tyneside Safety Valve Agreement
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1142857/North_Tyneside_Safety_Valve_Agreement_2022-2023.pdf

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and Other Resources

- 2.1.1 Financial and other resources implications are covered in the body of the report.

Legal

- 2.2.1 The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

2.3 Consultation/Community Engagement

2.3.1 Internal Consultation

Internal consultation has taken place with the Cabinet Member for Finance and Resources, the Elected Mayor, the Deputy Mayor, Cabinet Members, the Senior Leadership Team and Senior Finance Officers.

2.3.2 External Consultation / Engagement

The 2023/24 budget was completed after widespread consultation and community engagement in line with the Authority's approved Budget Engagement Strategy.

2.4 Human Rights

2.4.1 The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and Diversity

2.5.1 There are no direct equalities and diversity implications arising from this report.

2.6 Risk Management

2.6.1 Potential future financial pressures against the Authority are covered in this report and registered through the Authority's risk management process.

2.7 Crime and Disorder

2.7.1 There are no crime and disorder implications directly arising from this report.

2.8 Environment and Sustainability

2.8.1 There are no direct environmental and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Chief Executive
- Director of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive

2023/24 Financial Management Report Annex

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SECTION 1 – SERVICE COMMENTARIES

1.1 Meetings have been held between finance officers and budget managers to review the forecast position for 2023/24, with the forecast being prepared on a prudent basis to give sight of the overall challenges at this stage in the financial year. In addition, challenge sessions are planned to review the quarterly financial position and service performance with the Elected Mayor, the Deputy Mayor, the Cabinet Member for Finance and Resources, and other relevant Cabinet Members. Service Directors and their senior teams also attend these challenge sessions to discuss plans in progress to mitigate any pressures.

1.2 Adults Services

1.2.1 Adults Services is showing a forecast variance of £2.276m against its £64.210m net controllable expenditure budget. The net budget for 2023/24 has increased by £7.401m from 2022/23, with the gross budget increasing by £11.584m, within this there were no savings targets allocated for 2023/24.

1.2.2 **Table 1: Forecast Variation for Adults Services as at 31 May 2023**

	Budget £m	May 23 Forecast £m	May Variance £m	Outturn Variance £m	Change £m
Central, Strategy and Transformation	0.854	0.914	0.060	(0.033)	0.093
Social Work and Associated Activity	8.373	8.261	(0.112)	(0.442)	0.330
Integrated Services	2.687	1.898	(0.789)	(1.524)	0.735
Business Assurance	0.373	0.402	0.029	0.010	0.019
Sub-total Operations	12.287	11.475	(0.812)	(1.989)	1.177
Wellbeing and Assessment	17.382	18.124	0.742	1.505	(0.763)
Learning Disability	30.304	31.214	0.910	1.167	(0.257)
Mental Health	4.583	5.836	1.253	0.975	0.278
Other Services	(0.346)	(0.163)	0.183	(0.528)	0.711
Commissioned Services	51.923	55.011	3.087	3.119	(0.031)
Total Adult Services	64.210	66.486	2.276	1.130	1.146

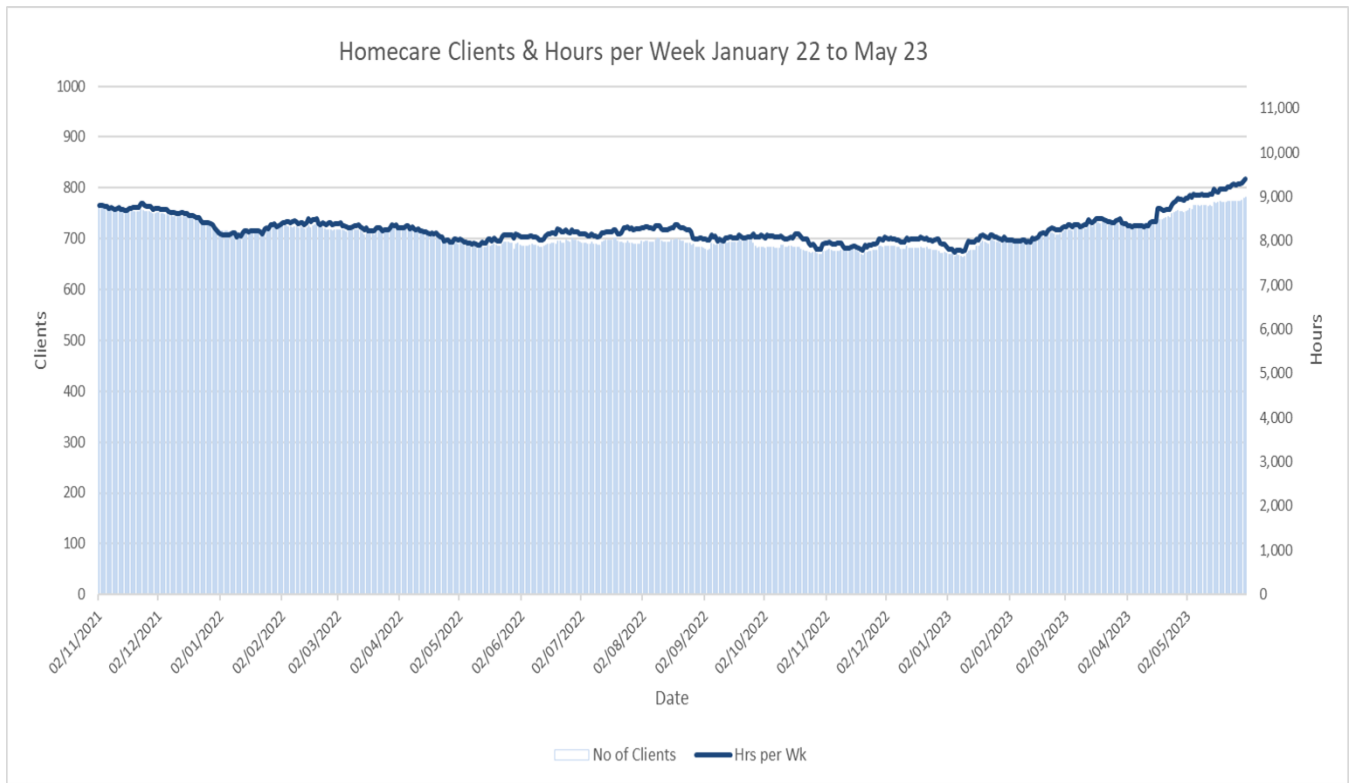
Main budget pressures across Adults Services

- 1.2.3 The analysis of sub-service areas is reported to show the split between the operational aspects of the service and the externally commissioned care costs. The operational costs of the service are forecasting an underspend of £0.812m. In 2022/23 the outturn position was an underspend of £1.989m which reflected a large number of vacant posts because of the ongoing difficulty in the recruitment and retention of staff.
- 1.2.4 As part of the 2023/24 budget process £0.400m additional funding was allocated to address the problems with recruitment and retention of staff and the inconsistent grading of social work posts across the authority. The positive impact of this investment has already been recognised in recent recruitment. There are further plans to introduce a Short-Term Review Team to add capacity, support and challenge into the system.
- 1.2.5 Adult Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but also from the cost-of-living increases currently being experienced across the country. The 2023/24 negotiations with providers resulted in a 2-year agreed fee increase and £9.080m additional budget to support social care providers to maintain their vital services.
- 1.2.6 There continues to be a shortage of homecare provision within the borough and as at the end of May there were 108 clients on the brokerage waiting list, however this has seen a steady downward trend over the last 10 months. During 2022/23 the lack of home care provision resulted in increased short term residential care placements, in April 2023 there were 30 new short-term placements slightly increased from March but an overall decline since August 2022. This is a regional and national issue and work is on-going to support the home care market. The Authority is working with providers to look at new and innovative solutions and this will form the basis for the re-procurement of the home care contract which will start from April 2024.
- 1.2.7 Adult Social Care Discharge funding of £1.343m is managed as part of the Better Care Fund (BCF) for 2023/24, pooled with Integrated Care Board (ICB) funding and approved via the Health & Wellbeing Board. The 2023 – 2025

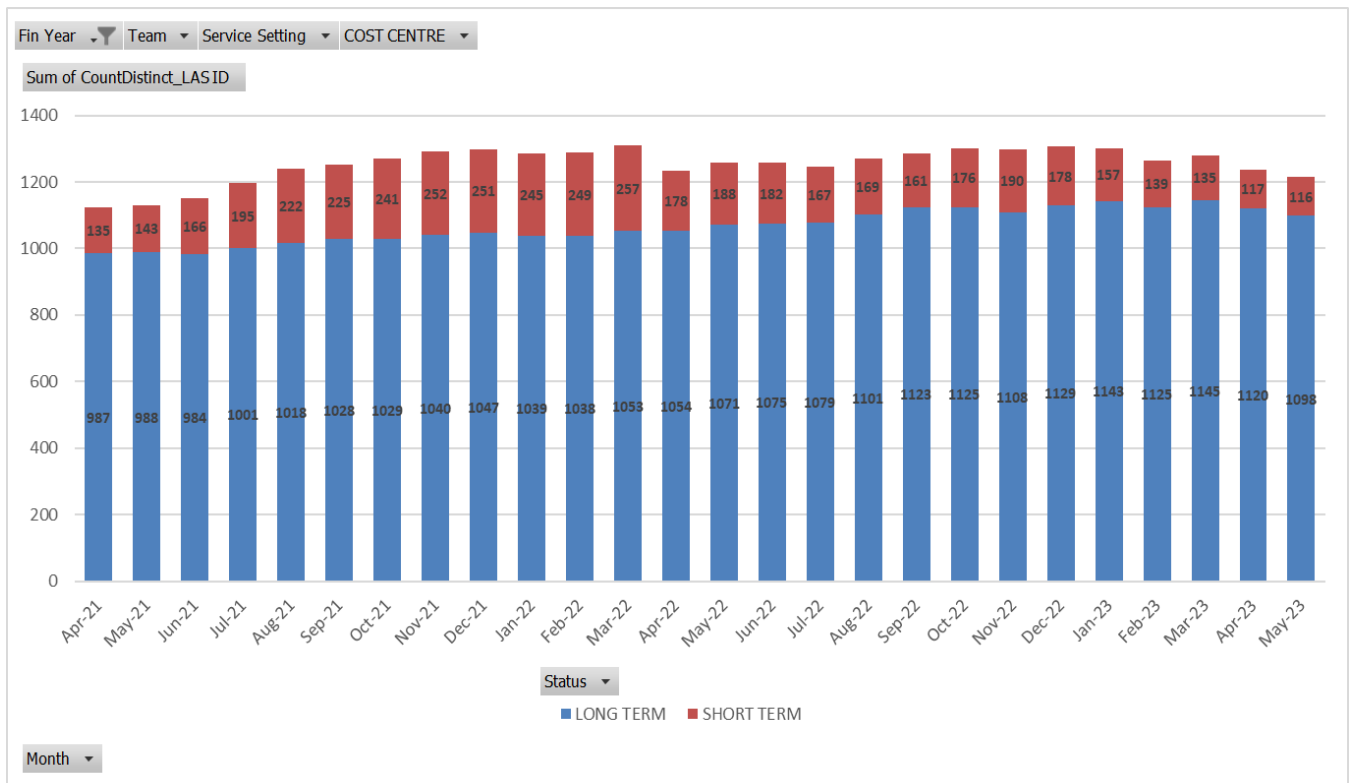
BCF plan includes a scheme to increase inhouse homecare capacity, this will increase control and capacity of home care provision with focus on reablement. The posts will be directly employed by the authority and will form part of the social care career pathway.

- 1.2.8 The hospital stepdown beds, additional Extra Care placements and reablement flats helped with the transition from hospital during 2022/23, allowing more clients to receive community-based care. These initiatives have worked extremely well across the winter to help maintain hospital flow and prevent delayed discharges and work has already begun to look for similar arrangements and support for 2023/24.
- 1.2.9 The transition of complex clients from both Children's Services and long-term hospital settings are a growing pressure for Adult Services. The Authority works closely with the ICB to ensure funding contributions for clients with these health needs continue on an equitable basis but the social care element continues to grow. Funding received from the ICB for S117 mental health after care services has increased overall (ICB contribution for these clients is 50% of total care costs), however, there continues to be pressure around funding from the NHS for clients with shared care and to support mental health infrastructure originally established in relation to clients resettled from long stay NHS hospitals.
- 1.2.10 Client contributions for 2022/23 was £15.078m and was the first full financial year without the impact of hospital discharge COVID support. There was investment in the Adult Social Care Finance Team throughout 2022/23 to improve the income and debt collection processes which is now starting to impact positively on income levels.
- 1.2.11 Work has started on the Health & Social Care workstream as part of the 2024 – 2027 Medium Term Financial Plan (MTFP). This is a cross cutting exercise involving Public Health colleagues to consider the medium to long-term pressures and efficiencies that health and social care adult services will face.

1.2.12 Chart 1: Number of Clients and Total Hours purchased for Homecare



1.2.13 Chart 2: Overall Numbers of Clients in Residential and Nursing Care



1.3 Children, Young People and Learning (CYPL)

1.3.1 Children's Services is showing a forecast variance of £5.381m against its £33.267m net controllable expenditure budget. The net budget has increased by £7.514m from 2022/23 (£10.630m including the contingency budget allocated from central contingency as part of 2022/23 outturn). Within the 2023/24 budget there were no new savings targets allocated.

1.3.2 Table 2: Forecast Variation for Children's Services as at 31 May 2023

	2023/24 Budget	2022/23 Outturn	May Forecast	May Variance	Change since 2022/23
	£m	£m	£m	£m	£m
Corporate Parenting & Placements	26.315	26.939	29.866	3.551	2.927
Quality of Practice	0.000	0.000	0.135	0.135	0.135
Multi-agency Safeguarding Arrangements	0.618	0.628	0.643	0.025	0.015
Health, Information & Advice, Virtual School & Emotional Wellbeing (HIVE)	0.013	(0.027)	0.013	0.000	0.040
Early Help & Vulnerable Families	1.805	1.326	1.605	(0.200)	0.279
Employment & Skills	0.725	0.576	0.720	(0.005)	0.144
Children's Disability Service	1.709	3.414	3.440	1.731	0.026
Education North Tyneside	1.604	1.530	1.906	0.302	0.376
Youth Justice Service	0.621	0.398	0.463	(0.158)	0.065
Regional Adoption Agency	(0.143)	(0.168)	(0.143)	0.000	0.025
Total Children's Services	33.267	34.616	38.648	5.381	4.032

Main budget pressures across Children's Services

- 1.3.3 The "Handling Children's Finance" workstream looked to address the pressures in Corporate Parenting linked to an increased number of children in need and children in care.
- 1.3.4 The £5.381m forecast pressure partly relates to a higher number of external residential care and external supported accommodation placements as work is ongoing to reach the "core" children in care numbers as well as the placement mix identified in the workstream, see paragraph 1.3.14. The forecast also reflects ongoing pressure within the Children's Disability Service and inhouse children's homes.
- 1.3.5 Children's Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. Coupled with the ongoing impact of increasing need, this has led to additional challenges in delivering savings targets. In response to this Cabinet agreed to remove unachieved savings of £1.500m in 2023/24.
- 1.3.6 **Table 3: Forecast Variation for Children's Services Split between Operational & Commissioned Care Costs**

	2023/24 Budget	2022/23 Outturn	May Forecast	May Variance	Change since 2022/23
	£m	£m	£m	£m	£m
Commissioned Services	8.479	9.849	11.042	2.563	1.193
In-house Service's	11.213	12.913	13.064	1.850	0.151
Staffing & Operations	13.718	12.022	14.685	0.968	2.663
Regional Adoption Agency	(0.143)	(0.168)	(0.143)	0.000	0.025
Total Children's Services	33.267	34.616	38.648	5.381	4.032

- 1.3.7 Table 3 shows the Children's Services position split between operational and commissioning pressures. The commissioned and in-house services gross budget was increased as part of the Children's services workstream by £7.162m to reflect the "core" number of children in need.
- 1.3.8 Commissioned services are showing a pressure of £2.563m which reflects the pressures in external residential and supported accommodation placements. As well as the number of children in external placements currently being higher than the "core" number we are working towards, there is also an increased pressure being experienced in the external care market which is seeing unprecedented weekly costs for externally commissioned care packages.
- 1.3.9 There is also pressure in external fostering and short break care. There continues to be a lack of provision of short break care available for children with disabilities and work is on-going to identify additional resources to meet need. This provision is vital to families and carers and lack of provision could lead to future breakdown in care arrangements.
- 1.3.10 Addison Street children's home is an in-house service which provides short break care to children with disabilities. The pressure against in-house services of £1.850m reflects pressure across all of the inhouse children's homes as the cost-of-living crisis and the challenges of life after Covid continues to impact.
- 1.3.11 The staffing budgets were increased by £2.584m as part of the Children's Services workstream and this has addressed the historic pressure within social work. The remaining pressure relates to non-social work posts.
- 1.3.12 To support a core number of 1,600 Children in Need, the structure was increased to 74 qualified social worker posts. There are currently 1,669 Children in Need and 16.60 vacant social work posts, partly being covered by 13 agency staff. This level of vacancies puts additional pressure on staff which is unsustainable in the long term. The Children's Services workstream also focused on social worker recruitment and retention and developed a recruitment pilot to try and address the high level of vacancies.

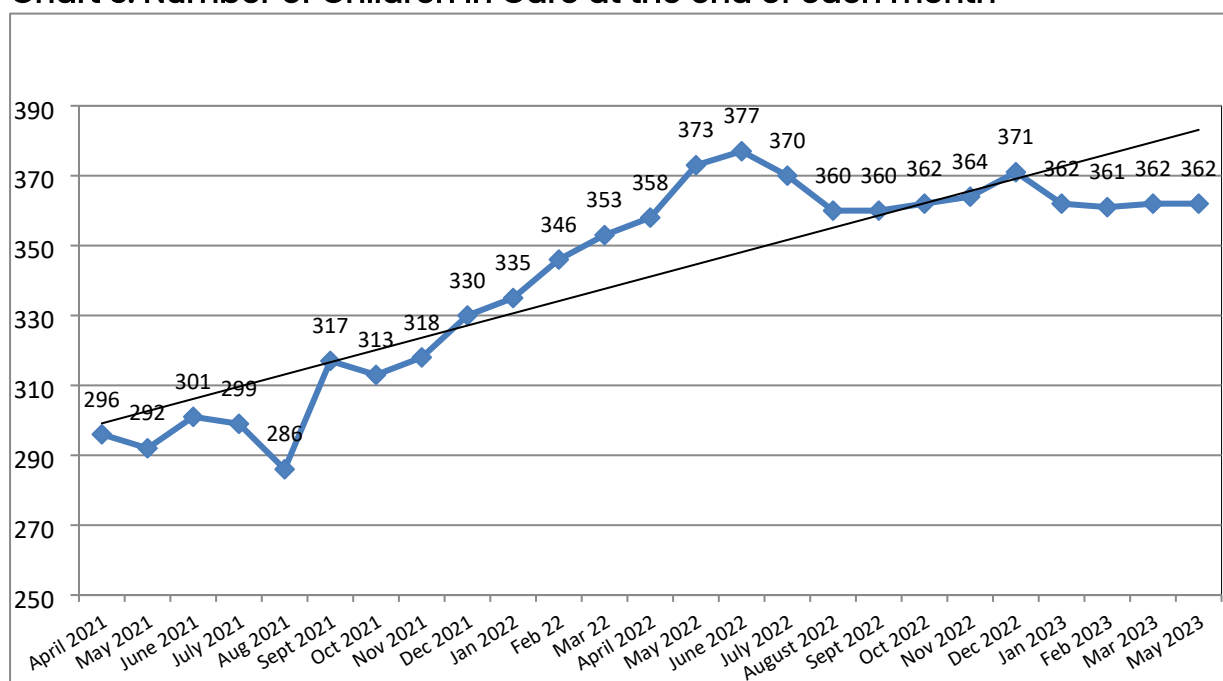
Corporate Parenting and Placements

1.3.13 Table 4: Analysis of Pressures in Corporate Parenting and Placements

Type of Service	2023/24 Budget	2022/23 Outturn	May Forecast	May Variance	Change since 2022/23
	£m	£m	£m	£m	£m
Care provision – children in care	15.693	16.475	17.973	2.280	1.498
Care provision – other children	4.131	4.606	4.595	0.464	(0.011)
Management & Legal Fees	0.114	0.531	0.697	0.583	0.166
Social Work	6.327	5.273	6.546	0.219	1.273
Safeguarding Operations	0.050	0.054	0.055	0.005	0.001
Total	26.315	26.939	29.866	3.551	2.927

1.3.14 The forecast is based on the children in care at the end of May 2023. Chart 3 shows the number of children in care was 362, this is higher than the “core” number of 330 resulting in the forecast also being higher than the revised budget for 2023/24.

