



North Tyneside Council

Cabinet

6 October 2023

Monday, 16 October 2023 The Chamber – Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY commencing at 6.00 pm.

Agenda Item

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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
3. Minutes		7 – 18
	To confirm the minutes of the meeting held on 18 September 2023.	
4. Report of the Young Mayor		
	To receive a verbal report on the latest activities of the Young Mayor and Young Cabinet.	
5. Procurement Plan 2023/2024		19 – 38
	To receive a report seeking approval for the Authority's Procurement Plan 2023/2024 to proceed with the relevant procurement exercises (as detailed in Appendix 1) throughout the financial year and award contracts in accordance with UK public procurement legislation to the most advantageous tenders.	
6. The Socio-Economic Duty		39 – 46
	To consider a report on the socio-economic duty contained within the Equality Act 2010 and explores the option of voluntary adopting the provisions.	
7. North Tyneside Council Housing Services Rent Policy Review 2023		47 – 64
	To seek approval for the revised North Tyneside Council Housing Services Rent Policy 2023.	
8. Audit Committee Annual Report 2022/23		65 – 86
	To present an Annual Report to Cabinet from Audit Committee, covering the work performed by the Committee during 2022/23.	

9. Exclusion Resolution

This is to give further notice in accordance with paragraphs 5(4) and 5(5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to consider item 10 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 involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

Reasons for taking the item in private: it contains information relating to the report contains information relating to the financial or business affairs of any particular person (including the authority holding the information).

10. Corporate Risk Management Summary

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To consider the latest review of key corporate risks undertaken by the Senior Leadership Team.

11. Date and Time of Next Meeting

Monday 27 November 2023 at 6.00pm.

Circulation overleaf ...

Members of the Cabinet

Dame Norma Redfearn DBE (Elected Mayor)

Councillor Karen Clark

Councillor Sandra Graham

Councillor Janet Hunter

Councillor Anthony McMullen

Councillor Carl Johnson (Deputy Mayor)

Councillor Peter Earley

Councillor John Harrison

Councillor Hannah Johnson

Councillor Steven Phillips

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Monday, 18 September 2023

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

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

Apologies: Councillors C Johnson and K Clark

**CAB41/23 To Receive any Declarations of Interest and Notification of any
Dispensations Granted**

Councillor Janet Hunter declared a registerable personal interest in agenda Item 8: Ambition for Education – Update, as she was a Local Authority School Governor.

Councillor Anthony McMullen declared a registerable personal interest in agenda Item 8: Ambition for Education – Update, as he was a Local Authority School Governor.

CAB42/23 Minutes

Resolved that the Minutes of the previous meeting held on 31 July 2023 be confirmed and signed by the Chair.

CAB43/23 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:

- Visiting Shiremoor Adventure Playground to drop off bags of ingredients for young people who took part in a cookery session as part of the Ready Steady

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Grow Competition to create a recipe card that would be included into a cost cutting guide.

- Youth Councillors took part in a social litter pick at Longsands beach.
- In preparation for the State of the Area Event in October Youth Councillors worked with the Council's Environmental Sustainability Team, to develop a Carbon Net-Zero workshop with focus on the 6 key strategic themes.
- Attended a tabletop games taster event at West Allotment, Young People provided the opportunity to try out new activities and awarded a grant from the Young Mayors Community Fund. The event's aim was to encourage young people to try activities and find out more about West Allotment Wildlings.
- The Young Mayor attended the opening of the new Transport Hub in North Shields and Youth Councillors' took part in the North Tyneside Together Event in Northumberland Square.
- Youth council members met with the sustainable environment team to hear about the Council's plans for vapes and waste electrics and provided their ideas to the design and location of the new Vape Bins.
- Young Carers Centre staff attended the Youth Council meeting where they shared their knowledge.
- Killingworth Youth Councillor Daniel McTiernan took part in the launch of North Tyneside Council's Neat Streets initiative for cleaner, greener, safer neighbourhoods and was also interviewed on Global Radio.
- The Young Mayor met the Chief Superintendent Area Commander Sam Rennison to talk about the new policy on responding to people with mental health issues.