1.3.15 Chart 3: Number of Children in Care at the end of each month



1.3.16 Current numbers include 33 unaccompanied asylum-seeking children (UASC), an increase of 7 since the March position, which the Authority is mandated to take.

Care Provision – Children in Care

1.3.17 Table 5 gives a further breakdown of the care provision costs for the 362 children in care. Children’s Services developed a small number of in-house services for children with very complex needs as a way of mitigating against high costs for external provision. While there is a pressure within in-house residential care, unit costs for external residential care continue to increase significantly more than inhouse services and there are plans to look to increase the capacity of the in-house provision.

1.3.18 However, the number of Children in Care can be volatile and costs for individual children can be very high. There is a potential risk that the forecast could increase if numbers of care nights delivered on complex cases starts to rise above current levels.

1.3.19 **Table 5: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	2023/24 Budget £m	May Forecast £m	May Variance £m	Average Annual Placement Cost	Place-ment Mix	No. of children May 2023
External Residential Care	5.022	5.712	0.690	0.375	7.5%	27
External Fostering	0.926	0.956	0.030	0.042	6.1%	22
In-House Fostering Service	5.626	5.504	(0.122)	0.026	57.7%	209
External Supported Accommodation	1.647	2.436	0.789	0.099	12.7%	46
In-House Residential Care	2.472	3.365	0.893	0.160	5.8%	21
Other*	-	-	-		10.2%	37
Total	15.693	17.973	2.280	-	100%	362

*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility.

1.3.20 Since the refresh of the Fostering Strategy, approved in November, in-house fostering allowances now follow national uplifts and keep the Authority competitive in the local market. The 2023/24 uplift of 12.43% meant the

allowances budget was increased by £0.165m however the longer-term aim is to increase the number of foster carers to allow less reliance on other types of care provision.

1.3.21 External fostering is currently supporting 22 children in care, which is the same number as the “core” number of children in care that would expect to be placed in external fostering arrangements. However, there is a pressure within external fostering due to on-going placements for older children who remain with their external foster carer. These placements are no longer included within children in care put attract a “staying put” allowance.

1.3.22 **Table 6: “Core” Number of Children in Care and planned placement mix**

Placement Type	Placement Mix	No. of children
External Residential Care	7.0%	23
External Fostering	6.7%	22
In-House Fostering Service	61.7%	204
External Supported Accommodation	9.7%	32
In-House Residential Care	6.4%	21
Other*	8.5%	28
Total	100%	330

Care Provision – Other Children (not in care)

1.3.23 The pressure of £0.464m relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). SGO’s are also impacted by the agreed increases to foster care allowances but as this is a mean tested allowance, there is also an increased pressure due to the impact of the cost-of-living crisis.

Management and Legal Fees

1.3.24 This area has a forecast pressure of £0.583m however some of the pressure within this area is due to residual savings targets, which the service are looking to reprofile. There is also an ongoing pressure due to increased legal fees and whilst there has been an exercise to provide more support internally from Legal Services, there remains a pressure around court fees.

Social Work

- 1.3.25 The Children's Services workstream addressed the pressure previously seen within social work budgets and resulted in a staffing structure which can support the "core" number of children. The remaining pressure of £0.219m relates to Section 17 payments to families which continues to see a high level of demand as families continue to be impacted by the cost-of-living crisis.

Other Service Areas

- 1.3.26 Children's Disability Service was not included in the initial scope of the Children's Services workstream and is forecasting a pressure of £1.731m. Pressures within Disability Services should be seen within the national and local context of increasing numbers of children with complex needs, work continues with the Integrated Care Board (ICB) to identify health needs and corresponding Children's Continuing Care (CCC) health income.
- 1.3.27 One of the main pressures relate to operational staffing costs within the in-house children's disability homes. The service plans to start a review of this provision to identify any areas of spend which can be reduced without adverse impacts on the children and families receiving support.
- 1.3.28 Education North Tyneside is reporting a pressure of £0.301m which reflects a reduction in income for an education training venue while the building is temporarily being used for alternative accommodation. The School Improvement Service has seen a reduction in external funding however have recently undergone a review of services to address the resulting pressure. As part of the 2023/24 MTFP the Ambition for Education workstream will look at continuing pressures within this area.

1.4 Public Health

- 1.4.1 Public Health is forecasting to outturn on budget, which is the same as the Outturn Cabinet Report.

1.4.2 Table 7: Public Health Forecast Variation

	Budget	Forecast	Variance	Variance	Change
	£m	May	May	Outturn	since
	£m	£m	£m	£m	Outturn
					£m
Public Health Ring Fenced Grant	(0.032)	(0.032)	0.000	0.000	0.000
0-19 Children's Public Health Service*	0.273	0.273	0.000	0.000	0.000
Community Safety & Resilience	0.451	0.451	0.000	0.000	0.000
Public Protection	0.902	0.902	0.000	0.000	0.000
GRAND TOTAL	1.594	1.594	0.000	0.000	0.000

* the 0-19 Children's Public Health Service forms part of the Public Health Ring Fenced Grant

1.4.3 There is an overspend in Public Protection which is mainly due to the ongoing pressures with the taxi licensing service of £0.120m as a result of the costs to run the service, coupled with reduced income due to the number of drivers and vehicles reducing before and during the pandemic and not currently seeing any signs of recovery. The remaining pressure of £0.015m is spread across the remaining service areas due to increased supplies and services and reduced income forecasts. However, this is being mitigated by other funding streams elsewhere to bring the service to a nil variance.

1.5 Commissioning and Asset Management

1.5.1 Commissioning and Asset Management (C&AM) is showing a pressure of £6.171m as set out in Table 8, an increase of £1.222m since the Outturn Cabinet report.

1.5.2 Table 8: Commissioning and Asset Management (C&AM) Forecast Variation

	Budget	Forecast May	Variance May	Variance Outturn	Change since Outturn
	£m	£m	£m	£m	£m
School Funding & Statutory Staff Costs	5.468	5.531	0.063	(0.157)	0.220
Commissioning Service	0.486	0.460	(0.026)	(0.041)	0.015
Facilities & Fair Access	1.354	7.311	5.957	5.029	0.928
Strategic Property & Investment	1.037	1.117	0.080	0.082	(0.002)
Property	(0.022)	(0.022)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.168	0.165	(0.003)	(0.003)	0.000
Procurement	0.099	0.199	0.100	0.039	0.061
GRAND TOTAL	8.590	14.761	6.171	4.949	1.222

1.5.3 The main budget issues relate to Facilities and Fair Access which is showing a forecast pressure of £5.957m (Outturn pressure of £5.029m). The Home to School Transport position is forecasting a pressure of £2.892m which relates to the sustained increase in children with complex needs attending special schools of £1.501m and inflationary pressures of £1.391m. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant. As a result of the increase in need for home to school transport for children with additional needs, the number of children in vehicles has risen from 614 in April 2016 to 888 in April 2023 as shown in the performance data and 66.36% of the reported pressure relates to Special Schools. Work is continuing on route rationalisation using the new QRoute system as well as looking at new options about transport delivery.

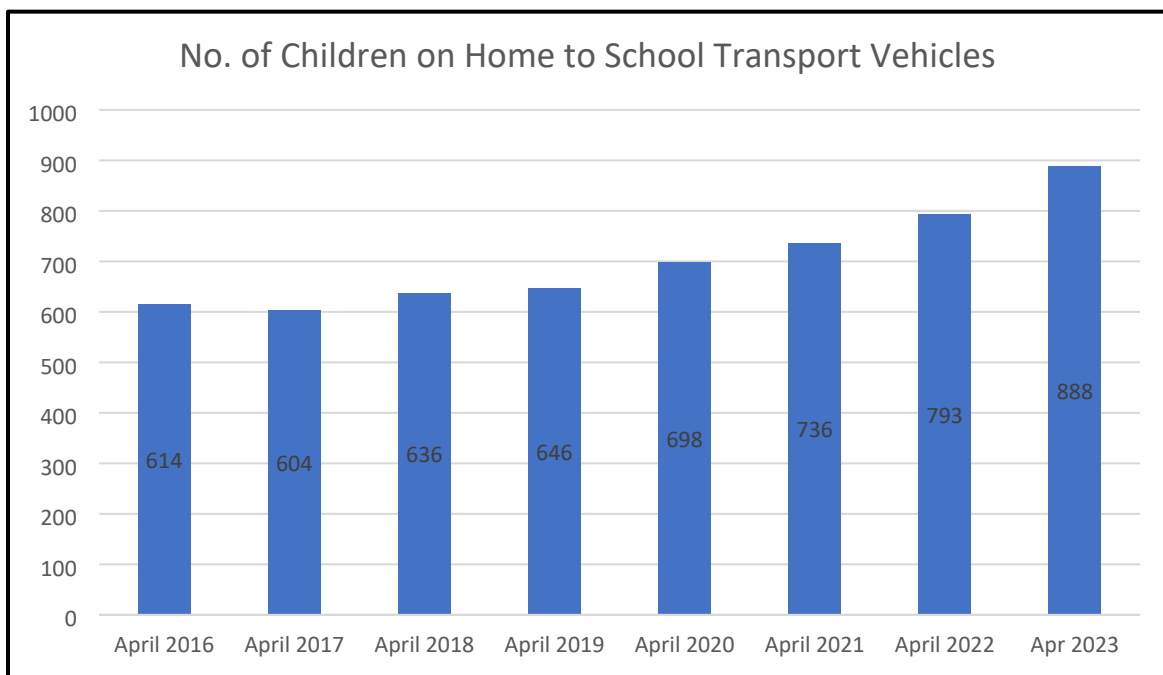
1.5.4 There is a pressure on the catering service of £2.938m due to inflationary pressures of £1.805m, wages of £0.130m from the additional hours worked to cover sickness, maternity leave and deep cleaning days and the cumulative effect of no annual pay rise being allocated in the budget for additional

hours worked and also management operational pressures. There are pressures on paid school meals of £0.089m and SLA income of £0.075m due to the number of schools that have left the SLA in recent years. The service is currently reviewing all costs associated with SLA provision to mitigate the loss of income. The management and central establishment element of the catering SLA cannot now be recovered from the schools that have left the SLA which is a pressure of £0.319m. There is also pressures on income budgets due to reduced SLA and paid meals income as a result of schools leaving the catering service and pupils not returning to paid schools meals post COVID 19 pandemic of £0.369m and lost income from other catering posts COVID 19 pandemic of £0.151m.

- 1.5.5 Cleaning has a pressure of £0.111m which results from inflationary pressures of £0.061m and an additional income target of £0.050m.
- 1.5.6 The remaining main pressures are on school funding and statutory staff costs of £0.063m due to a pressures on teachers early/ill health retirements of £0.105m which are partially offset by redundancy payments savings of (£0.030m) and school related premises costs savings of (£0.012m). There are pressures on the procurement service of £0.100m due to the cross cutting savings target allocated in 2023/24 of £0.100m.
- 1.5.7 There are also pressures on Strategic Property & Investment due to no car parking income being received for Quadrant of £0.101m which are partially offset by operational savings (£0.021m). The property forecast currently assumes that Capita will make a forecast payment at year end of £0.605m to balance actual net expenditure to budget.
- 1.5.8 50.85% of the total service pressures are due to inflation for which there has been no corresponding budget increase.
- 1.5.9 The main movements of £0.050m or more from the previous cabinet report are an increase in the Home to School Transport pressure £0.941m due to less central funding allocated to Home to School Transport in 2023/24 of £0.200m, a reduction in DSG contribution of £0.060m and increases in the route costs due to full year effect of the increasing number of pupils being transported and associated inflation of £0.681m. The movement in catering of £0.549m is due to not receiving Covid 19 central funding in 2023/24 of £0.654m, which is partially offset by additional income from school meals

price increases from September 2023 with a part year effect of (£0.083m).The movement in School funding and statutory staff costs is due to a reduction in the DSG funding in 2023/24 of £0.100m for teachers early retirements and the annual increase in payments for teachers early retirements for which no additional budget is provided of £0.120m.The movement in procurement is due to income received from capita KPI penalties in 2022/23 having now been removed from the forecast for 2023/24 of £0.054m and other operational pressures of £0.008m.There has also been a movement in Attendance and Placement/Access and Admissions due to the full year effect of vacancies being filled and a reduction in forecast income from penalty notices of £0.067m. The movement in Commissioning is an increase in the salary forecast due to new posts in Childrens Commissioning for the DSG management plan that have no permanent budget of £0.059m and other operational pressures of £0.015m.

1.5.10 **Chart 4: Increase in Numbers of Children Accessing Home to School Transport**



1.6 **Environment**

1.6.1 Environment is forecasting an underspend of (£0.034m), as set out in Table 9 below, an increase of £0.164m since the Outturn Cabinet Report.

1.6.2 Table 9: Forecast Variation in Environment

Service Areas	Budget £m	Forecast May £m	Variance May £m	Variance Outturn £m	Change since Outturn £m
Bereavement	(0.549)	(0.576)	(0.027)	0.052	(0.079)
Fleet Management	0.730	0.723	(0.007)	0.157	(0.164)
Head of Service Environment & Leisure	0.147	0.110	(0.037)	(0.031)	(0.006)
Library & Community Centres	5.992	6.184	0.192	(0.116)	0.308
Sport & Leisure	4.946	5.102	0.156	0.389	(0.233)
Street Environment	9.285	9.368	0.083	0.144	(0.061)
Waste & Refuse Management	4.345	4.280	(0.065)	(0.017)	(0.048)
Waste & Recycling Disposal Contracts	12.437	12.108	(0.329)	(0.776)	0.447
Street Lighting PFI	5.137	5.137	0.000	0.000	0.000
GRAND TOTAL	42.469	42.435	(0.034)	(0.198)	0.164

- 1.6.3 Bereavement is forecasting a (£0.027m) underspend, which reflects a potential full operational 12 months of burials and cremations compared to 2022/23 (where the replacement of the cremator at Whitley Bay was not completed until July 2022) and contributing to a forecast overachievement against challenging income targets.
- 1.6.4 Street Environment is forecasting a £0.083m pressure, which reflects higher than expected operational costs including essential expenditure on a new ICT system linked to management of the Council's tree stock. In addition, the higher inflationary cost of obtaining materials, equipment or supplies across the service are a contributing factor and forecast to impact against base budgets resulting in many minor cost pressure variances. Following the allocation of central support for Gas and Electricity, there may be small underspends over the course of the year which may assist to mitigate the overall pressure.
- 1.6.5 A small underspend of (£0.007m) is initially forecast in Fleet Management at the outset of the 2023/24 financial year. The forecast assumes the budgeted

allocation £1.110m of revenue financing repayment being made linked to the Capital Vehicle Replacement Programme.

- 1.6.6 Sport & Leisure is forecasting a £0.156m cost pressure which is an improvement of (£0.233m) since the 2022/23 year-end outturn position. The impact on the reported variance compared to the 2022/23 year-end outturn follows the allocation of central support uplift against Gas & Electricity budgets.
- 1.6.7 Libraries & Community Centres is forecasting a £0.192m pressure which is an adverse movement of £0.308m compared to the 2022/23 year-end outturn. The reported variance includes a £0.102m cost pressure against Wallsend Customer First Centre linked to the annual Rent paid to the building landlords. In addition, there are income pressures across all of the Libraries and Customer First Centres.
- 1.6.8 A combined underspend of (£0.394m) is forecast in Waste Management which is a worsening of £0.399m compared to the 2022/23 Outturn Cabinet Report.
- 1.6.9 Waste & Recycling Disposal Contracts is forecasting a (£0.329m) underspend which reflects the ongoing underspend from 2022/23 around Kerbside/Home Recycling Disposal costs which are forecast to be significantly lower than the base budget given the current market rate for recycled materials and subsequent lower disposal gate fee per tonne.
- 1.6.10 Waste & Refuse Management is initially forecasting a (£0.065m) underspend, which can be attributed to a combined forecast overachievement on income of (£0.152m) across Commercial Waste & Special Collections. The forecast income mitigates the higher than anticipated operational pressures around fleet/transport costs.
- 1.6.11 Although a nil variance is to be reported on the Street Lighting PFI Contract, the cost pressure against electricity is initially forecast to be £0.969m which, combined with the inflationary cost pressure against the Unitary Charge, requires an anticipated £1.328m Contribution from Reserves.

1.6.12 A range of key performance measures are being discussed to enhance reporting on key areas within Environment, such as waste recycling, anti-social behaviour, carbon reduction and income in Sport & Leisure. Data will be gathered on these measures in the coming weeks and included in future versions of this report and the Performance Dashboard.

1.7 Regeneration and Economic Development

1.7.1 Regeneration and Economic Development (R&ED) is forecasting a pressure of £0.383m, as shown in Table 10 below, which is a worsening of £0.134m since the Outturn Cabinet report.

1.7.2 **Table 10: Forecast Variation for Regeneration and Economic Development**

Service Areas	Budget	Forecast May	Variance May	Variance Outturn	Change since Outturn
	£m	£m	£m	£m	£m
Culture	1.628	1.788	0.160	0.056	0.104
Business & Enterprise	0.814	0.790	(0.024)	(0.187)	0.162
Regeneration	0.428	0.655	0.227	0.270	(0.043)
Resources & Performance	0.363	0.427	0.064	0.110	(0.046)
Technical Package - Planning	0.303	0.303	0.000	0.000	0.000
Technical Package - Transport & Highways	7.847	7.803	(0.044)	0.000	(0.044)
GRAND TOTAL	11.383	11.766	0.383	0.249	0.134

1.7.3 Culture is forecasting a pressure of £0.160m which is a worsening of £0.104m since the Outturn Cabinet Report. This is due to a pressure of £0.080m with the Mouth of Tyne Festival as a result of increased production costs for the event. The precept to Newcastle Council for Tyne & Wear Museums & Archives has an increased pressure of £0.032m due to increases in staffing costs. The service has seen a number of posts regraded (with pay back dated to April 2022), which has resulted in a staffing pressure of £0.100m across the service for 2023/24. Some of these pressures have been offset by the forecast income from the profits of Whitley Bay Playhouse (£0.060m).

- 1.7.4 Transport and Highways and Planning is forecasting an underspend of (£0.044m) which is as a result of additional staffing costs being expected to be charged into Capital works currently being undertaken across the service.
- 1.7.5 The forecast pressure within Regeneration is mainly due to an ongoing issue at the former Swans site in relation to costs and income shortfalls relating to the Centre for Innovation (CFI) building which were present during 2022/23 and are expected to continue in 2023/24. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants.
- 1.7.6 Resources & Performance is showing a pressure of £0.064m due to staffing pressures in the management team following a restructure.