CAB44/23 2023-24 Performance and Financial Management Report to 31 July 2023

Cabinet was provided an overview of both the service delivery performance and budget position across the Authority as at 31 July 2023.

The performance set out the key areas of service delivery, including the impacts in budget terms, with the budget forecast outturn position to 31 March 2024 for both revenue and capital.

The report detailed the current position in relation to schools finance, the Authority's Investment Plan, developers' contributions and treasury management. In addition, it provided details of additional revenue and capital grants received

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up until 31 July 2023 for Cabinets approval.

In terms of performance, service delivery overall across the Authority remained strong. The Authority continued to manage high levels of demand in several areas including Education, Health and Care Needs Plans, children in care, children in need, home care provision, residential and nursing care placements all of which had financial implications.

Key areas of strength were the delivery of the Our North Tyneside Plan 2021-2025 priorities such as the affordable homes programme and carbon net zero. The Ambition for North Tyneside Programme was progressing well with regeneration projects across the four areas of the borough.

Capital investment continued to deliver planned improvement works helping to maintain council homes at the decent homes standard. Council Tax and Business Rates collection also remained on track.

Since its last report, the number of children in care had increased from 362 in May to 376 in July. The Authority had an additional 64 children in need and an additional 46 children in care, compared to budgeted levels. The result of the additional children in care compared to May combined with the current mix of placements had driven a £1.093m worsening of the Children's position, to a total forecasted pressure of £6.474m. All other services areas had seen their financial position improve that facilitated to mitigate the increase in Children's resulting in an overall improvement of £0.389m to the position compared to May 2023.

The budget's overall projection for 2023/24 was that the General Fund would outturn with a pressure of £11.311m and the Housing Revenue Account had a forecast underspend of £0.053m.

The report also set out the programme in place to manage and mitigate the 2023/24 budget pressures and form part of the 2024-2028 Medium Term Financial Plan.

Resolved that Cabinet

- i. Noted the update provided on the Performance of the Authority including updated data on the key pressures facing the Authority and progress against

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the Our North Tyneside Plan 2021-2025,

- ii. noted 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 July 2023 (sections 1.5.1, 1.5.2, 1.5.3 and 1.5.5 of the report),
- iii. noted the Authority's Investment Plan spend of £19.264m to 31 July 2023 and the proposed financing of the Plan to the end of the year (section 1.5.4 of the report),
- iv. approved variations of £5.579m and reprogramming of £8.489m for 2023/24 within the 2023-2028 Investment Plan (section 1.5.4 of the report) and note the current position with Developers' Contributions (section 1.5.6),
- v. approved the receipt of £1.066m new revenue grants (as outlined in section 1.5.7 of the report), and £0.775m of new capital grants to be applied in 2023/24 (as outlined in section 1.5.8 of the report), and
- vi. approved the budget setting timetable for the 2024/28 Medium Term Financial Plan (as outlined in Appendix 2 appended to the report).

(Reason for decision: 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).

CAB45/23 Public Spaces Protection Orders

Cabinet received a report in relation to tackling environmental crime. Having legal powers available to effectively manage and enforce environmental crime was essential to the quality of life of the community and Public Spaces Protection Orders (PSPOs) provided the Authority with an important enforcement tool.

In October 2020, Cabinet approved the extension of existing PSPOs within the Borough, covering the control of dogs and the consumption of alcohol in public spaces. Cabinet was informed that PSPOs could not last for more than 3 years and the current PSPOs in place would expire in October 2023 if not extended.

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Cabinet approved a 4-week public consultation exercise on proposals to extend the existing PSPOs for a further 3 years at its meeting 22 May 2023, where it agreed to receive a further report following the conclusion of the consultation exercise to determine if it was 'reasonably satisfied'; in accordance with the enabling legislation, to extend the PSPOs.