1.8 Corporate Strategy

- 1.8.1 Corporate Strategy is forecasting a £0.452m pressure, an improvement of (£0.055m) since the Outturn Cabinet report.

1.8.2 Table 11: Forecast Variation Corporate Strategy

Service Areas	Budget	Forecast May	Variance May	Variance Outturn	Change since Outturn
	£m	£m	£m	£m	£m
Children's Participation & Advocacy	0.475	0.527	0.052	0.131	(0.079)
Community & Voluntary Sector Liaison	0.367	0.367	0.000	(0.002)	0.002
Corporate Strategy Management	0.736	0.990	0.254	0.247	0.007
Elected Mayor & Executive Support	0.043	0.043	0.000	0.017	(0.017)
Marketing	0.445	0.480	0.035	0.063	(0.028)
Policy Performance and Research	0.250	0.361	0.111	0.051	0.060
GRAND TOTAL	2.316	2.768	0.452	0.507	(0.055)

- 1.8.3 Children's Participation & Advocacy is overspent by £0.052m. This is due to the net impact of additional unfunded posts linked to Social Inclusion

activities and demands which is anticipated to result in a £0.262m Employee/Staffing cost pressure being forecast, with partially mitigating income from external and internal sources identified. Approved 2023/24 revenue growth of £0.104m has been allocated and been absorbed with the staffing cost pressure. Over (£0.080m) income/staff time recharged from the Holiday Activities Fund is included in the variance together with additional income recharges for staff time and services delivered.

- 1.8.4 An overspend of £0.254m is forecast against Corporate Strategy Management which reflects a £0.157m underachievement against a cross service income target (assuming no income generation will occur). Included within the overall forecast is a £0.100m shortfall in the funding of Customer Service Programme posts not being fully met.
- 1.8.5 There is a £0.117m staff cost pressure forecast in Marketing (caused by capacity issues over the last couple of years plus regrading's), which is partially mitigated by reduced spend/income overachievement. Included within the Employee cost pressure, staff will receive a 'Standby' payment (on a call out rota basis) to cover Emergency Planning/unsocial call out Marketing & Public Relations activities when required is likely to be a £0.010m annual pressure in 2023/24 going forward.
- 1.8.6 Within Policy Performance and Research, a number of staff are paid through ring-fenced budgets and through Service Level Agreements with other services or schools. Together with capacity issues over the last couple of years, plus increased hours as well as unfunded posts to meet cross service demands, a significant staffing cost pressure exists which contributes to the £0.111m adverse variance being reported. Approved 2023/24 revenue growth of £0.046m has been allocated and been absorbed within the staffing cost pressure. A reduction in staff recharge and grant income is also forecast and contributing to the adverse variance.
- 1.8.7 A range of key performance measures have been agreed for the service looking at important areas such as complaints and member enquiries. Future versions of this report and the performance dashboard will include updates of how the Authority is performing against each of these.

1.9 Resources and Chief Executive Office

1.9.1 This report shows the forecast position for the full Resources directorate and the Chief Executive Office, which is showing a pressure of £0.988m, which is a decrease of (£0.380m) since the Outturn Cabinet Report.

1.9.2 Table 12: Forecast Variation Resources and Chief Executive

Service Areas	Budget £m	Forecast May £m	Variance May £m	Variance Outturn £m	Change since Outturn £m
Chief Executive	(0.070)	(0.079)	(0.009)	(0.089)	0.080
Finance	(0.164)	(0.221)	(0.057)	(0.019)	(0.038)
IT	2.824	2.824	0.000	0.000	0.000
People Team	0.057	0.018	(0.039)	0.000	(0.039)
Internal Audit and Risk Management	0.052	0.055	0.003	(0.029)	0.032
Revenues and Benefits	0.494	0.494	0.000	0.000	0.000
Director of Resources	0.167	0.192	0.025	0.011	0.014
Governance	0.175	0.197	0.022	0.106	(0.084)
Law and Registration	1.233	2.277	1.044	1.388	(0.344)
Business Package Holding Codes	0.000	0.000	0.000	0.000	0.000
GRAND TOTAL	4.768	5.757	0.988	1.368	(0.380)

1.9.3 Law & Registration is forecasting a pressure of £1.044m. While the service (Legal) has implemented a new structure to mitigate the use of Locums and reduce the cost pressures in the service, with recruitment underway, the use of Locums is still required until the structure is fully resourced. This has resulted in a forecast pressure of £0.466m on locums, which is partially offset (£0.134m) by the vacancies within the team. The responsibility of legal fees for Childrens Services cases transferred into the team from 1st April 2023 and is forecasting a pressure of £0.134m, alongside a legal fees pressure of £0.086m for services delivered for other parts of the business. It is expected that this pressure will reduce once the new restructure is fully implemented. Within the new combined Newcastle & North Tyneside Coroner Service there is a £0.474m overspend to deliver the Service, due to increased costs from all areas of the service (NHS, Partner Local Authority, Funeral Directors, Doctors) arising from increased activity levels which are outside of the control of the Authority, which we are working closely with Newcastle Council to monitor.

- 1.9.5 Within Finance there is a reported underspend of £0.057m, which is mainly due to increased income for recharges of staffing resources to Adult Social Care and Housing Revenue Account.
- 1.9.6 Revenues and Benefits, which was included as part of Finance in the Outturn Report, is forecasting a nil pressure which is no change to the Outturn Cabinet Report.
- Overpayment income recovery is forecast to under recover by £0.400m against targets due the ongoing reduction in Housing Benefit claimants caused by the move to Universal Credit (UC). The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues;
 - The overpayment income pressure is partially offset (£0.095m), by an in-year reduction in the Bad Debt Provision requirement, due to the reduction of overpayment income debt.
 - The Benefits subsidy grant is showing a net pressure of £0.023m. However, the good performance overall for subsidy is masking a situation regarding lost subsidy for Housing Benefit on Bed & Breakfast Accommodation for Homeless Persons. This area is forecast to have a pressure of £0.088m for the year due to the increased demand and also the increased cost of bed and breakfast accommodation, which is above the limit subsidy can be claimed on, therefore, the Local Authority has to fund the balance. Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.
- 1.9.7 A range of key performance measures are being developed for the Resources area focusing on collection rates of council tax and business rates and key areas of welfare support such as Universal Credit and Housing Benefit.
- 1.10 **General Fund Housing**
- 1.10.1 General Fund Housing is reporting a forecast £0.651m pressure, which is an increase of £0.134m since the Outturn Cabinet Report.

1.10.2 Table 13: Forecast Variation for General Fund Housing

Service Areas	Budget	Forecast May	Variance May	Variance Outturn	Change since Outturn
	£m	£m	£m	£m	£m
Building Control	0.108	0.108	0.000	0.002	(0.002)
Housing Strategy	0.535	0.535	0.000	(0.075)	0.075
Housing Options – General Fund	0.453	0.453	0.000	(0.007)	0.007
Housing Operations – General Fund	0.027	0.027	0.000	0.000	0.000
Housing Property – General Fund	1.220	1.871	0.651	0.597	0.054
GRAND TOTAL	2.343	2.994	0.651	0.517	0.134

1.10.3 The main overspend is in Housing Property – General Fund and is due to ongoing cost pressures, as seen during 2022/23, and the continuation of large jobs that are coming through the Public Buildings Repairs team, which is resulting in a £0.700m pressure in this area. The team are working to reduce this across 2023/24, but the service is very much demand led. This pressure is partially offset by a forecast underspend of £0.050m within the General Fund side of Adaptations, through increased income for private sector and Disabled Facilities Grant work.

1.10.4 With regards to key performance measures in the Service, homeless presentations to the Authority remain high at the end of May 2023 (431 against 416 at the same period last year), however the number of priority homeless acceptance are stable and consistent with previous years.

1.11 Central Items

1.11.1 Central Items is forecasting a (£4.568m) underspend which is an increase of £6.739m since the Outturn Cabinet report.

1.11.2 Within Corporate and Democratic Core there is a (£1.121m) contribution of growth to support inflationary pressures across the Authority.

1.11.3 Included in Other Central Items is a (£1.500m) movement as a result of Minimum Revenue Provision (MRP) savings and a (£1.000m) reduction in projected external interest charges primarily due to a higher than forecast cash balance and reprogramming of the 2022/23 Investment Plan. There is an allocation of (£0.381m) Section 31 Grant and a (£0.547m) contribution from the Business Rates Volatility Fund.

1.11.4 **Table 14: Forecast Variation Central Budgets and Contingencies**

Service Areas	Budget	Forecast May	Variance May	Variance Outturn	Change since Outturn
	£m	£m	£m	£m	£m
Corporate & Democratic Core	4.120	2.980	(1.140)	(0.206)	(0.934)
Other Central Items	(12.783)	(16.211)	(3.428)	(11.101)	7.673
GRAND TOTAL	(8.663)	(13.231)	(4.568)	(11.307)	6.739

SECTION 2 – SCHOOLS FINANCE

2.1 Update on School Budgets 2023/24

2.1.1 All Schools have provided their rolling three-year budget plan but a couple still require final Governor approval, therefore the total 2023/24 figure below is draft. No material movement is anticipated once final Governor approved figures are received. Table 15 below shows the current movement in budget from 2022/23 to 2023/24.

2.1.2 Table 15: Schools three-year budget plan summary by phase

Phase	Budget Plan 2022/23 £m	Outturn * 2022/23 £m	Budget Plan 2023/24 £m	Budget Movement £m
Nursery/First/Primary	(4.957)	(5.529)	(2.690)	2.267
Middle	(0.716)	(1.655)	(0.488)	0.228
Secondary	9.907	6.822	9.638	(0.269)
Special / PRU	1.299	0.744	1.696	0.397
Total	5.532	0.382	8.156	2.623

*note 22/23 outturn is pre commitments of circa £5.0m

2.1.3 The initial planned deficit for school balances is forecast to worsen from a £0.382m deficit outturn in 2022/23 by £8.156m planned deficit in 2023/24 resulting in planned school balances of £8.538m. The schools finance team is continuing to work with schools to refine these budget positions and will also be supporting schools' applications for de-delegated funding held centrally to mitigate the impact where schools are experiencing falling rolls, where a potential application to schools in financial difficulty could be made, or where schools are experiencing growth in rolls where there is a lag in funding. These applications will be considered by a sub-group of Schools Forum and will be reported back to Cabinet as they are agreed.

2.2 Deficit Schools

2.2.1 Some schools continue to face significant financial challenges. There are currently fourteen schools that have submitted a deficit budget plan for 2023/24, five new schools requiring a licenced deficit agreement in 2023/24. The nine schools that continue to require support from the Authority were in

deficit at the end of the 2022/23 financial year. Of these nine schools one had a structural deficit in 2022/23 which continues into 2023/24. The Authority agreed with the Education and Skills Funding Agency (ESFA) to allow their School Resources Management Advisors (SRMAs) to work with the four schools that were new to deficit in 22/23, along with Beacon Hill Special School in order to produce a comprehensive review of their finances, leading to a budget deficit plan. This work was carried out in the autumn term.

2.2.2 Initial deficit review sessions for 2023/24 are planned in July 2023, with sessions for two special schools planned for September to allow time for pupil numbers and banding reviews to be fed into the process. Before any adjustments identified during the upcoming challenge sessions and the allocation of falling rolls and headroom funding, the balances of these 14 deficit schools are expected to total £14.826m with individual school deficit values shown in Table 16 below.

2.2.3 Table 16: Schools in an expected deficit position 2023/24

Deficit School Positions 2023/24	Outturn 2022/23 £m	Budget Plan 2023/24 £m	Movement £m	Comments
Benton Dene	(0.018)	0.022	0.040	New Deficit
Forest Hall	0.013	0.052	0.039	New Deficit
Greenfields	0.078	0.041	(0.037)	New Deficit
Whitehouse Primary	0.044	0.008	(0.036)	New Deficit
Silverdale	0.044	0.079	0.035	New Deficit
Monkseaton High	5.546	6.128	0.582	Structural Deficit
Coquet Park	0.051	0.157	0.106	Existing Deficit
Holystone	0.133	0.129	(0.004)	Existing Deficit
Balliol Primary	0.097	0.125	0.028	Existing Deficit
Wallsend St Peter's	0.092	0.113	0.022	Existing Deficit
Ivy Road Primary	0.149	0.164	0.015	Existing Deficit
Longbenton High	1.697	1.510	(0.187)	Existing Deficit
Norham High	3.984	4.352	0.369	Existing Deficit
Beacon Hill	1.232	1.946	0.714	Existing Deficit
Total	13.142	14.826	1.684	

2.2.4 Further work continues with special schools to look at appropriate levels of funding for the needs of their current cohort of pupils.

2.2.5 As in previous years, the details of schools' balances, including commitments, will be reported to the Department for Education (DfE) through the Consistent Financial Reporting (CFR) return. This return is co-ordinated on behalf of all maintained schools by the Authority and will be submitted by the deadline of 14 July 2023.

2.3 High Needs Block

2.3.1 Cabinet will recall that the High Needs block ended 2022/23 with a pressure of £17.391m. The first allocation of the Safety Valve funding of £7.800m was received in March 23 reducing the 2022/23 pressure to £9.591m. Cabinet should note that the High Needs block forms part of the Dedicated Schools Grant (DSG) which is ring-fenced and does not form part of the General Fund. This overall pressure in the High Needs block is broadly in line with the national and regional picture and remains an area of concern nationally.

2.3.2 The forecast for the High Needs Block in 2023/24 is an anticipated in-year pressure of £0.514m, offset by a £0.521m improvement in the 22/23 closedown position. 2022/23 high needs outturn showed an improved position against the original Safety Valve Intervention (DSG Management Plan), however there has been an assumption within 2023/24 high needs spend to represent ongoing discussions with maintained special schools on pupil numbers and bandings. The cumulative forecast position remains in line with the DSG Management Plan. A breakdown of the in-year pressure is shown in Table 17;

2.3.3 Table 17: Breakdown of High Needs Pressure at May 2023

Provision	Budget £m	May 23 Forecast £m	Forecast Variance £m	Comment
Special Schools and PRU	22.387	22.837	0.450	
ARPS /Mainstream Top-ups	6.065	6.156	0.091	
NMSS/ISP	4.305	4.151	(0.154)	Reflects indicative saving on the most complex Out of Borough placements
Commissioned Services / Other EOTAS	3.160	3.287	0.127	Pressure reflects Commissioned Services savings assumed in DSG Management Plan but not yet confirmed.
TOTAL	35.917	36.431	0.514	
DSG High Needs Funding	(33.606)	(33.606)	0.000	
In-Year Planned Deficit	2.311	2.825	0.514	
2022/23 Bal B/fwd	17.912	17.391	(0.521)	
Safety Valve Funding 22/23	(7.800)	(7.800)	0.000	
Safety Valve Funding 23/24	(1.950)	(1.950)	0.000	
Deficit c/fwd to 24/25	10.473	10.466	0.007	

2.4 Safety Valve Intervention Programme

2.4.1 The Authority submitted a final DSG Management Plan on 3 February 2023 to the Department for Education (DfE) and is on track to reach a positive in year balance on its DSG High Needs Block by the year end 2027/28, as shown in Table 18. This was reported in the first submission to the DfE on 16 June 2023.

2.4.2 Table 18: High Needs Block Financial Summary

Year	Balance B/F	High Needs Expenditure (including Growth & Mitigations)	High Needs Funding	Block Transfer	Safety Valve Funding	Balance C/F
2022/23	13.511	33.973	(30.092)	0.000	(7.800)	9.592
2023/24	9.592	36.431	(33.606)	0.000	(1.950)	10.466
2024/25	10.466	36.064	(34.614)	(0.751)	(1.950)	9.215
2025/26	9.215	36.566	(35.653)	(0.766)	(1.950)	7.412
2026/27	7.412	37.112	(36.722)	(0.781)	(1.950)	5.071
2027/28	5.071	37.429	(37.824)	(0.797)	(3.900)	(0.021)

2.4.3 The Authority engaged with partners across SEND to co-create the DSG Management Plan and will report progress to the DfE across the year. The next reporting deadline is 15th September 2023.

2.5 Early Years Block update

2.5.1 The Early Years block outturn for 2022/23 was a surplus of £0.337m. An adjustment to funding takes place usually in July each year when the DfE reviews funding estimates based on the January pupil census prior to the new financial year. The Authority would normally expect a clawback of funding as a result of this review. Initial indications for 2023/24 show that services can be delivered within the budget available.

2.5.2 In the 2023 Spring Budget the DfE announced additional funding to increase the hourly funding rates for early years providers to deliver the

existing early years entitlements for disadvantaged 2-year-olds and 3 and 4-year-olds from September 2023. The DFE will provide £204 million of additional funding to local authorities in 2023 to 2024, rising to £288 million in 2024 to 2025.

- 2.5.3 For 2023 to 2024 this funding will be known as the Early Years Supplementary Grant (EYSG). In setting the local funding rates for distributing EYSG to providers, the DFE encourage local authorities to engage with early year providers about the additional funding, but local authorities will not be required to consult formally.
- 2.5.4 For 2024 to 2025, the additional £288m will be allocated to local authorities through the DSG.

SECTION 3 – HOUSING REVENUE ACCOUNT

Forecast Outturn

- 3.1 The forecast set out in Table 17 below is based on the results to May 2023. Currently the Housing Revenue Account (HRA) is forecasting an in-year underspend of £0.015m. Throughout the year, costs will be monitored closely across all areas with additional focus on Rent Arrears and the effect this has on bad debt provision. In addition, changes to prudent assumptions around Rental Income, Council Tax voids, Contingency and staffing vacancies will be monitored to assess the impact on the forecast position. The main areas of pressure continue to relate to repairs budget and the impact of inflationary increases, in addition there is an anticipated pressure caused by the 2023/24 pay award due to be at least at the same level as last year overall, which is greater than was budgeted for in the HRA Business Plan. Other significant pressures relate to the cost-of-living crisis and the continued uncertainty and volatility of utility bill costs.

3.1.1 Table 19: Forecast Variance Housing Revenue Account

	Budget £m	Current Forecast £m	Variance £m
Management – Central	2.360	2.337	(0.023)
Management – Operations	5.387	5.413	0.026
Management – Strategy & Support	3.948	4.160	0.212
Capital Charges – Net Effect	11.074	11.074	0.000
Contingencies, Bad Debt & Transitional Protection	2.253	2.253	0.000
Contribution to Major Repairs Reserve – Depreciation	14.220	14.220	0.000
Interest on Balances	(0.075)	(0.285)	(0.210)
PFI Contracts – Net Effect	2.143	2.143	0.000
Rental Income - Dwellings, Direct Access Units, Garages	(66.978)	(66.998)	(0.020)
Rental Income – HRA Shops and Offices	(0.426)	(0.426)	0.000
Revenue Support to Capital Programme	11.609	11.609	0.000
Repairs	14.869	14.869	0.000
Total	0.384	0.369	(0.015)

Rental Income

- 3.2 Rental Income overall across all areas is currently forecast to be slightly better than budget (£0.020m), which is a minimal variation on a £67m budget. This is helped by the level of Empty Homes continuing to trend at well below 1% which increases the level of rent that is collectable. However, Right to Buy (RTB) levels have still been trending at higher than anticipated levels which has eroded this forecast position slightly. The impact of Universal Credit on arrears and the bad debt provision also continues to be closely monitored.

Management Costs

- 3.3 Management Costs are currently forecast to come in £0.214m above budget, and this is due to a combination of issues, namely the 2023/24 tabled pay award being higher than the pay contingency budgeted for, and the other main pressure relates to the cost-of-living crisis and increased energy costs, which will necessitate a fundamental further review of service charges and a potential rebasing of those budgets. In addition, the Unified System project has reached contract sign-off, and the project will now move on to implementation. Should any delays occur, reprofiling of when key spend and resources will happen may be necessary, but the budgets provided should be sufficient this year to cover anticipated costs.

Bad Debt Provision and Contingency

- 3.4 Early indications are that the in-year rate of increase in arrears will be contained within the Bad Debt Provision budget for the year, so currently the forecast for use of the provision is on budget. As usual this situation will be closely monitored to anticipate any potential shift either a betterment to help the overall bottom line, or any potential increased pressure which has happened a few times in the last 5 years. Contingency is also being forecast to come in on budget (£1.450m), with most of the ongoing £0.200m being assumed against the 2023/24 pay award pressure, and £1.250m being the first contribution to the new Tenancy Sustainment Reserve, to be used to fund initiatives to try and relieve some of the current cost of living issues being faced by tenants.

Repairs

3.5 The Housing Repairs budget continues to feel pressure from a number of sources, mainly caused by the current economic instability being experienced across the world. The current rates of inflation in material and sub-contractor prices, plus difficulty accessing certain materials and services within the supply chain continue to challenge the service. Issues also continue in recruiting to certain trades which then places more reliance on sub-contractors and agency staff. Additional funding has been provided to cover market supplement payments and revised Craft Agreement reviewed rates of pay moving forward. In addition to this, the Authority continues dealing with the implications of the Housing White Paper which arose from the Grenfell Disaster, such as installing carbon monoxide detectors in all properties, and more frequent periodic electrical testing, for which some additional funding has again been provided. The main in-year pressure however relates to the tabled 2023/24 pay award which will be as a minimum in line with last year's settlement, which is above the level budgeted for in pay contingency which was 3%. This means a much larger proportion of any repairs contingency provision has already been committed to known spend. As the forecast stands, we anticipate being able to cover the pressures in-year within overall existing budgets, but as always this will depend on a range of factors, and not having another Storm Arwen any time soon.

Rent Arrears and Bad Debt Provision

3.6 Arrears are made up of two elements:

- Current Tenant Arrears and,
- Former Tenant Arrears

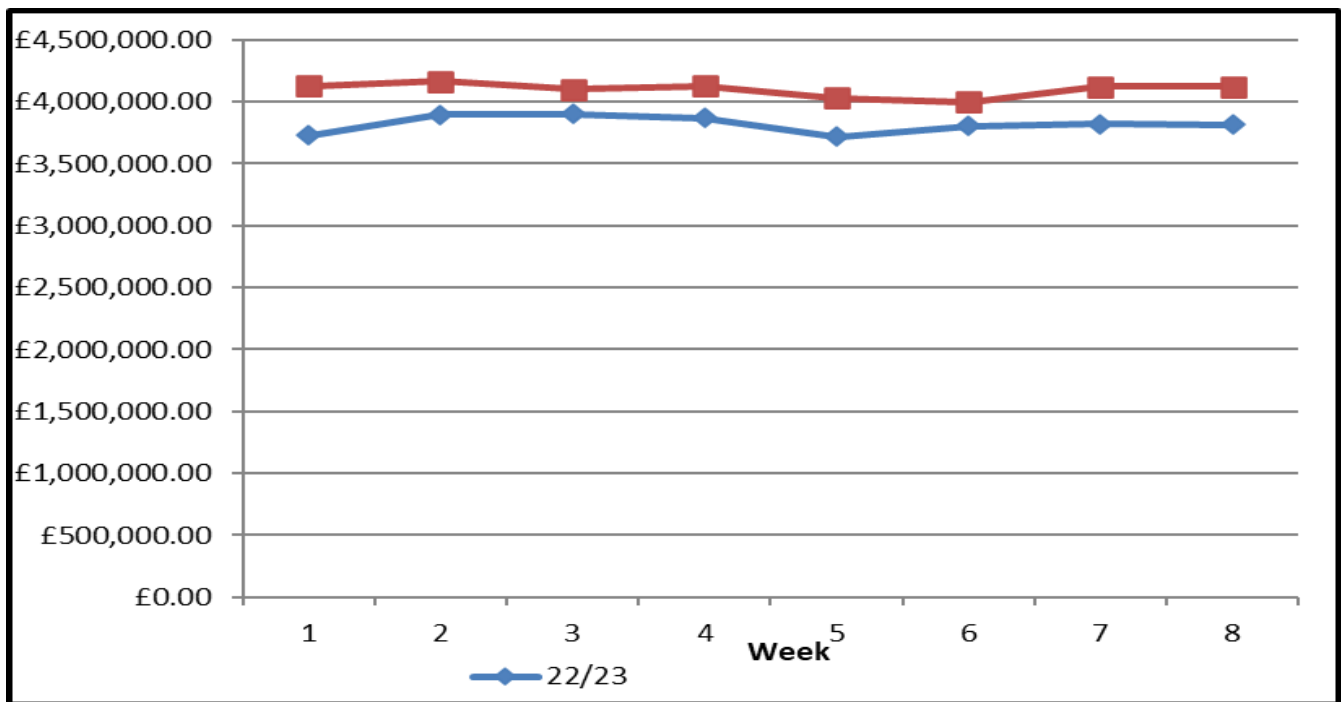
3.7 **Table 20: Rent Arrears**

Date	Current Arrears	Former Arrears	Total Arrears	Change Year on Year
	£	£	£	£
31/03/2019	2,649,474	1,726,269	4,375,743	627,000
31/03/2020	3,162,030	2,137,477	5,299,507	923,764
31/03/2021	3,498,391	2,311,655	5,810,046	510,539
31/03/2022	3,694,219	2,461,646	6,155,865	345,819
31/03/2023	3,929,813	2,370,591	6,300,404	144,539
28/05/2023(to-date)	4,122,295	2,236,009	6,358,304	57,900

3.8 Arrears continue to rise each year but significantly the pace at which they have increased over the last three years has slowed significantly, which is encouraging, particularly given the difficulties created during the pandemic. However, the overall level of arrears is still significant at over £6.300m and has more than doubled in the last eight years.

3.9 Chart 7 below shows the value of current rent arrears in 2023/24 at the end of May 2023 compared to the same period in 2022/23. The Housing team is continually working proactively with tenants to minimise arrears. Current Rent Arrears have risen albeit gradually in the first two months of 2023/24 as compared to 2022/23, with an increase of £0.226m being seen in this period since the start of April 2023. There was an under-spend against bad debt provision in 2022/23 for the third year in a row, hence there only being a minimal increase in the budget for this year, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted provision made. This will also be impacted by the amount of debt written off. This will all help to inform the in-year monitoring position as we go but also will be pivotal in refreshing the HRA Business Plan for the 2024/25 budget round.

3.10 **Chart 5: Current Rent Arrears in Weeks 1-8 (April-May) 2023/24 compared to 2022/23**



3.11 Universal Credit was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. On 31 March 2023, there were 3,949 tenants of North Tyneside Homes on Universal Credit with current arrears totalling £3.897m. By the end of May 2023 this had increased to 4,176 UC cases with arrears of £4.122m, which is an increase of 227 tenants and £0.225m of arrears from the beginning of the financial year. As always, the impact of Universal Credit (UC) continues to be monitored, as significant increases in numbers on UC could also adversely affect the rate at which arrears grow. The extra pressure increased numbers of UC cases brings can be seen from table 21 below, which shows the change in the proportion of the overall debit that is now cash based, rather than being covered by direct payment of Housing Benefit.

Table 21 – Proportion of Rent Debit met by Housing Benefit

Year	Housing Benefit received via Direct Payment		Total Rent Debit	% of Rent Debit covered by HB Direct Payments
	£		£	%
2016/17	33,218,096		58,729,152	56.6
2017/18	31,970,851		57,889,823	55.2
2018/19	28,932,255		56,795,935	50.9
2019/20	24,490,067		56,931,399	43.0
2020/21	22,151,257		56,955,677	38.9
2021/22	20,464,887		57,327,202	35.7
2022/23	19,655,720	59,128,802		33.2

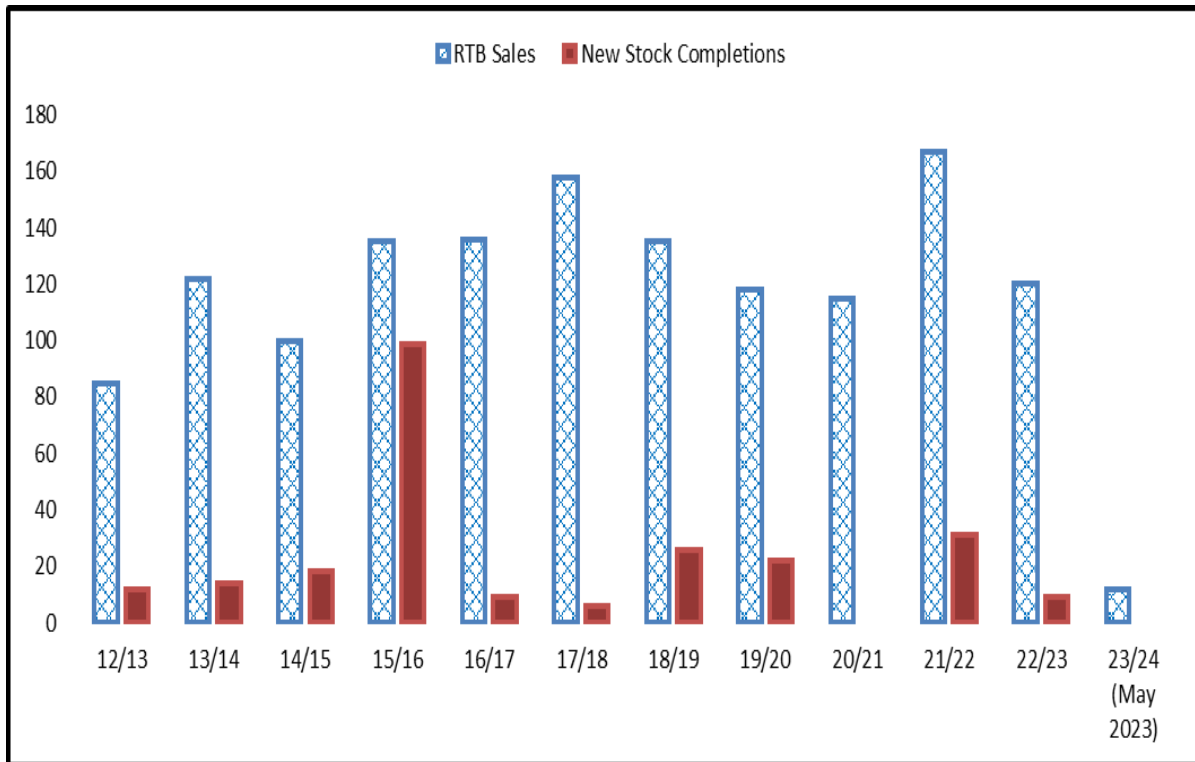
3.12 The main mechanism for helping to manage arrears is the Bad Debt Provision (BDP), which at the start of 2023/24 stood at £5.207mm on the HRA Balance Sheet with the budget for the 2023/24 contribution at £0.772m. As alluded to above in 3.4 currently Bad Debt Provision is forecast to come in on budget, but this will again be continually tracked to ensure that any change against budget forecast is picked up as soon as possible.

3.13 Right to Buy (RTB) Trends

3.13.1 The impact of RTB is critical to long-term planning for the HRA. Prior to the introduction of self-financing in 2012, average RTB sales had dropped to around 25 per annum, mainly due to the capped discount (£0.022m) which had remained static as property values had increased, making RTB less attractive financially to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £0.075m and then subsequently annual inflation was added to the maximum. Chart 8 below shows the trend in RTB sales since that time. The first two months of 2023/24 saw 12 completed RTB sales, which is slightly lower than previous years, including 2021/22 where the Authority saw the highest number of RTB sales at 167 since the changes were introduced in 2012. It is just possible that impending changes in the mortgage market may curtail sales slightly, but as always trends will need to

be closely monitored as they impact not only in-year forecasts, but significantly on future refreshes of the HRA 30-year Business Plan.

3.13.2 Chart 6: Yearly RTB Sales v New Stock Additions



SECTION 4 – INVESTMENT PLAN

Review of Investment Plan

- 4.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers will continue to review the delivery of those key projects included within the 2023/24 Investment Plan, with continuing challenges within the market due to ongoing inflationary cost pressures within the supply chain.
- 4.2 The Authority continues to manage project expenditure within existing budgets where possible; reprofiling spend, undertaking value engineering or reducing scheme scoping where the impact is minimal or can be managed. Any request to utilise contingencies to meet unavoidable additional costs will be reviewed on a case-by-case basis.
- 4.3 A rising rate interest environment has an impact on the investment plan. Interest rates were increased again at June 2023 Monetary Policy Committee (MPC), further details within section 5 (Treasury Management Position) of this report. This has wider implication for the investment plan and items which are not fully externally funded, therefore require Council Contribution funded by borrowing. Higher interest rates will mean a higher cost of borrowing to the Authority.

Variations to the 2023–2028 Investment Plan

- 4.3 Variations of £6.786m, and £0.250m of reprogramming to the 2023–2028 Investment Plan have been identified as part of the ongoing monitoring of the Investment Plan and these are summarised in tables 22 and 23 below. Further details of the key changes impacting on the current financial year are provided in paragraph 4.4 and 4.5. The variations relating to future years are primarily relating to the refresh of the Investment Plan, set out in the report to Council on 16 February 2023.

4.3.1 Table 22: 2023 – 2028 Investment Plan changes identified

	2023 /24 £m	2024 /25 £m	2025 /26 £m	2026 /27 £m	2027 /28 £m	Total £m
Approved Investment Plan – Council 16 February 2023	95.762	58.864	50.055	53.775	53.884	312.340
Previously Approved Reprogramming/Variations						
2022/23 Monitoring	6.273	(0.697)	0.000	0.000	0.000	5.576
2022/23 Outturn	11.572	0.000	0.000	0.000	0.000	11.572
Approved Investment Plan	113.607	58.167	50.055	53.775	53.884	329.488
May 23 Monitoring Variations	6.786	3.593	0.083	0.000	0.000	10.462
Reprogramming	(0.250)	0.250	0.000	0.000	0.000	0.000
Total Variations	6.536	3.843	0.083	0.000	0.000	10.462
Revised Investment Plan	120.143	62.010	50.138	53.775	53.884	339.950

4.4 The proposed significant variations to the Investment Plan in 2023/24 are shown below:

- (a) **EV100 Active Travel 3 – Permanent Seafront Scheme (£5.000m)** – Due to cost pressures and changes in scheme scope following public consultation, a change control request was submitted and approved by Active Travel England seeking additional funding (£6.5M over the 2023–2028 Investment plan) to allow the whole scheme to be delivered. Additionally, a funding contribution of £1M from Sustrans has also been approved and included within EV100.
- (b) **EV056 Additional Highways Maintenance (£0.501m)** – DfT funding has been awarded for additional resurfacing and footway improvements.
- (c) **ED120 Basic Need/ED190 High Needs Capital (£2.236m)** – Aligning external grant funding from ED120 to ED190 to deliver the proposed

extension at Beacon Hill School in Wallsend. This has a net nil impact to the investment plan.

- (d) **HS015 Refurbishment / Decent Homes Improvements (£0.600m)** – The inclusion of £1.211m of grant award over the 2023–2028 investment plan (planned investment of £0.600m in 2023/24) relating to the Social Housing Decarbonisation Fund (SHDF) Wave 2 to deliver energy efficiency measures that support our Carbon reduction ambitions.
- (e) **HS055 Home Upgrade Grant (£0.311m)** – The inclusion of Home Upgrade Grant 2 award to the Authority for energy efficiency and clean heating upgrades in owner occupied and private rented sector fuel-poor homes off the gas grid.
- (f) **DV081 North Shields Cultural Quarter (£0.250m)** – Reprogramming of £0.250m relating to digital delivery into 2024/25 reflecting the latest delivery plans.

4.5 The impact of the changes detailed above on capital financing is shown in table 23 below.

4.5.1 Table 23: Impact of variations on Capital financing

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Approved Investment Plan	113.607	58.167	50.055	53.775	53.884	329.488
Council Contribution	0.000	0.000	0.000	0.000	0.000	0.000
Grants and Contributions	5.907	3.232	0.083	0.000	0.000	9.222
Contribution from Reserves	0.029	0.000	0.000	0.000	0.000	0.029
HRA Grants & Contributions	0.600	0.611	0.000	0.000	0.000	1.211
HRA Major Repairs Reserve	0.000	0.000	0.000	0.000	0.000	0.000
Total Financing Variations	6.536	3.843	0.083	0.000	0.000	10.462
Revised Investment Plan	120.143	62.010	50.138	53.775	53.884	339.950

Capital Receipts – General Fund

4.6 General Fund Capital Receipts brought forward at 1 April 2023 were £3.227m. The capital receipts requirement for 2022/23, approved by Council in February 2023, was £1.417m (2023–28 £1.417m). To date £5.298m of capital receipts have been received in 2023/24. The receipts position is shown in table 24 below.

4.6.1 **Table 24: Capital Receipt Requirement – General Fund**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Requirement reported to 16 February 2023 Council	1.417	0.000	0.000	0.000	0.000
Receipts Brought Forward	(3.227)	0.000	0.000	0.000	0.000
Total Receipts received 2023/24	(5.298)	0.000	0.000	0.000	0.000
Receipts used to repay capital loans	0.000	0.000	0.000	0.000	0.000
Net Useable Receipts	(5.298)	0.000	0.000	0.000	0.000
Surplus Receipts	(7.108)	(7.108)	(7.108)	(7.108)	(7.108)

Capital receipts – Housing Revenue Account

4.7 Housing Capital Receipts brought forward at 1 April 2023 were £12.955m. The housing receipts are committed against projects included in the 2023–2028 Investment Plan. The approved Capital Receipt requirement for 2023/24 was £3.941m. To date, receipts of £0.579m have been received in 2023/24. In total, subject to future pooling, this leaves a surplus balance of £9.593m to be carried forward to fund planned investment in future years.

4.7.1 Table 25: Capital Receipt Requirement - Housing Revenue Account

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Requirement reported to May 2023	3.941	2.170	2.153	1.060	1.202
Variations to be reported to Jun 2023 Cabinet	0.000	0.000	0.000	0.000	0.000
Revised Requirement	3.941	2.170	2.153	1.060	1.202
Receipts Brought Forward	(12.955)	(9.593)	(7.423)	(5.270)	(4.210)
Receipts Received 2022/23	(0.579)	0.000	0.000	0.000	0.000
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
(Surplus)/ Balance To be generated to fund future years (subject to further pooling)	(9.593)	(7.423)	(5.270)	(4.210)	(3.008)

The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2023/24.

Investment Plan Monitoring Position to 31 May 2023

4.8 Actual expenditure for 2023/24 in the General Ledger was £6.264m; 5.21% of the total revised Investment Plan at 31 May 2023.

4.8.1 Table 26: Total Investment Plan Budget & Expenditure to 31 May 2023

	2023/24 Revised Investment Plan £m	Actual Spend to 31 May 2023 £m	Spend as % of revised Investment Plan %
General Fund	85.604	4.009	4.68%
Housing	34.539	2.255	6.53%
TOTAL	120.143	6.264	5.21%

SECTION 5 – TREASURY MANAGEMENT & CASH POSITION

Current Cash Position

5.1 The Authority's current available cash balance as at the end of May 2023 is £36.396m, with £15.000m invested externally with other UK Local Authorities or institutions. All investments are made in line with the approved Treasury Management Strategy.