The report detailed the outcome of the consultation exercise and requested Cabinet to determine whether the PSPOs should be extended for a further 3 years.

Resolved that Cabinet

- i. noted the consultation exercise undertaken on the proposed extension of Public Spaces Protection Orders for a further period of 3 years and the consultation responses as outlined in the report;
- ii. approved the making of the Orders at Appendix 5 of the report that would extend the original Public Spaces Protection Orders for a further period of 3 years;
- iii. authorised the Head of Law in consultation with the Director of Environment and the Cabinet Member for Environment to correct any minor drafting errors that may be identified in the Orders referred to in ii above, and make minor amendments including deletions and insertions that may be necessary to ensure that the Orders extending the Public Spaces Protection Orders, reflected the intentions of Cabinet as set out in the report;
- iv. authorised the Head of Law in consultation with the Director of Environment and the Cabinet Member for Environment to make the Orders at Appendix 4 of the report, subject to the correction of any minor amendments in accordance with recommendation iii above and to undertake all ancillary matters associated with the recommendation, including the signing of the Orders on behalf of the Authority; and
- v. authorised the Director of Environment and the Cabinet Member for Environment to consider the key emerging themes arising from the public consultation and undertake any action considered appropriate.

(Reason for decision: the PSPOs in place within the Borough would expire at

midnight on 19 October 2023. If the PSPOs were not extended before the expiry they would cease to have effect, resulting in the Authority having no controls in place to tackle anti-social behaviour relating to dogs and the irresponsible consumption of alcohol in public spaces and the detrimental effect that such behaviour can have on the quality of life of those in the community. Given the outcome of the public consultation exercise coupled with the other available evidence Cabinet could be reasonably satisfied that extending the PSPOs currently in place was necessary to prevent the occurrence or recurrence of the activities identified in the PSPOs after the expiry of the PSPOs, or an increase in the frequency or seriousness of those activities after the expiry of the PSPOs).

CAB46/23 Review of Part of North Tyneside Council's Hackney Carriage and Private Hire Licensing Policy

The current North Tyneside Hackney Carriage and Private Hire Licensing Policy (“the Policy”) included a section on vehicle age standards for licensed vehicles which was due to come into force on 1 April 2024. Due to the introduction of the Newcastle/Gateshead Clean Air Zone (CAZ) and the vehicle standards that apply to the CAZ, in addition to approaches from the licensed trade about the vehicle age standards section of the Policy, it was considered prudent to test whether this element of the Policy remained fit for purpose if it were to be implemented in April 2024.

At its meeting on 22 May 2023 Cabinet agreed to the commencement of a four-week public engagement into the proposed options available in relation to the vehicle age standards section of the Policy. The responses to the public engagement exercise are set out in Appendix 2 appended to the report.

The report presented to Cabinet the proposed revised vehicle standards paragraph of the Policy and sought permission to delegate authority to the Director of Public Health to amend the Policy accordingly.

Resolved that Cabinet:

- i. Approved the proposed amendments to the existing age standards of licensed vehicles chapter of the Authority’s Hackney Carriage and Private Hire Licensing Policy as set out at paragraph 1.5.5 of the report, having regard to the consultation responses at Appendix 2 of the report and the

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other matters set out in the report;

- ii. Authorised the Director of Public Health, to take all necessary steps to amend the Policy accordingly and to publish the Policy.

(Reason for decision: The implementation of the vehicle emission standards as set out in paragraph 1.5.5 with effect from April 2024 aimed to strike a balance between the need to reduce vehicle emissions in the Borough and the wider region which could have a negative impact on the health of individuals as well as contributing to global warming, and the need to keep any additional costs to some of the licensed trade to a minimum. This was demonstrated by the fact that it was proposed that diesel licensed vehicles could be licensed 4 years older than under the existing age standards Policy and 8 years older for petrol vehicles than would be the case under the existing age standards Policy).