5.1.1 Table 27: Investment Position as at 31 May 2023

Counterparty	Type	Amount (£m)	Maturity
DMO	Term	35.000	1 June 2023
Barclays	Call	1.396	n/a
Other LA	Fixed	15.000	09 February 2024
Fixed Deposits	Fixed	7.350	October 2023

**This is the last maturity of this tranche.*

5.2 At its meeting ending on 10 May 2023, the MPC voted by a majority of 7–2 to increase Bank Rate by 0.25 percentage points, to 4.5%. Two members preferred to maintain Bank Rate at 4.25%. Any thoughts that the current cycle of UK interest rate increases had peaked, have now been retracted following the latest inflation numbers. The Consumer Prices Index (CPI) rose by 8.7% in the 12 months to April 2023, down from 10.1% in March but 0.5% higher than the estimate. The inflation rate target still sits at 2% and as a result of this, a further 0.50 bps increase was voted for at the latest meeting on the 22nd of June 2023.

5.3 The impact of raising base rate had an immediate impact to the cost of borrowing. Table 24 below demonstrates the increase in rates both in the temporary space and longer-term PWLB rates.

5.4 The Authority is currently monitoring interest rates, and whether the Authority should look to lock in rates as part of managing risk. This process considers the Authority's underlying need to borrow, Investment Plan priorities and commitments as well as the profile of existing loan arrangements.

5.5 Investment rates have also seen an increase in line with the increases in base rate, delivering better returns on investments and negating cost of carry.

5.5.1 **Table 28: Summary of Borrowing Levels**

<i>Temporary Space</i>		<i>PWLB</i>	
Tenor	Level	Tenor	Level *
1 week	3.82%	2 years	5.58%
1 month	4.55%	5 years	5.25%
3 month	4.68%	10 years	5.17%
6 month	4.85%	20 years	5.50%
9 month	4.85%	30 years	5.49%
12 month	4.90%	50 years	5.30%

**Please note these levels are from 31/05/2023*

***PWLB rates do not include certainty rate reductions,*

5.5.2 Rates quoted in Table 24 above are as at 31 May 2023, which relate to interest rates before June 2023 Monetary Policy Committee (MPC) rate rises.

5.6 Any shortfalls in cashflow are covered by in year temporary borrowing, which may be a quick and cost-effective method of cash management in the current climate. No further short-term borrowing has been acquired since March 2023.

Borrowing Position

5.7 Table 29 shows the Authority's current debt position, with total borrowing maturing in 2023/24 of £4.000m.

5.7.1 **Table 29: Current Debt Position**

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	387.443	20.000	20.000	422.443
Debt Maturing 2023/24	(4.000)	0.000	0.000	(4.000)

- 5.8 The Authority was under-borrowed to the value of £102.011m as at 31 March 2022. Whilst the Authority cannot borrow to fund revenue activity, it can look to utilise reserves, unwind its under-borrowed position, and externalise borrowing.
- 5.9 In August 2022 the Authority took £10m of long-term PWLB loans, this was for a combination of refinancing existing debt, de-risk the Authority's under-borrowed position, as well as take advantage of relatively low long-term rates.
- 5.10 Table 30 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates remain uncertain over the next 2 years, forecasting to peak at 5.10 % for 50 year borrowing in September 2023 before tracking back down to lower levels from December 23 onwards.

5.10.1 Table 30: Link Interest Rate Forecasts

Link Group Interest Rate View 26.06.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

SECTION 6 – Fifteen Medium Term Plan Themes

- 6.1 As part of the Authority's approach to setting a balanced budget for 2024/25 and a 4-year medium term financial plan for 2024-2028, fifteen workstreams are being established to tackle the areas of the highest pressures facing the Authority and to explore areas of opportunity to be more efficient or maximise resources.
- 6.2 The themes will form a key part of the revised budget and performance information which will be presented to Cabinet and progress updates, where applicable, will be included in future Financial Management reports.
- 6.3 Each workstream is sponsored by at least one Director and lead by a Head of Service, working with appropriate senior officers from across the organisation.
- 6.3 The fifteen themes are as follows:
- PR01 – External Partnerships – this workstream will explore pressures and challenges within the Technical Partnership (Capita) and the Business Partnership (Equans);
 - PR02 – Buildings & Asset Management – this workstream will explore the pressures and challenges in relation to the public buildings occupied and owned by the Authority to support service delivery. To be clear about sufficiency, suitability and condition of the buildings scheduled, and to consider future demands on both capital and revenue resources linked to future occupation/use;
 - PR04 – Public Sector Reform – this workstream will carry out research into public sector reform and how this could influence and shape the Authority's Medium-Term Financial Plan for 2024-2028 and beyond;
 - PR05 – Inclusive Education & SEND – this workstream includes the Safety Valve Intervention Programme and aims to achieve an in-year balanced budget within the High Needs Block by 2027/28;
 - PR06 – Ambition for Education – this workstream sets out the vision and priorities for ensuring that all children in North Tyneside have access to a high-class education in order to achieve their full potential. This

workstream aims to improve outcomes and practices in schools and educational settings; ensure schools receive an excellent school support offer, and; ensure we maintain a sustainable, sufficient and high-quality educational system in NT which enables children and young people to achieve positive outcomes, including those with additional needs;

- PR07 – Home to School Transport – this workstream will explore the pressures and challenges in relation to the Home to School Transport arrangements for children and young people with Special Educational Needs and Disabilities;
- PR08 – Handling Children’s Finance – this workstream includes two main elements, children’s social care staffing (people) and population of children in need (demand) aiming to help manage demand, increase sufficiency and ensure robust and effective decision making about a child’s best interests.
- PR09 – Climate & Waste – this workstream explores Environmental Sustainability, recognising the huge challenge of transitioning to a net-zero economy in an accelerated timeframe, with the committed aim of reaching net-zero carbon emissions by 2030 across the Authority and Borough-wide, waste and recycling disposal, including food waste, and associated waste minimisation campaigns, recognising the considerable uncertainties surrounding the national policy context and availability and extent of external funding in this area and a review of the Street Lighting PFI contract as we move to words the contract end point;
- PR10 – Great Landlord & Specialist Housing – this workstream will explore pressures, challenges, and opportunities around the provision of specialist housing including areas for further consideration to support the delivery of specialist care for adults, children and those requiring temporary accommodation;
- PR11 – Health and Social Care (Adults) – this workstream will respond to the emergence of budget pressures in 2022/23 after several years of a

balanced budget position. There is a clear indication of increased demand arising as a legacy of the pandemic. In addition, expected population changes, especially within older people, will result in unaffordable additional costs unless we can meet needs differently. There are also risks of increased spend due to scarcity within the care market;

- PR12 – Unachieved Savings Targets – this workstream will explore pressures and challenges in relation to unachieved savings in the Authority’s base budget. These elements have features in financial management reports in recent years but, given the passage of time and the nature of some of these projects, it is recognised that some may not be possible in the way they were initially envisaged.
- PR13 – Accounting Treatments – this workstream will explore the pressures and challenges in central finance relating to the accounting treatment of a range of activities, which will link to/support various operational areas of the Authority;
- PR14 – People and Workforce – this workstream will be linked to the wider People Strategy.
- PR15 – Customer Service Programme – this workstream will build upon the existing Customer Service Programme, working to improve how services are delivered and the customer’s experience; and,
- PR16 – Schools SLAs – this workstream will aim to build a better understanding the portfolio of Services to Schools as delivered by The Authority.

*PR03 – Commercial Properties and PR17 – External Funding have been merged into PR13

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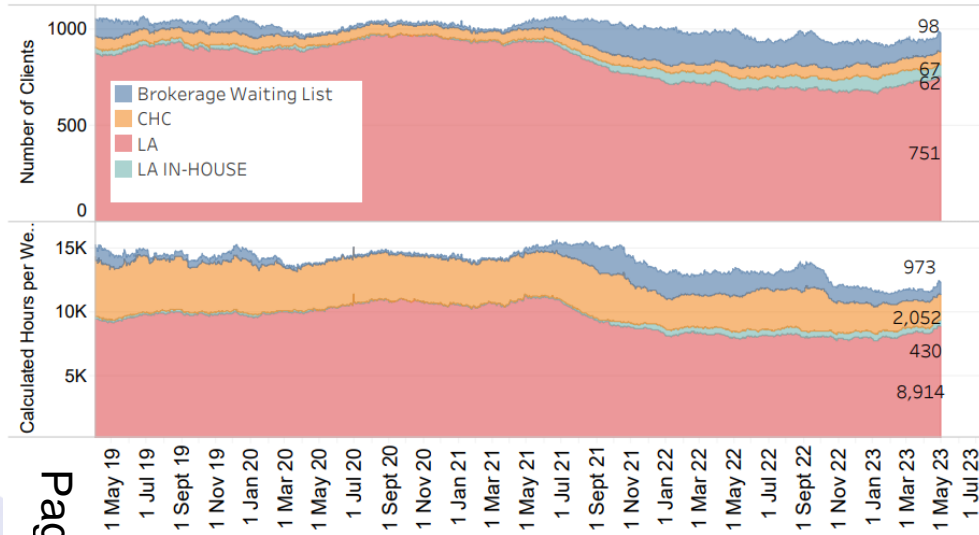
Performance Report to 31st May 2023

Annex 2

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Produced by Policy, Performance and Research

Adult Social Care



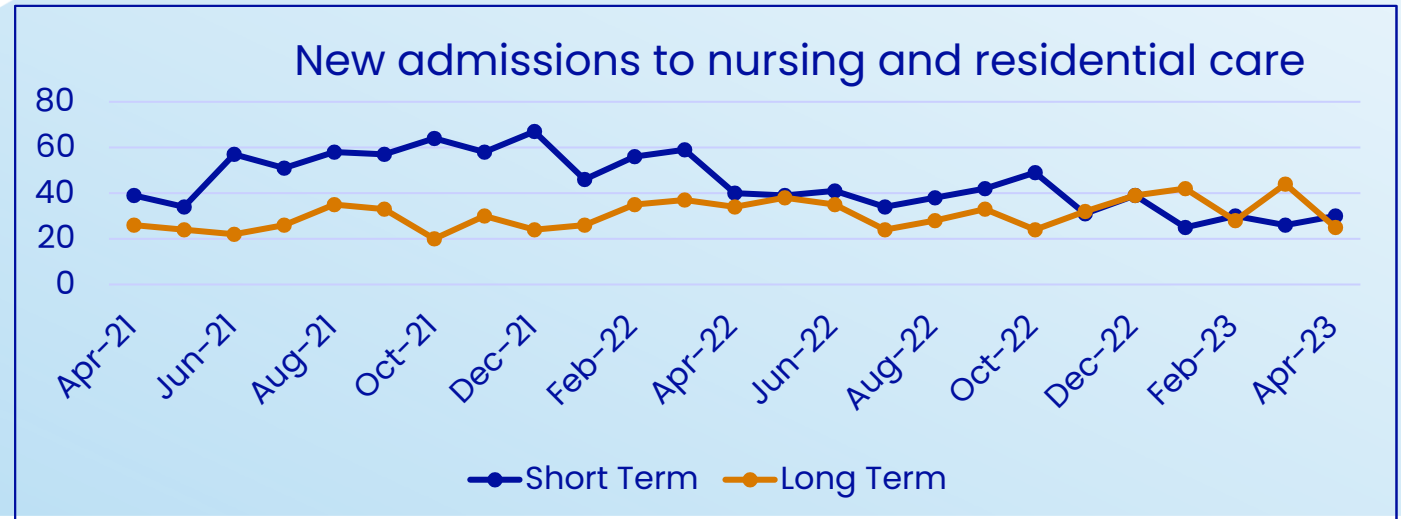
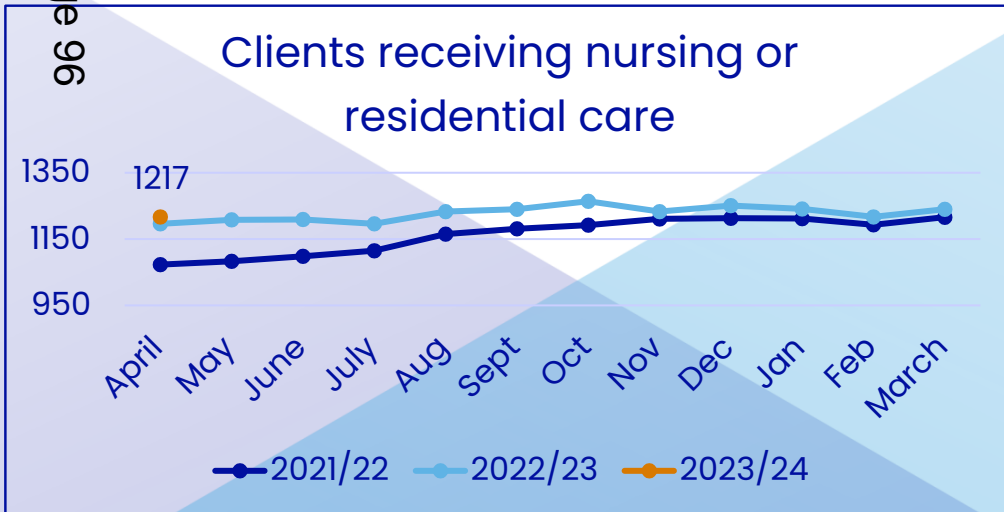
Commentary on performance

813 clients were receiving 9,344 hours of home care per week (April 2023)

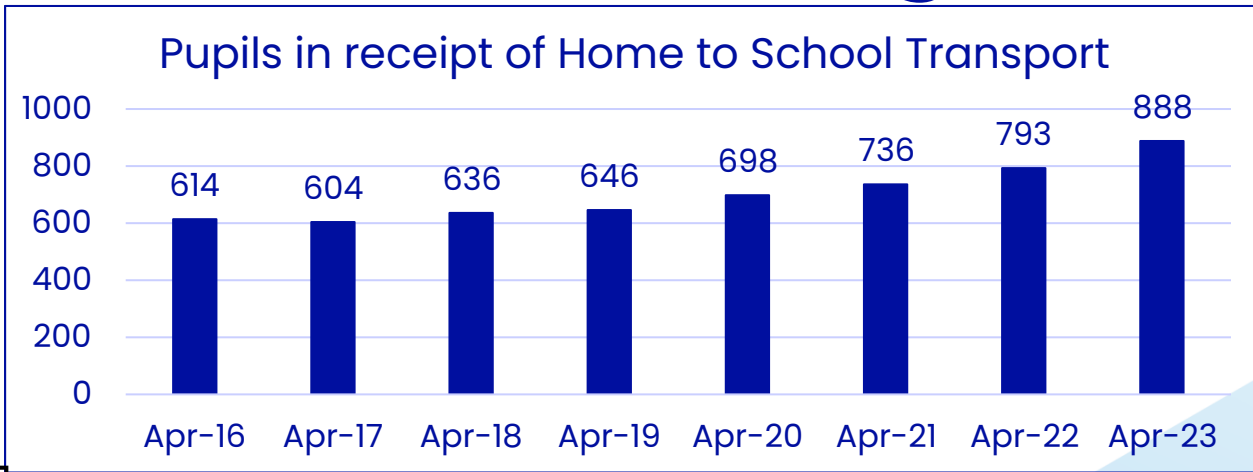
98 clients on the brokerage list waiting 973 hours of home care

New long-term admissions have gradually increased since April 2021 and new short-term placements have gradually decreased since April 2021.

1,217 clients are receiving nursing or residential care.



Commissioning and Asset

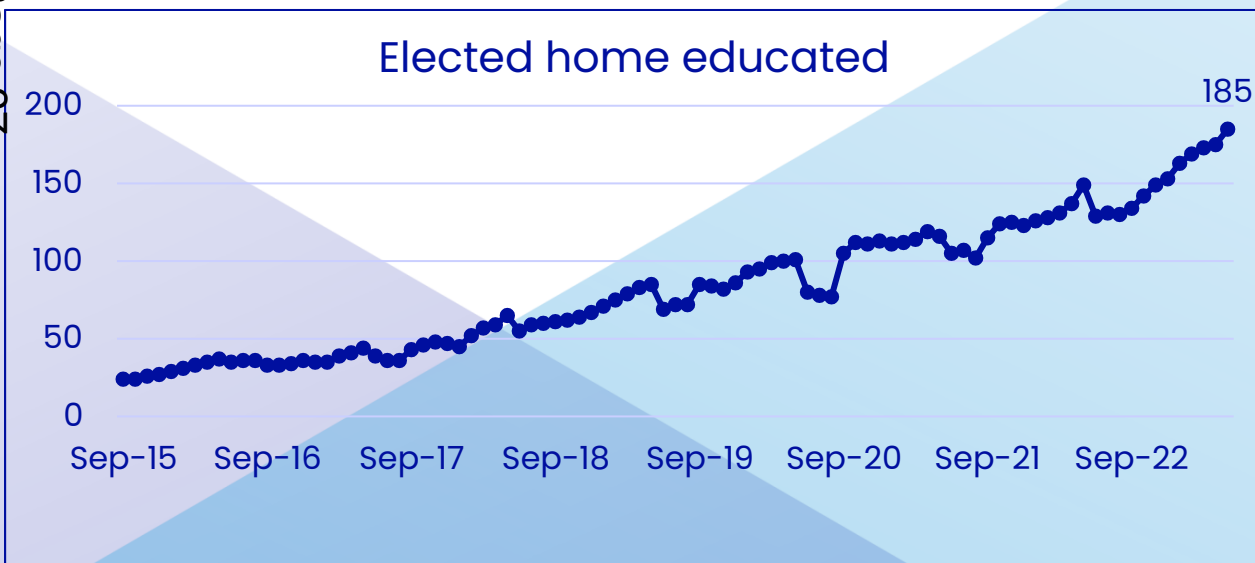


Commentary on performance

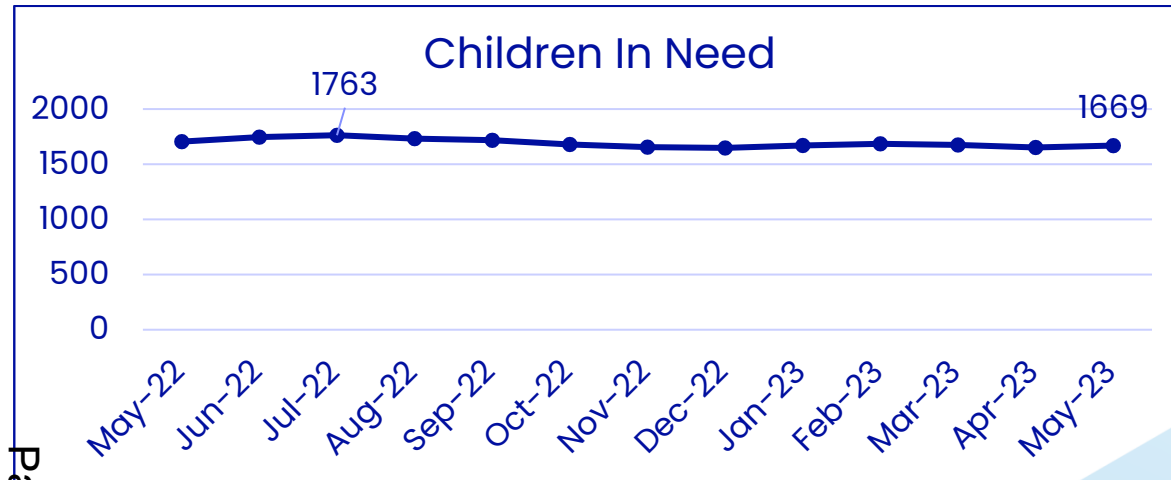
The number of pupils receiving Home to School Transport has significantly increased each year.

The number of pupils electively home educated is currently stands at 185 at the end of May 2023. The number of pupils electively home educated has gradually increased year on year for the last 7 years.

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Children, Young People and Learning

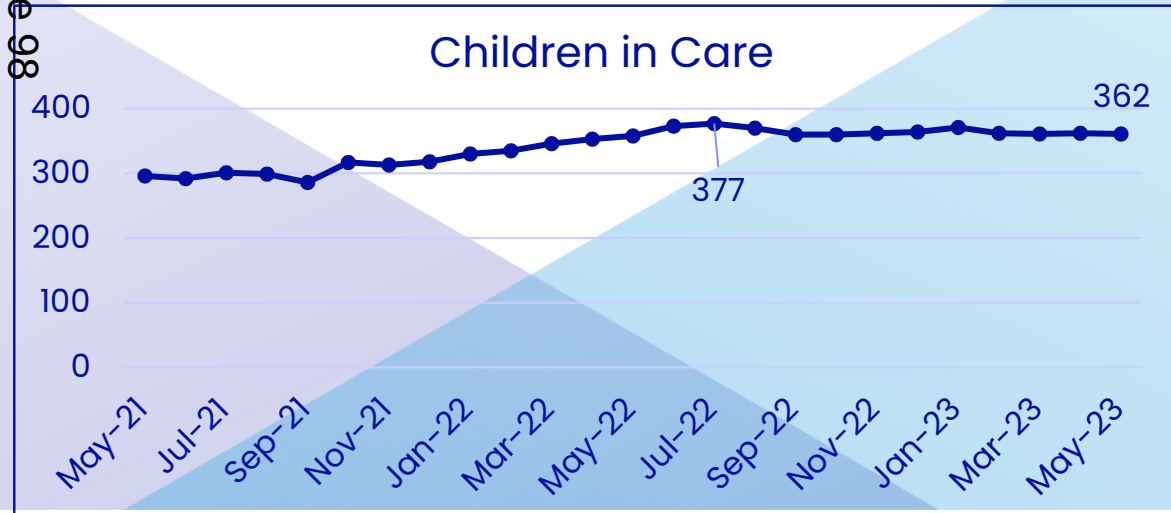


Commentary on performance

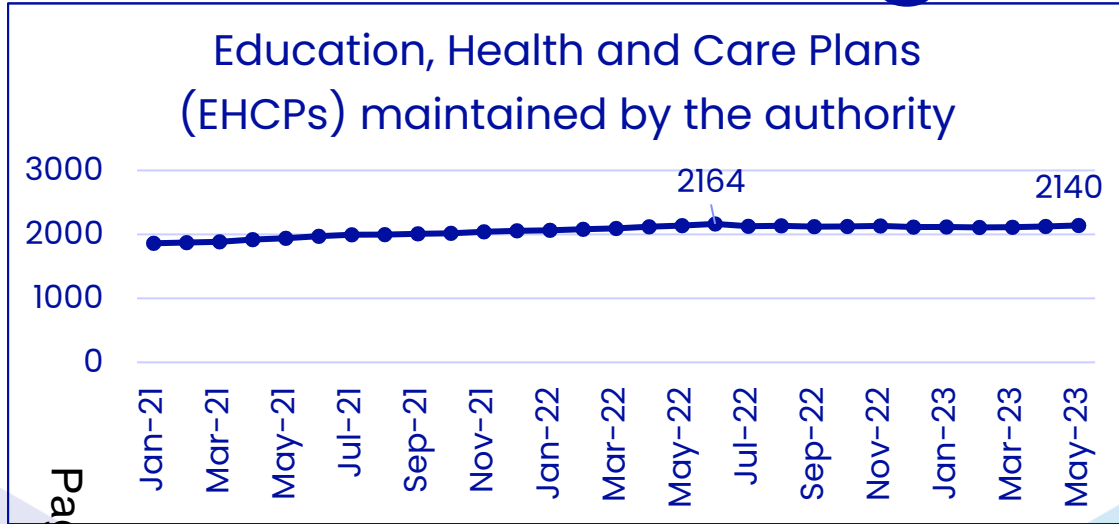
Children in Need stood at 1,669 at the end of May 2023. As a rate per 10k population, this places the authority above the England rate, but lower than the statistical neighbour rate.

At the end of May 2023, there are 362 children in care including 25 unaccompanied Asylum-Seeking Children (UASC).

To support a core number of 1,600 Children in Need and 330 Children in Care, the structure was increased to 74 qualified social workers. There are currently 75 FTE social workers and 81 staff.



Children, Young People and Learning

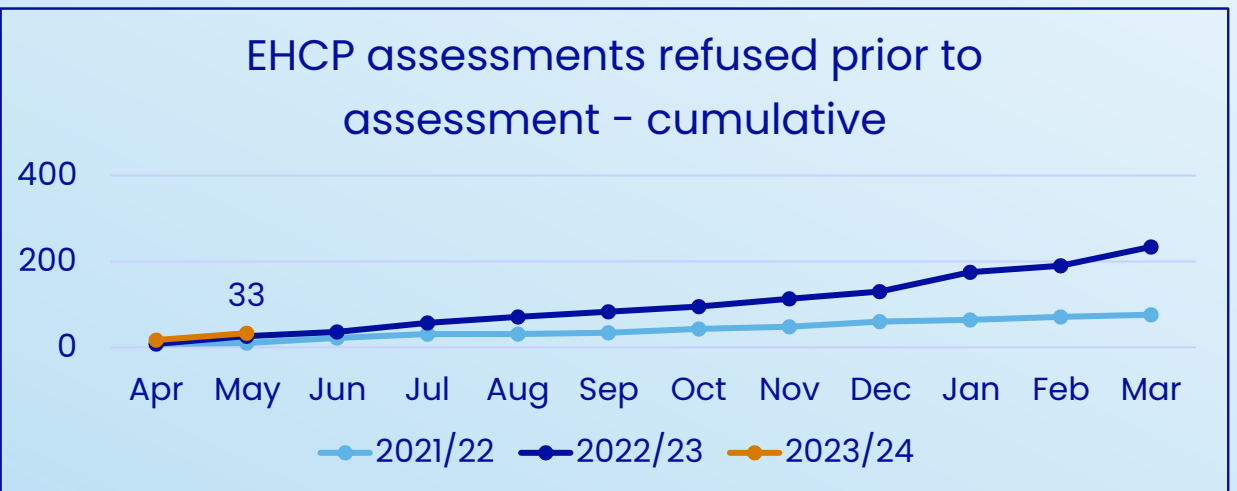
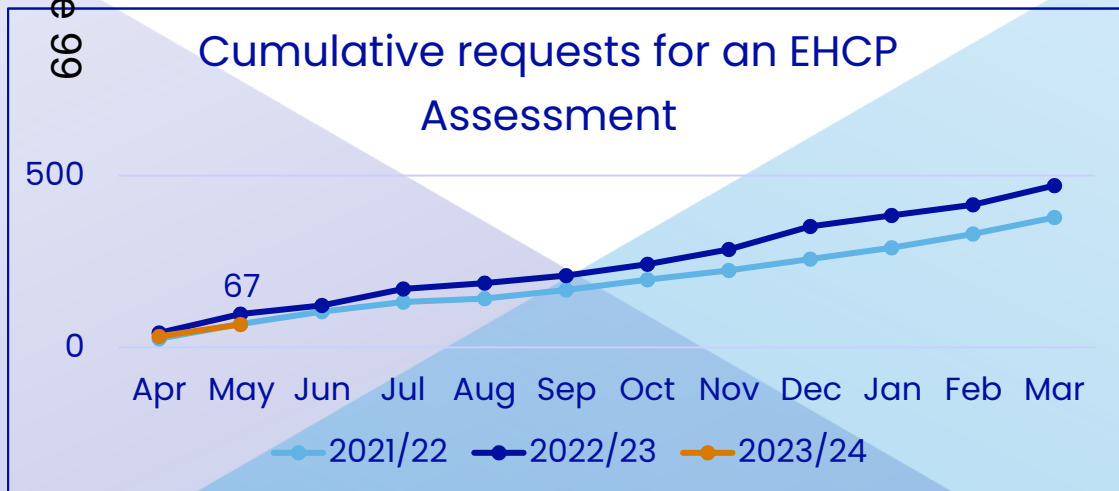


Commentary on performance

2,140 Education Health and Care Plans maintained.

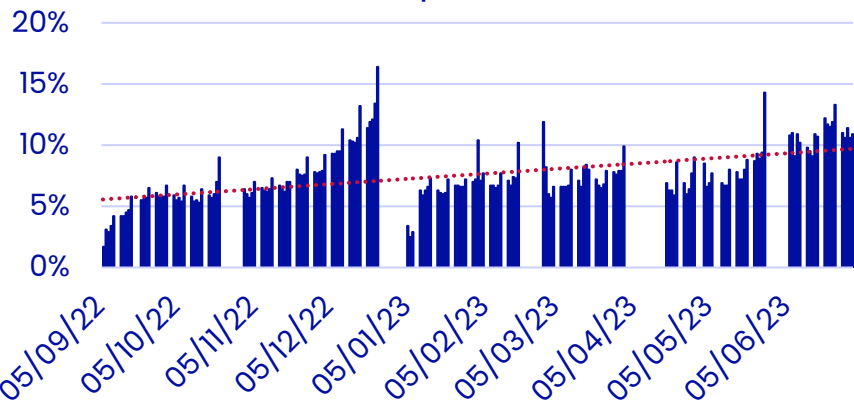
On track against the DSG management plan.

The rate so EHCPs per population has improved, putting North Tyneside in line with the region, but remains higher than national rates.



Children, Young People and Learning

Overall Pupil Absence



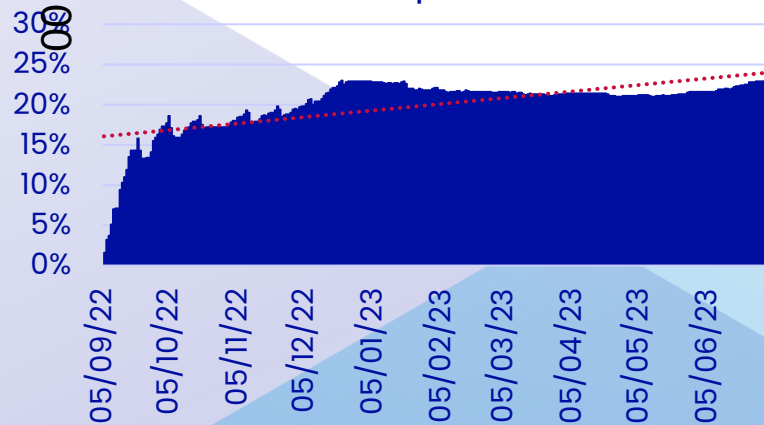
Comment on performance

At the end of June, the number of suspensions was 2,459, almost 1,000 more than the same period last year. There were 65 Permanent Exclusions compared to 38 for the same period last year. The rise is somewhat seen over all schools, but particular schools are receiving support and challenge from Education North Tyneside.

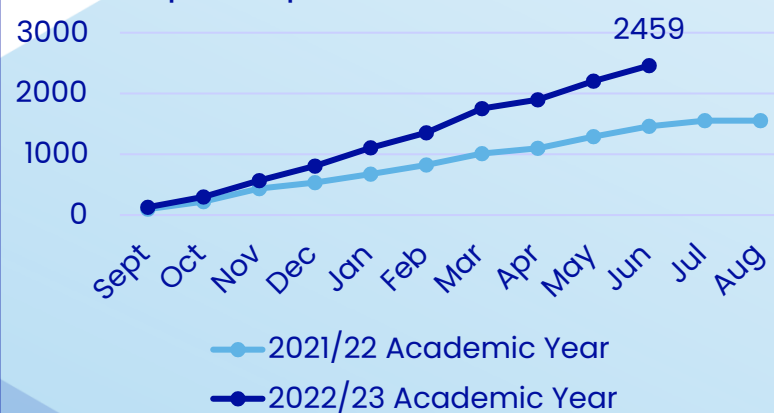
Overall Absence for 2022/23, so far, is marginally better than the same period last year. Improvements are most evident in the primary phase and in both phases illnesses have reduced. Increases have been noted in “other” unauthorised absences and unauthorised holidays are returning to pre-pandemic levels.

Page 100

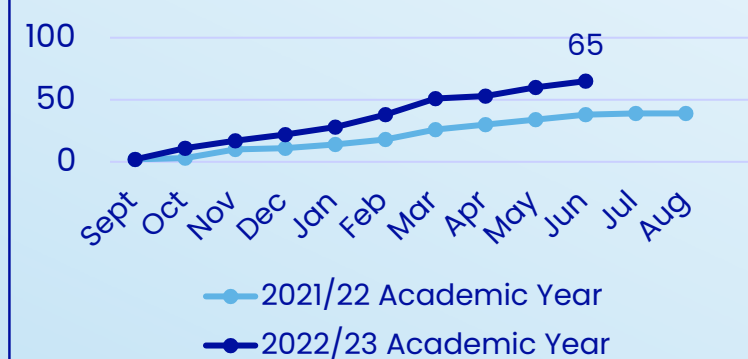
Persistent Pupil Absence



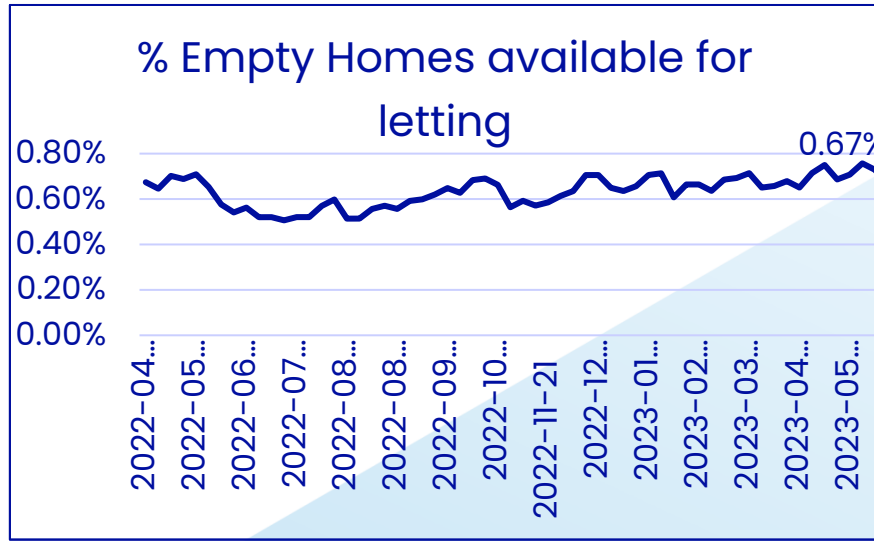
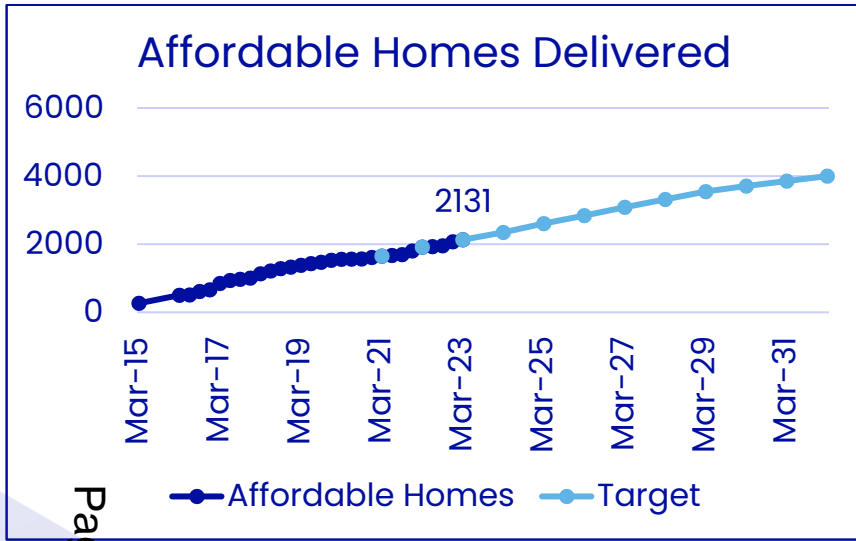
Pupil Suspensions - cumulative



Permanent Exclusions - cumulative



Housing and Property Services

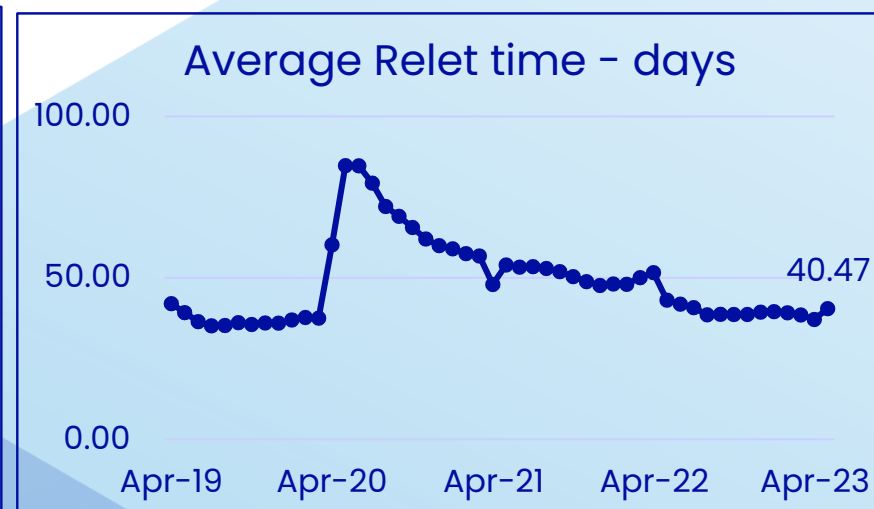
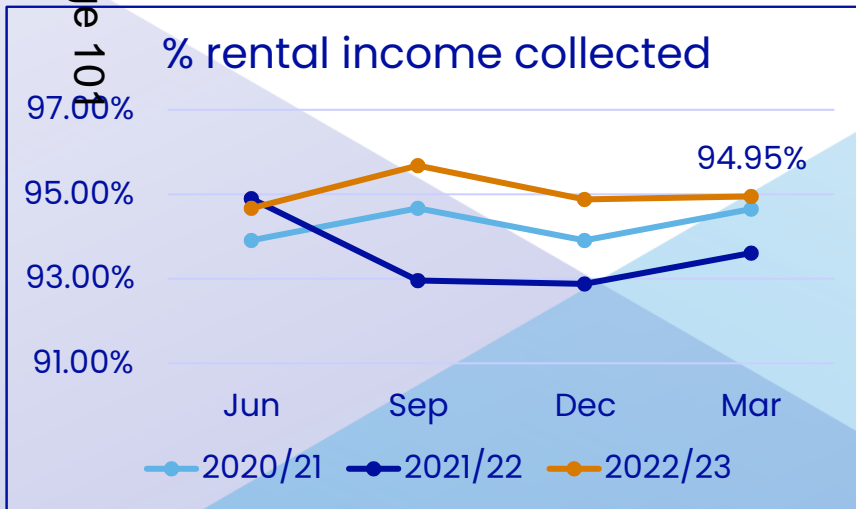


Commentary on performance

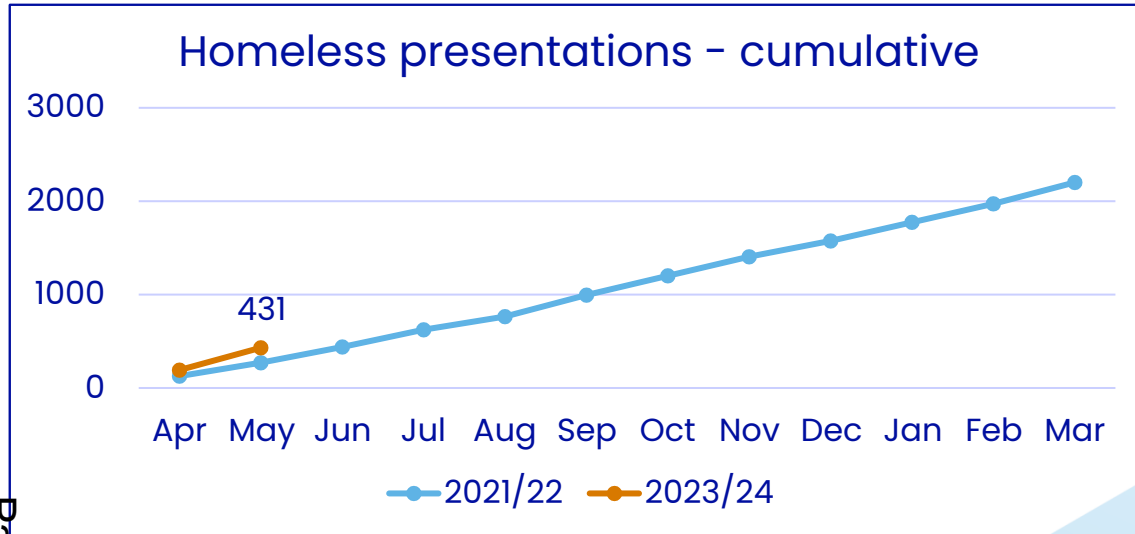
Affordable homes programme on track against profiled target. 2,131 delivered at end of 2022/23.