CAB47/23 Ambition for Education – Update

Cabinet received a report that informed that education in North Tyneside was a strong performer regionally and nationally.

It was reported that the Authority considered education was the catalyst for social mobility and the mitigation of deprivation; that championing the learner continued to sit at the heart of the Authority's decision making. The Authority continued to work with schools to tackle the priorities within the Ambition for Education document and the Special Educational Needs and Disabilities (SEND) Inclusion Strategy to improve outcomes for all pupils, to build on the Authority's partnerships to transform lives, uncap the potential of children and young people, and mitigate against the longer-term impact of COVID-19. It was acknowledged all of this needed to be achieved in a challenging environment for both schools and the Authority.

The report to Cabinet provided:

- Outline the national and local context
- Outline the key strategic challenges currently facing the education system in North Tyneside, the work already underway as part of the Strategic Education and Inclusion Review, and the further work required to tackle the

challenges in partnership with educational leaders.

The key challenges were:

- Financial sustainability of Schools, in particular, Secondary provision;
- Increasing demand in relation to Children and Young People with Special Educational Needs and Disabilities (SEND);
- Post-16 Provision; and
- Local Plan proposals on School Places and Catchment areas.

Resolved that Cabinet

- i. Noted the key elements regarding the national and local context and noted the continued challenges facing education;
- ii. Recognised the significant work that had happened in relation to the key strategic challenges regarding Special Educational Needs and Disabilities provision prior to and since joining the Safety Valve Intervention Programme in April 2023 and agreed to progress the work identified;
- iii. Noted the work that had progressed regarding the Education Review; and agreed to progress the work with schools and governing bodies in the North East Planning Area and to seek a firm commitment by the end of October 2023 from them to protect the integrity of the current three-tier system and to continue to collaborate and work closely together to ensure educational and financial sustainability;
- iv. Agreed that if no firm commitment was received from schools and governing bodies in accordance with recommendation (3) above, to receive a further report to allow Cabinet to consider the alternative options available to the Authority to manage the existing financial risk;
- v. Noted the activities in relation to Catchment area amendments across the borough; and the intention to begin engaging with schools to explore options around future capacity / demand potentially arising from Local Plan Strategic sites;
- vi. Authorised the Director of Children Services, the Director of Commissioning and Asset Management and the Director of Resources in consultation with

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the Cabinet Member for Education, Inclusion, Employment and Skills, the Cabinet Member for Supporting and Protecting Children and the Cabinet Member for Finance and Resources to take all necessary steps to progress the work set out in the recommendations above; and

- vii. Agreed to receive further reports as required on the progress made as set out in the recommendations above.

(Reason for decision: It reflects the priorities agreed by the Elected Mayor, Cabinet Member, Headteachers and Chairs of Governing Bodies).

CAB48/23 Carbon Net-Zero 2030 Action Plan – Update

Following the July 2019 full Council declaration on Climate Emergency, and its acknowledgement of the gravity and urgency of the Climate Emergency, the refreshed Our North Tyneside Council Plan 2021-25, approved by Council in September 2021, included the following ambition: –

“We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside Carbon Net-Zero by 2030.”

Cabinet received a report that provided a performance update since its previous report received in August 2022 and requested Cabinet’s approval to an update of the Carbon Net-Zero 2030 Action Plan that was appended to the report.

Resolved that Cabinet:

- i. noted the performance update in relation to the carbon footprint of the Authority and the carbon footprint of the Borough;
- ii. agreed the update of the Carbon Net-Zero 2030 Action Plan that was appended to the report; and
- iii. noted that a further progress report would be presented to Cabinet in 2024.

(Reason for decision: by agreeing the recommendations set out in paragraph 1.2

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of the report would support the delivery of the Our North Tyneside Council Plan 2021-25 Carbon Net-Zero 2030 ambition).

CAB49/23 North Tyneside Transport Strategy Annual Report 2022/23

Cabinet received a report that detailed the commitment within the Transport Strategy to provide Cabinet with an North Tyneside Transport Strategy Annual report 2022/23 that outlined activities and trends relating to transport in the borough over the previous year.

The report outlined that North Tyneside's transport network was becoming safer compared with the baseline, reflecting the Authority's significant and targeted investment in major schemes over recent years. Cycling continued to be prevalent as a way of getting around North Tyneside and air quality in the borough had been confirmed as compliant with legal standards.

Resolved that Cabinet noted the content of the report and noted the contents of the North Tyneside Transport Strategy Annual Information Report 2022/23 appended to the report at Appendix 1.

CAB50/23 Exclusion 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 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.

CAB51/23 0.4 of a Hectare of land at Stephenson Street, North Shields

Cabinet received a report that informed of land at Stephenson Street, North Shields that was available for the development of new homes.

Cabinet was informed that clearance had been given for the land to be marketed as a residential development opportunity on the open market.

The report provided information about an offer received for the site by way of a sealed bid and asked Cabinet to agree to the terms of sale as detailed in Section 1.5 of the report.

Resolved that Cabinet:

- i. approved the sale of the Site to the successful bidder, subject to the main terms detailed in Section 1.5 and 2.2 of the report.
- ii. authorised the Director of Commissioning and Asset Management to agree any reasonable revisions to the terms of the sale of the Site in consultation with the Elected Mayor and the Director of Resources;
- iii. authorised the Head of Law to negotiate a sale contract, together with associated documents and complete the freehold transfer of the Site in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations, and;
- iv. subject to the above recommendations being agreed authorised the Director of Commissioning and Asset Management in consultation with the Elected Mayor, Director of Resources and the Head of Law to take any further steps necessary to implement the decision of Cabinet.

(Reason for Decision: It was considered to be the most advantageous way forward to assist in the Authority's ambition to regenerate North Shields and also to assist with the Authority's affordable homes target).

CAB52/23 Date and Time of Next Meeting

Minutes published on Friday 22 September 2023.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Friday 29 September 2023.

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North Tyneside Council

Report to Cabinet

Date: 16 October 2023

Title: Procurement Plan 2023/2024

Portfolio:	Finance and Resources	Cabinet Member:	Councillor Anthony McMullen
Report from Service Area:	Commissioning and Asset Management		
Responsible Officer:	Mark Longstaff Director of Commissioning and Asset Management	Tel:	(0191) 6438089
Wards affected:	All wards		

PART 1

1.1 Executive Summary:

The Authority undertakes a wide variety of duties and delivers a vast range of services to the people of North Tyneside via third parties. In turn this means that the Authority continues to spend a significant proportion of its budget on goods and services. Following approval of the Procurement Strategy, this report also provides an update on social value created through the Authority's supply chain.

The Responsible Procurement Charter (the Charter) was adopted by Cabinet in April 2022. An amendment to the Charter is proposed to provide commitments to businesses who have values (we listen, we care, we are ambitious and we are value for money) and objectives aligned with those of the Authority. This amendment focuses on the Authority ensuring that businesses work together to ensure that the priorities within Our North Tyneside Plan are met.

In accordance with Contract Standing Order 8(5), as the procurements identified in appendix 1 will exceed individually £500,000, this report seeks approval to proceed with relevant procurement exercises throughout the financial year and award contracts in accordance with UK public procurement legislation to the most advantageous tenders. This will ensure contracts are procured efficiently and ensure value for money is achieved.