94.95% rent collected as at March 2023, better than last two years.

Average relet time performance improving and returning to pre-pandemic levels. Fewer than 1% homes empty and available for letting, which maximises rental income.



Housing and Property Services



Commentary on performance
 Homeless presentations to the authority remains high at the end of May, however the number of priority homeless acceptances are stable and consistent with previous years.

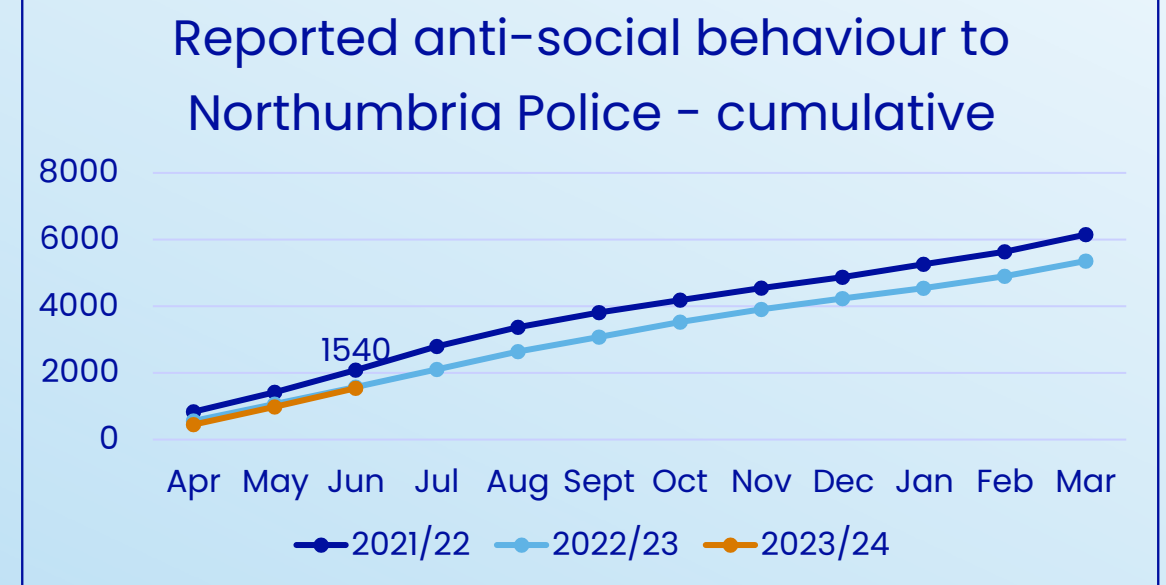
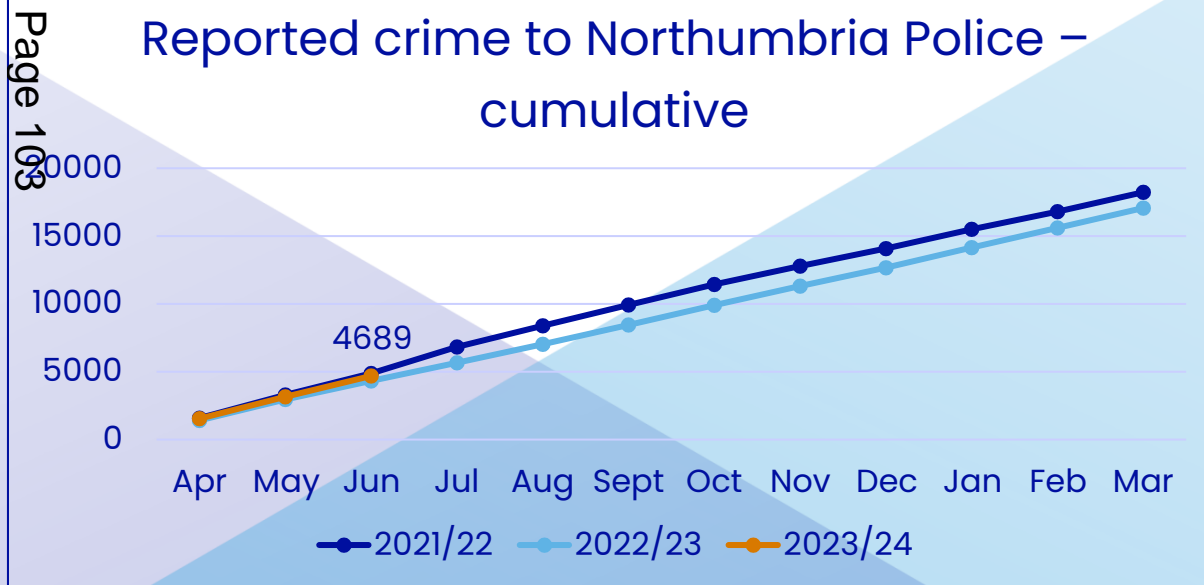


Community Safety

Commentary on performance

The number of reported crimes to Northumbria Police are in line with the previous two years. The highest reported incident types are violent offences, stalking and harassment, shoplifting and public order offences.

Reported Anti-social behaviour incidents decreased during 2022/23 and have remained consistent this year. The majority of ASB incidents are classified as nuisance, personal and environmental.



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Fund	Project	Year					Total
		2023/24	2024/25	2025/26	2026/27	2027/28	
General Fund							
	BS026 Asset Planned Maintenance	2,759	3,100	1,750	1,500	1,500	10,609
	BS030 Public Sector Decarbonisation Scheme	54	0	0	0	0	54
	BS031 Childrens Home Capital Programme	35	0	0	0	0	35
	BS033 Changing Places Facilities	93	0	0	0	0	93
	BS034 Parks Sports Centre – Security Measures	345	0	0	0	0	345
	CO079 Playsites	306	101	83	0	0	490
	CO081 Gosforth Nature Reserve Grey Squirrel Control and Enh	9	0	0	0	0	9
	CO082 Sport and Leisure Facility Improvements	12	0	0	0	0	12
	CO083 Whitley Bay Crematoria	276	0	0	0	0	276
	CO086 North West Library Improvements	69	0	0	0	0	69
	CO088 Gateways to the Boroughs	34	0	0	0	0	34
	CO089 S106 Raleigh Drive Allotment Extension	25	0	0	0	0	25
	CO091 Neighbourhood Parks	92	90	100	0	0	282
	CO092 Wallsend Park Bothy Toilet	88	0	0	0	0	88
	CO093 Rising Sun Country Park S106 Ecology	13	0	0	0	0	13
	CO094 Lawn Tennis – Improvements to Tennis Courts	133	0	0	0	0	133
	CO095 S106 Willington Quay Community Garden	13	0	0	0	0	13
	CO096 St Peters Sports Pavilion and AGP Pitches	4,008	0	0	0	0	4,008
	CO097 Forest Hall Library Transformation	266	0	0	0	0	266
	CO098 S106 Lakeside Centre Gym Equipment	50	0	0	0	0	50
	CO099 Rising Sun Country Park Improvements	88	44	0	0	0	132
	COI00 S106 Killingworth Sidings (Ecology)	12	0	0	0	0	12
	DV064 Council Property Investment	1,833	0	0	0	0	1,833
	DV066 Investment in North Tyneside Trading Co	4,787	3,000	3,000	3,000	2,000	15,787
	DV071 Section 106 Contributions to Set Up Health Facilities	0	0	0	0	0	0
	DV073 Ambition for North Tyneside	2,864	2,000	0	0	0	4,864
	DV074 North Shields Heritage Action Zone (Ambition)	175	0	0	0	0	175
	DV077 Tyne Brand Development Site	4,046	190	0	0	0	4,236
	DV080 Segedunum Roman Museum MEND	675	0	0	0	0	675
	DV081 North Shields Cultural Quarter	289	250	0	0	0	539
	DV082 Wallsend Town & High Street Programme	1,490	0	0	0	0	1,490
	ED075 Devolved Formula Capital	2,568	610	610	610	610	5,008
	ED120 Basic Need	0	0	0	0	0	0
	ED132 School Capital Allocation	4,915	3,868	3,868	3,868	3,868	20,387
	ED190 High Needs Provision Capital Allocation	4,979	0	0	0	0	4,979
	EV034 Local Transport Plan	3,430	2,552	2,986	2,986	2,986	14,940
	EV055 Surface Water Improvements	675	0	0	0	0	675
	EV056 Additional Highways Maintenance	3,754	3,253	2,000	2,000	2,000	13,007
	EV069 Vehicle Replacement	1,255	1,676	1,123	3,000	1,500	8,554
	EV076 Operational Depot Accommodation Review	274	0	0	0	0	274
	EV083 Street Lighting LED	1,842	1,745	0	0	0	3,587
	EV091 Other Initiatives Climate Change	1,114	750	1,000	1,000	1,000	4,864
	EV094 Transforming Cities Fund – NT02 North Shields Transpo	12,218	0	0	0	0	12,218
	EV095 Active Travel Fund 1 & 2 Rake Lane	59	0	0	0	0	59
	EV096 Highway Maintenance Challenge Fund – Tanners Bank	584	0	0	0	0	584
	EV097 Weetslade & Westmoor Roundabouts, Great Lime Road	896	0	0	0	0	896
	EV098 Transforming Cities Fund – NT08 Four Lane Ends Bus Pr	1,575	0	0	0	0	1,575
	EV099 Transforming Cities Fund – NT10 Links to Metro	3,766	0	0	0	0	3,766
	EVI00 Active Travel 3 – Permenant Seafront Scheme	8,174	2,500	0	0	0	10,674
	EVI01 Transforming Cities Fund – Intelligent Transport System	97	0	0	0	0	97
	EVI02 On Street Residential Charging Scheme	233	0	0	0	0	233
	EVI03 S106 Nexus Schemes	67	27	0	0	0	94
	GEN03 Contingencies	2,395	2,000	1,000	1,000	1,000	7,395
	GEN12 Local Infrastructure	147	100	100	100	100	547
	GEN13 Project Management	100	100	100	100	100	500
	HS004 Disabled Facilities Grant	2,578	1,869	0	0	0	4,447
	HS051 Private Sector Empty Homes	260	205	206	0	0	671
	HS053 Green Homes Local Authority Delivery	882	0	0	0	0	882
	HS055 Home Upgrade Grant	311	310	0	0	0	621
	IT020 ICT Strategy	1,517	1,000	1,250	1,250	1,250	6,267
General Fund Total		85,604	31,340	19,176	20,414	17,914	174,448
HRA							
	HS015 Refurbishment / Decent Homes Improvements	25,484	24,861	25,535	26,620	28,715	131,215
	HS017 Disabled Adaptations	1,633	1,599	1,315	1,328	1,341	7,216
	HS039 ICT Infrastructure Works	1,111	210	112	113	114	1,660
	HS044 HRA New Build	6,311	4,000	4,000	3,500	4,000	21,811
	HS054 HRA Vehicle Replacement Programme	0	0	0	1,800	1,800	3,600
HRA Total		34,539	30,670	30,962	33,361	35,970	165,502
Total £000		120,143	62,010	50,138	53,775	53,884	339,950

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North Tyneside Council

Report to Cabinet

Date: 31 July 2023

Title: A Strategy for Economic Growth in North Tyneside – North of Tyne Combined Authority Acceptance of Grant

Portfolio(s):	Economic Development	Cabinet Member(s):	Councillor Carl Johnson
Report from Service Area:	Regeneration and Economic Development		
Responsible Officer:	John Sparkes, Director of Regeneration and Economic Development	(Tel: (0191) 643 6091)	
Wards affected:	All		

PART 1

1.1 Executive Summary:

The purpose of this report is to seek approval from Cabinet to:

- Develop a comprehensive Economic Strategy for North Tyneside.
- To accept grant funding of £65,000 from the North of Tyne Combined Authority to support the development and commissioning of the Strategy.

The Economic Strategy will build upon the existing Inclusive Economic Strategy that was agreed by Cabinet in May 2021. It will contribute to the objectives as set out in 'Our North Tyneside Plan' and the 'North of Tyne Combined Authority Corporate Plan.' The project will take a collaborative and place-based approach to develop an inclusive, robust and impactful Economic Strategy for the Borough.

The project will include input and commitment from internal Authority teams, led by the Regeneration and Economic Development team, as well as the

procurement of a specialist to help with analysis work and the drafting of the Strategy. The project builds upon the existing North Tyneside Council Inclusive Economic Strategy, the Employment and Skills Strategy, the Digital Strategy, the Carbon Net Zero 2030 Action Plan and incorporates the Regeneration projects as outlined in 'Our Ambition.'

In addition, the Strategy will be developed in line with the North East Devolution Deal and emerging workstreams to ensure that the Borough's activity contributes to the aims and objectives of the region as a whole, as well as ensuring the Borough is in a position to benefit from the opportunities the Deal represents.

Input from partners, stakeholders and residents will be key and the team will play an active role in developing and framing the strategy to ensure it is a meaningful mechanism for inclusive economic growth in the Borough and the wider region.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Authorise the Director of Regeneration and Economic Development to accept the £65,000 grant funding from the North of Tyne Combined Authority in relation to A Strategy for Economic Growth in North Tyneside;
- (2) Authorise the Director of Regeneration and Economic Development in consultation with the Director of Resources and Head of Law to enter into the Grant Funding Agreement and any other documentation as required to facilitate recommendation (1); and
- (3) Authorise the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Head of Law to commence the procurement of a specialist to assist with analysis work and the drafting of the Strategy for Economic Growth, and to award a contract to the bidder who submits the most advantageous tender in accordance with UK public procurement legislation.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 30 June 2023.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2021–2025 Our North Tyneside Plan:

A thriving North Tyneside

This priority includes delivering activity in regeneration, place making, education and skills, the visitor economy, job creation, business support and inward investment. There is a great deal of work happening to achieve these commitments, however the Authority would benefit from having a comprehensive and coordinated Economic Strategy for the Borough encompassing all of these areas.

The Economic Strategy will help articulate and frame the economic vision for North Tyneside and determine what can be done to promote inclusive economic growth based on robust evidence that looks at live opportunities and challenges.

There are key strategies already in place that help underpin the ambitions and principles for the Boroughs success including:-

- The Borough's Health and Wellbeing Strategy, Equally Well, which sits alongside the Inclusive Economic Strategy. They both acknowledge the vital contribution that socio economic factors such as education, income and job status make to both keeping communities healthy and ensuring a prosperous economy.
- The Employment and Skills Strategy.
- The Digital Strategy.
- The Carbon Net Zero 2030 Action Plan.

This project will coordinate the key messages and guiding principles in these strategies whilst drawing out and articulating the strengths and challenges in the local economy. This will help North Tyneside maximise the key opportunities for growth and ensure they are accessible to all.

The Strategy will be developed using a place-based approach, working alongside partners and stakeholders to determine and demonstrate how all components play a part in working towards an inclusive and thriving economy.

1.5 Information:

Background

In May 2021 Cabinet agreed an Inclusive Economic Strategy for North Tyneside. The strategy includes a framework, built around the concept of rights to seven fundamental areas. These include Education, Employment, Safety, Social Equity, Housing, Connections and Environment and the Strategy sets out how the Authority can use economic growth to ensure residents have access to good quality provision. As well as ensuring those with protected characteristics are fully linked to opportunities.

The Economic Strategy will take this thinking further and include an additional focus on how North Tyneside as a coordinated 'place' will achieve economic growth and provide a greater understanding of the Boroughs strengths and the opportunities that can act as enablers. The Strategy will then incorporate the principles of the existing Inclusive Economic Strategy which demonstrates how growth will provide opportunity for the Boroughs deprived wards and how it supports the objective of reducing inequalities.

The Authority has allocated a small budget within the Director of Regeneration and Economic Development's approved budget to develop this strategy but by securing the additional North of Tyne Combined Authority (NTCA) funding this work can be truly amplified to ensure that the strategy is fully collaborative across stakeholders and partners and can clearly demonstrate how the Borough can contribute to the region's aims and objectives, particularly in light of North East Devolution.

The project will be delivered in the following stages:

- Consultation – Led by the Authority via the Regeneration and Economic Development Team and the Engagement, Participation and Advocacy Team. Consultation will be carried out with partners, stakeholders, businesses, and residents.
- Economic Analysis – The appointed specialist will look at baseline economic data and provide a robust analysis to set out the position in North Tyneside and identify key strengths, challenges and opportunities.
- Drafting the Strategy – Using feedback from consultation, economic evidence and analysis and information and review from the team, the specialist will draft the strategy in line with key priorities. There will be

scheduled review points where feedback and further consultation can be sought before the final draft is produced.

- Publication – The strategy will be published and promoted in partnership with stakeholders and partners as a place-based strategy for the Borough.

This project supports the NTCA's Corporate Plan by defining, understanding, and articulating how North Tyneside can support the key aims and ambitions as outlined within the plan. In particular, how the Borough can deliver against the following portfolios:

- Jobs, Innovation and Growth – Developing a deeper understanding of the North Tyneside business profile and the opportunities they represent, defining the opportunities for job growth and tackling challenges in the talent pipeline, defining real sector strengths and identifying leading clusters with future potential. Working to understand where innovation can lead productivity gains, prosperity and growth, with links to the green economy. As well as articulating and defining the inward investment proposition for the Borough.
- Education, Inclusion, and Skills – Developing a strategy for upskilling the local workforce in line with the NTCA Strategic Skills Plan to ensure businesses have the talent they need and to promote inclusion in the economy.
- Cultural and Creative – coordinating the economic development outcomes contained within the North Tyneside Cultural Plan and incorporating the North Tyneside Cultural and Creative Zone.

The strategy will also include North Tyneside's contribution to elements of the cross-cutting themes as set out below:

- Net Zero Transition – by ensuring residents and businesses are equipped with the skills needed for the future and ensuring businesses are supported in making the necessary changes for a successful transition to a sustainable economy.
- Inclusive Economy – by ensuring all elements of growth and economic opportunity are accessible and beneficial to all.
- Innovation in Recovery – supporting post pandemic innovation in the private sector and securing any opportunities it represents for North Tyneside and the wider region. E.g. Pharmaceuticals, digital and tech, advanced manufacturing, renewables and offshore.

The Strategy will also ensure that North Tyneside provides an active and meaningful contribution to the following goals as defined in the NTCA Corporate Plan, the value of which will be determined as a result of the Strategy:

- £1.1bn of new economic growth.
- 10,000 new jobs.
- 2.1bn private sector leverage.
- 37,000 learning opportunities a year.

The Strategy will also be developed in line with the priorities as set out on the North East Devolution Deal to ensure that it has longevity and continues to be meaningful over the next 5 years. In particular, the strategy will consider:

- Economy & Investment Fund – a scaled up fund underpinned by an investment plan driving inclusive economic growth, net zero and addressing inequalities. The value of which is £48m per year for LA7 totalling £1.4bn over the deal lifetime, with substantial leverage effect.
- Skills, Education & Inclusion – scaling up devolved skills package (to around £60m p.a.), encouraging strong collaboration around education and continuing a focus on inclusion, careers & employability.
- Clean Energy & Net Zero – measures to unlock potential and increased investment in our major industries, businesses and infrastructure to support clean energy & net zero transition.
- Culture, Tourism and Place – scale-up of cross-regional activity and endorsement of major NE opportunities.
- Business Growth & Inward Investment – provisions to join-up regional assets to strengthen investment potential.
- Trailblazer Negotiations and Future Funding – allowing the combined Authority the option to ‘fast track’ into further powers and investment and maximise future funding to the Borough and wider region.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To approve the recommendation set out in paragraph 1.2 of this report.

Option 2

To approve and/or reject some or all of the recommendations set out in paragraphs 1.2 of this report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Accepting this funding will enable the authority to produce An Economic Strategy for North Tyneside.

1.8 Appendices:

None.

1.9 Contact officers:

John Sparkes, Director of Regeneration and Economic Development, tel. (0191) 643 6091)

Claire Emmerson, Senior Manager Financial Strategy and Planning, tel. (0191) 643 8109)

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Our North Tyneside Plan 2021-2025
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/ONT%20Plan%202021-25.pdf>
- (2) Working Together – North of Tyne Combined Authority Corporate Plan
[Working Together: Our Coporate Plan 2022-2023 - NTCA \(northoftyne-ca.gov.uk\)](http://Working Together: Our Coporate Plan 2022-2023 - NTCA (northoftyne-ca.gov.uk))

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

As stated in paragraph 1.1 above, £65,000 of grant funding has been secured from the North of Tyne Combined Authority, business case development fund. The match funding as specified in the table below will be provided as a contribution from the Inclusive Economic Growth budget in line with the

funding criteria. Once the Grant Funding Agreement is signed work will begin on the work packages set out in paragraph 1.5. above.

Source	2023/24	Total
NTCA funding	65,000	65,000
Other public - North Tyneside Council	25,000	25,000
Private sector		
Other		
Total	90,000	90,000

2.2 Legal

2.2. The grant funding agreement does allow the funder to claw back the grant in specified circumstances, but these are reasonable for such purposes.

The strategy will be developed and considered in the context of subsidy control with the Authority ensuring that the following is achieved:-

- a) no subsidy arises as between the funder and the Authority.
- b) no subsidy arises between the Authority and the contracted specialist, and that the specialist is procured in accordance with the Public Contract Regulations 2015 and the Authority's Contract Standing Orders.

The Authority will also be required to adhere to the provisions contained in the Grant Funding Agreement including provision for "clawback" in certain eventualities.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Lead Cabinet Members have been briefed and finance, legal and procurement have provided advice on this project and the background to this report.

The project will be managed and delivered predominantly through the Regeneration and Economic Development (RED) team at North Tyneside Council, led by the Head of Inclusive Economic Growth.

There will also be key involvement from other Directorates across the Authority with some focus on the Participation, Advocacy and Engagement team in terms of consultation at the outset.

2.3.2 External Consultation/Engagement

A key part of developing the strategy will be consultation, during this phase we will engage and consult with key partners, stakeholders, businesses, and residents.

2.4 Human rights

2.4.1 There are no Human Rights issues arising from this report.

2.5 Equalities and diversity

2.5.1 The Strategy will be inclusive in nature and a key focus will be linking the plan to boost economic growth to opportunities for all residents across the Borough. A programme of consultation will be planned and implemented from the outset that includes engagement across a range of groups and stakeholders including VCSE organisations and representation from groups with protected characteristics. A full plan will be mapped in partnership with Equality and Diversity colleagues ahead of beginning consultation. An EQIA will be completed ahead of the project start date.

2.6 Risk management

2.6.1 A risk register has been developed as part of the business case development and will be reviewed and monitored monthly.

2.7 Crime and disorder

2.7.1 There are no crime and disorder issues arising from this report.

2.8 Environment and sustainability

2.8.1 The economic strategy will help provide a blueprint for inclusive and sustainable economic growth across the borough. It will set out how economic activity can contribute to the Net Zero Transition targets by ensuring residents and businesses are equipped with the skills needed for the future and ensuring businesses are supported in making the necessary changes for a successful transition to a sustainable economy.

PART 3 – SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X

North Tyneside Council

Report to Cabinet

Date: 31 July 2023

Title: The Business Factory (UKSPF) – North of Tyne Combined Authority
Acceptance of Grant

Portfolio(s): Economic Development

Cabinet Member(s): Councillor Carl
Johnson

Report from Service

Area: Regeneration and Economic Development

Responsible Officer: John Sparkes, Director of Regeneration and Economic Development (Tel: (0191) 643 6091)

Wards affected: All

PART 1

1.1 Executive Summary:

The purpose of this report is to seek approval from Cabinet to accept grant funding of £699,648 from the North of Tyne Combined Authority to deliver “The Business Factory” project. Funding has been secured from UK Shared Prosperity Fund (UKSPF) to support residents and businesses in the Borough looking to start up a new business or grow an existing business, with the aim of increasing the number of businesses, availability of jobs and levels of productivity within North Tyneside.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Authorise the Director of Regeneration and Economic Development to accept the £699,648 grant funding from the North of Tyne Combined Authority in relation to The Business Factory;

- (2) Authorise the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Head of Law to enter into the Grant Funding Agreement and any other documentation as required to facilitate recommendation (1);
- (3) Authorise the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Head of Law, to undertake any necessary procurements to support the project delivery set out paragraph 1.1 above and to award a contract to the bidder who submits the most advantageous tender in accordance with UK public procurement legislation.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 30th June 2023.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2021-25 Our North Tyneside Plan:

A thriving North Tyneside

The project will contribute to this theme by:

- Increasing the number of businesses starting up and support their survival.
- Increasing the number of jobs in North Tyneside.
- Supporting the growth and resilience of established businesses.

The objectives are underpinned by an ambition to make sure economic growth is inclusive and that the benefits of any growth can be accessed and felt by all residents and businesses across the Borough. As well as strong links to the Health and Wellbeing Strategy, Equally Well, to ensure the project contributes to improving socio economic factors linked to positive health and wellbeing outcomes.

This will be achieved through:

- Targeting those wards that are the furthest away from economic activity, with a target of engaging a minimum of 60 residents from underrepresented communities. The project will have a large emphasis

on reducing inequalities and supporting greater access to opportunity to improve life chances.

- Providing access to information and materials in a variety of ways and across a number of venues including:
 - The Business Factory website which will ensure access to information is inclusive. As well as linking the website to the Authority's digital inclusion strategy which focuses on making sure that residents are equipped with digital skills.
 - On the ground activity will be available in community centres and Customer First Centres across the Borough to make sure that they are accessible and reaching into communities.
- Working with residents and businesses accessing the service to support the promotion of good employer practice aligned to the Good Work Pledge.
- Working with the Authority's Skills and Employability team and wider partners to link work opportunities to local residents.
- There is a workstream within the project that focuses on supporting social enterprise to build capacity within communities and increase social value.
- Ensuring the link between Community Partnerships is strengthened via more integrated working.
- Working closely alongside Working Well Hubs established in communities to support residents into employment/business. This will also strengthen closer working with the skills and employment team to ensure maximum impact.
- Working towards the objectives as outlined in the North Tyneside Equally Well Strategy which outlines how socio-economic factors play a role in the health and wellbeing of residents and how the Authority and partners can help improve the health and wellbeing of local communities.

1.5 Information:

Background

The Authority has been delivering business support within the Borough for over 10 years. Most recently via the European Regional Development Fund (ERDF) funded "Made in North Tyneside - Enterprise Ready (MINT)" project that started in 2019 and ended delivery on 30th June 2023. This was preceded by the "Raising Enterprise" project delivered between 2013 and 2019.

The MINT project was delivered by TEDCO Business Support and focused on providing fully funded local start up support to residents and new businesses in North Tyneside, including 1:1 advice, a suite of workshops and access to consultants. The support was delivered under the Authority's brand "The Business Factory" which has always been owned and managed by the Authority.

The Business Factory, also delivers 'Business Factory Online,' an online resource where residents and businesses can access support tools. This includes fact sheets, business planning tools, diagnostic tools, videos, and tutorials. This offer will continue to be delivered under the new proposals.

The Business Factory is managed by the Business and Enterprise team, under Inclusive Economic Growth and as part of the wider Regeneration and Economic Development Directorate (RED.)

As ERDF funding has now come to an end, officers have been seeking alternative funding sources to deliver business support within the Borough and have successfully secured funding from North of Tyne Combined Authority's, UKSPF.

The Government launched the UKSPF in April 2022 with funding intended to support activity and interventions previously supported by European Funding and with the primary goal to build pride in place and increase life chances across the UK via activity across three key themes:

- Community and Place
- Supporting Local Business
- People and Skills

On behalf of North Tyneside, Newcastle and Northumberland, the North of Tyne Combined Authority (NTCA) submitted a Delivery Plan totaling £47.1m across the key themes with circa £19m attributed to the 'Business Support' theme. The plan has been codesigned with the three Local Authorities and stakeholders and it will provide a whole suite of business support for the Authority to refer businesses into. UKSPF provides considerably less funding than what was available from European Funding so delivery needs to be redesigned and reallocated to reflect the reduction.

As part of this Delivery Plan NTCA has allocated to the three North of Tyne Local Authorities £750k each to deliver local support and the remaining amount will be allocated using a 'Dynamic Purchasing System.' This system is a

commissioning tool that invites delivery agencies to become part of a supplier framework that can be used by the three Local Authorities and NTCA to deliver activity under the UKSPF programme. This system has been designed to provide a more flexible and efficient way of procuring suppliers whilst at the same time complying with UK procurement legislation.

Project delivery will be procured using either the Dynamic Purchasing System where appropriate or directly by the Authority, if required, in line with the Authority's procurement policy and procedure.

As part of the £750k allocation, North Tyneside Council, the Authority will deliver support under the brand of the "Business Factory" to a value of £699,648. The remaining £50,532 allocated to the Authority will be used to continue the service delivered through the Business and Intellectual Property Centre at North Shields Customer First Centre in partnership with Newcastle City Council and Northumberland County Council.

Delivery

The proposed programme of support will provide a refreshed and revitalised Business Factory website and offer a new approach to business support. This is built around self-guided learning and offers a complementary programme of on the ground activity in line with the following framework:

- **WELCOME** – Introducing businesses to The Business Factory Online; providing a guided tour of the online materials and functionality, peer to peer networking and Q and A sessions.
- **INSPIRE** – Inspiring residents to startup businesses through exciting events to promote entrepreneurial skills.
- **EXPLORE** – Providing short and targeted sector specific start up programmes.
- **DEVELOP** – Delivering thematic workshops for established businesses.
- **GROW** – Offer of consultancy and mentor support to achieve specific growth outcomes for established businesses.

Appendix 1 illustrates the customer journey within the operational framework linked to output delivery.

The project will focus on collaboration and play a key role in pulling together all business support activity accessible to residents and businesses in the Borough. This will make sure that North Tyneside is getting the most out of business support programmes being delivered by partners operating across

wider North East geography. It will also ensure that activity is clearly aligned to complementary delivery programmes within the Authority. This includes establishing strong relationships with the successful and developing Working Well Hubs to provide targeted and accessible support to those hardest to reach with the aim of improving inequalities. All activity commissioned under the project will be closely aligned to the objectives of the Working Well Hubs.

In addition, a key principle of the project is to ensure activity is inclusive, flexible, and defined by ongoing dialogue with businesses linked to the developing Business Engagement Strategy.

Outputs and Outcomes

Over the next 18 months the project is projected to deliver the following outputs and outcomes:

- 900 potential entrepreneurs assisted to be enterprise ready.
- 495 organisations receiving non-financial support.
- 108 new businesses created.
- 100 number of early-stage firms which increase their revenue following support.
- 16 jobs created.
- Positive impact on the growth of key sectors across the Borough.
- Increase the number of unemployed or disadvantaged residents exploring self-employment.
- Increase the number of North Tyneside business growing and achieving their intended goal.
- Increase in number of jobs in the Borough / number of people employed in the Borough as a result of the programme.
- Improve the start-up & growing business survival rates in the borough.
- Increase revenue for early-stage and growing firms as a direct impact of the support.

Timescales

Project Start Date – 1st July 2023

Refreshed Business Factory Launch Date – 1st October 2023

Project End Date – 31st March 2025

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To approve the recommendation set out in paragraph 1.2 of this report.

Option 2

To approve and/or reject some or all of the recommendations set out in paragraph 1.2 of this report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Accepting this funding will enable the authority to establish The Business Factory support offer for North Tyneside.

1.8 Appendices:

Appendix 1 – Customer Journey

1.9 Contact officers:

John Sparkes, Director of Regeneration and Economic Development, tel. (0191) 643 6091)

Claire Emmerson, Senior Manager Financial Strategy and Planning, tel. (0191) 643 8109)

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) Our North Tyneside Plan 2021-2025

<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/ONT%20Plan%202021-25.pdf>

(2) Working Together – North of Tyne Combined Authority Corporate Plan

[Working Together: Our Corporate Plan 2022-2023 - NTCA \(northoftyne-ca.gov.uk\)](http://Working Together: Our Corporate Plan 2022-2023 - NTCA (northoftyne-ca.gov.uk))

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

As stated in paragraph 1.1 above, £699,648 of funding has been secured from the North of Tyne Combined Authority, UK Shared Prosperity Fund. Once the Grant Funding Agreement is signed work will begin on the activities set out in section 1.1 above.

Funding Source	2022/23	2023/24	2024/25	Total
NTCA UKSPF Revenue		£257,380	£442,268	£699,648
Total NTCA	£0	£257,380	£442,268	£699,648
Recipient's Funds Revenue				£0
Other Revenue Match (specify)	£0	£0	£0	£0
Total Match	£0	£0	£0	£0
Total Revenue	£0	£257,380	£442,268	£699,648
Project Total	£0	£257,380	£442,268	£699,648
Grant Rate %	0%	100%	100%	100.00%

2.2 Legal

The Authority will utilise the established Dynamic Purchasing System (DPS) to appoint organisations to deliver specific business support courses or activity or will use its own procurement arrangements accordingly.

The Grant Funding Agreement will be shared with the Authority's Legal Services before it is entered into. The Agreement is likely to contain clauses concerning compliance with Subsidy Control Act 2022 and provision for clawback in certain eventualities which the Authority must comply with. Irrespective of whether such provisions are contained in the Grant Fund Agreement, the Authority must comply with Subsidy Control legislation at all times as well as UK public procurement legislation.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Lead Cabinet Members have been briefed and finance, legal and procurement have provided advice on this project and the background to this report.

The project will be managed and delivered predominantly through the Regeneration and Economic Development (RED) team at North Tyneside Council, led by the Head of Inclusive Economic Growth.

2.3.2 External Consultation/Engagement

Consultation has taken place with businesses during the evaluation of the MINT project and during the Business Support demand study undertaken last summer. Further engagement will take place with businesses during the early stages of delivery.

2.4 Human rights

2.4.1 There are no Human Rights issues arising from this report.

2.5 Equalities and diversity

2.5.1 There are no direct equality and diversity issues arising from this report.

2.6 Risk management

2.6.1 A risk register has been developed as part of the business case development and will be reviewed and monitored monthly.

2.7 Crime and disorder

2.7.1 There are no crime and disorder issues arising from this report.

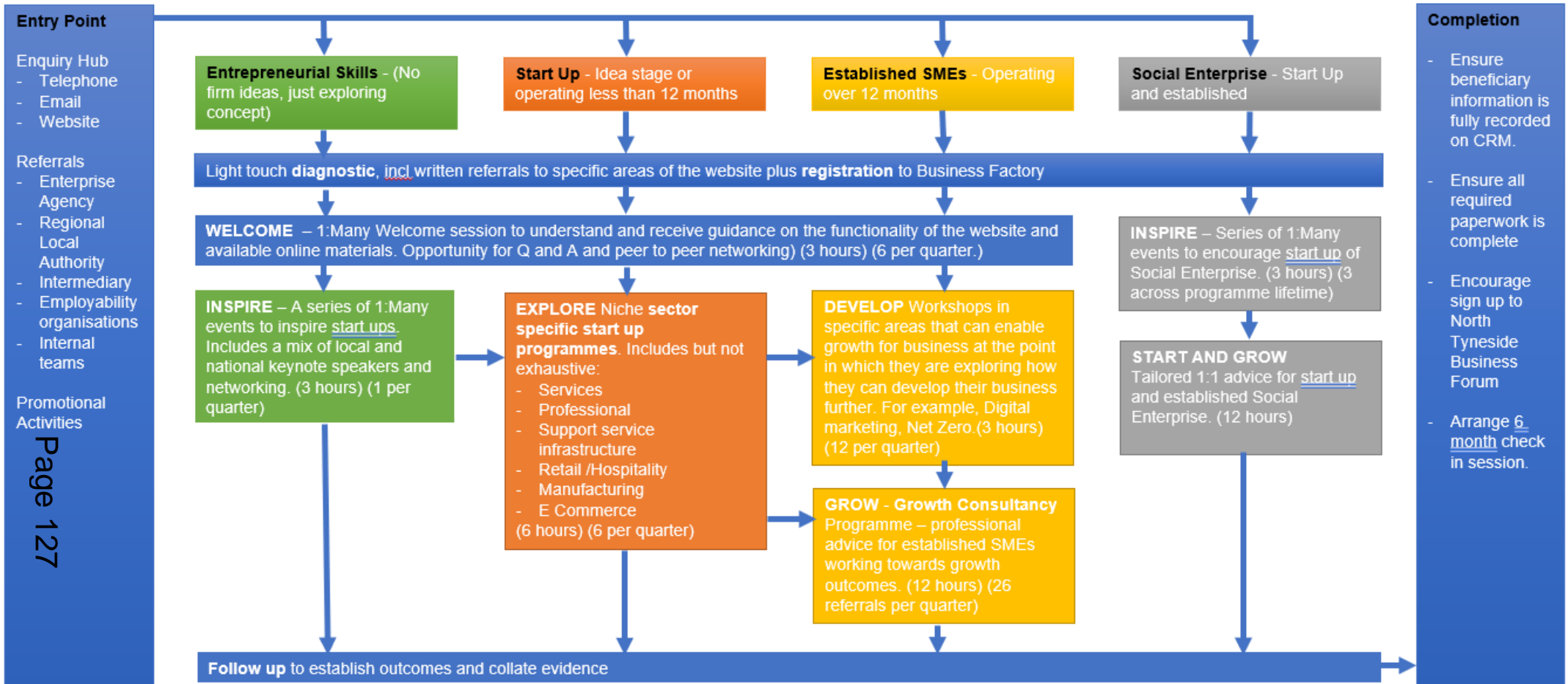
2.8 Environment and sustainability

2.8.1 The business support activity will include support to encourage businesses to reduce their carbon footprint including reducing emissions in line with the 2030 targets and Net Zero ambition.

PART 3 – SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X

Appendix 1 The Business Factory - Customer Journey



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