1.2 Recommendations:

It is recommended that Cabinet:

- 1) approve the procurement of the goods and services as detailed in appendix 1 of this report;
- 2) note the key achievements in social value for the borough via procurement activity carried out in 2023 as set out at appendix 2;
- 3) approve the amendments to the Responsible Procurement Charter as set out in Appendix 3;
- 4) delegate authority to the relevant Director in consultation with the relevant Cabinet Member, Director of Resources and the Head of Law to commence the procurements identified and award contracts to those bidders who submit the most advantageous tenders 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 11 August 2023.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021 - 2025 Our North Tyneside Plan. The plan features five themes that reflect priorities aimed at creating a North Tyneside that is thriving, family-friendly, caring, secure and green. The thriving policy priority includes:

- We will review how the Council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.

1.5 Information:

1.5.1 Background

The Authority continues to spend a considerable sum on third party goods and services. The Authority's Constitution requires that prior to any procurement commencing which exceeds £500,000, Cabinet approval must be obtained. The procurement exercises which will commence in the financial year 2023/2024 have been identified and are set out at appendix 1, the contract start date may be in the subsequent year due to the procurement lead in time. This approach will ensure timely procurements whilst continuing to maintain value for money. The budgets associated with the procurements are approved by Council.

The Authority has sought Social Value within its contracts since the implementation of the Social Value Act 2012, however following the adoption of the Procurement and Commercial Strategy the Authority has strengthened how it works with its suppliers to jointly deliver this key aspect. Through Environment, Social and Governance (ESG) suppliers are already obliged to deliver social value to minimise the impact they have on the environment and maximise benefits to local economy. Through our Procurement and Commercial Strategy this will align to ensure that the Authority align with the private sector and work together to deliver Social Value within the Borough.

Following adoption of the Council Plan 2021-2025, the Authority updated its Social Value priorities in March 2022 and are contained within the Authority's Procurement and Commercial Strategy 2022-2025. The Authority's Social Value Priorities and subsequent outcomes used to measure social value follow the priorities within Our North Tyneside Plan: Thriving, Family Friendly, Secure, Caring and Greener.

1.5.2 Procurement Process

The Authority adopted its Procurement Strategy in March 2022. Utilising the social value principles within the Procurement and Commercial Strategy, the Authority will continue to gain commitments from suppliers which align with the policy priorities of the Mayor and Cabinet. This will include a greener target embedded to support the Authority's target to be carbon net-zero by 2030. The Authority's tendering process will be streamlined, and better information will be provided to the market. Where appropriate, lower value tenders will be issued. The Authority is seeing an increase in the number of Small and Medium

Enterprise's (SME's) and local suppliers that it procures with. The procurement exercises due to commence in 2023/24 will continue to give SME's and local suppliers the chance to work with the Authority, again enabling and encouraging smaller businesses. Working with the Business Forum and the North East Procurement Organisation (NEPO), bespoke workshops will be developed to support SME's. The principles set out in the Authority's Responsible Procurement Charter will be embedded in the tender requirements.

The relevant service area will develop tender packages and robust specifications to ensure that the Authority is protected in terms of financial and commercial risk. The duration of the contract will be considered to help shape new and emerging markets; lessons learned from any previous contracts will be considered when developing the tender package. Relevant existing frameworks will be explored if appropriate to the contract. Collaborative regional working will be explored if appropriate to the contract. The contract award criteria will be developed considering social value as appropriate.

1.5.3 Consultation

Consultation prior to commencing a procurement with the relevant Cabinet Members is key, this will ensure that the Authority's priorities are achieved through its contracting arrangements. The Authority's finance team will be engaged to identify any budgetary risks associated with the delivery of the service and any potential mitigations. Its legal team will review the terms and conditions for each procurement to ensure the Authority mitigates any commercial risk. Consultation and engagement with the market and any relevant associations will take place to ensure that the offer to the market is attractive and that a market exists to deliver the goods and services.

1.5.4 Award of contracts

An evaluation team consisting of subject matter experts and the procurement team will evaluate each bid received against the published award criteria and in accordance with UK public procurement legislation. Prior to award of any contract, the evaluation result will be provided to the Director of Service to approve the award together with financial assurance that the contract value will remain within existing budgets.

1.5.5 Social Value and Contract Management

The Authority updated its Social Value priorities in March 2022 and work is ongoing to develop a process, as part of the procurement and contract management activity, to monitor and manage social value throughout a contract lifecycle. The Authority's Social Value Priorities and subsequent outcomes used to measure social value follow the priorities within Our North Tyneside Plan: Thriving, Family Friendly, Secure, Caring and Greener.

Social Value requirements have been an important aspect of the procurement process since The Public Services (Social Value) Act 2012 and this has directly resulted in benefits for communities across the borough. It has proven a challenging task, however, to ensure that the commitments made through the procurement process are upheld throughout the contract period. Work is currently being undertaken to ensure that social value is monitored and measured effectively through the Authority's contract management toolkit. The Authority's contracted suppliers will each have their own corporate social responsibility approaches; through contract management work will continue to shape their social value objectives towards policy priorities of the Mayor and Cabinet.

Social Value gained for the Borough continues to be monitored and reported to Cabinet twice per year.

Suppliers have worked with the North Tyneside Learning Trust to support the World of Work events including mock interviews and career speed dating.

1.5.6 Social Value Commitments

Social value commitments made by contractors and suppliers have been closely reviewed this year. The Procurement/Commercial Team work closely with both North Tyneside VODA and the North Tyneside Learning Trust to identify voluntary groups, schools and local organisations who could benefit as a result.

Since March 2022, the updated Social Value Matrix has been utilised in 41 procurements across all service areas which has enabled the Authority to engage with the supply chain and review feedback on our procurement process. Each of these procurements required at least one greener commitment to be made. Commitments have been made by the successful contractors which are being monitored across the contract period.

Recently social value presentations have been held which has encouraged suppliers to gain further knowledge, identify specific local organisations that they can help whilst potentially improving their social value responses when applying for tenders locally and nationwide. The Procurement and Commercial Team will continue to engage with the Authority's Contractors and Suppliers during the 2023/2024 financial year.

Further details are set out at Appendix 2 of this report.

1.5.7 Business Sector

The adopted Social Value policy has been instrumental in maintaining and strengthening links with schools and the voluntary sector within the Borough. In terms of businesses the Authority has a Responsible Procurement Charter. This report seeks to strengthen this charter to ensure that businesses are clear on the benefits of working with North Tyneside Council.

The commitment to all businesses working with North Tyneside who have similar values and objectives as the Authority will be:

- The Authority will use its supply chain knowledge to generate links with business to maximise the social value potential to businesses, individuals and the borough;
- The Authority will maximise its relationship with businesses to generate links between businesses;
- The Authority will make appropriate links between businesses and schools, prioritising those where a relationship will make most difference to inequality in North Tyneside;
- The Authority will work with businesses to maximise the offer to school children;
- The Authority will seek to maximise use of assets within the borough, maximising use and access of assets within the community and voluntary sector; and
- The Authority will use its expertise to support businesses where it is a market leader (e.g., social work and safeguarding).

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may approve the recommendations set out in paragraph 1.2 to carry out the necessary procurement exercises during the 2023/2024 financial year and approve the proposed amendments to the Responsible Procurement Charter.

Option 2

Cabinet may not approve the recommendations and continue to consider individual reports for each package of works and/or services. This may delay implementation of essential services and works being carried out.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The Authority has a duty to obtain value for money. Tendering the opportunities identified in the report will meet the priorities contained within the Procurement Strategy and Our North Tyneside Plan.

1.8 Appendices:

Appendix 1: Procurement Plan October 2023–2024

Appendix 2: Social Value Updates October 2023

Appendix 3: Proposed Responsible Procurement Charter

1.9 Contact officers:

Mark Longstaff– Director of Commissioning and Asset Management. Tel 0191 6438089

Sarah Heslop – Strategic Commercial and Procurement Manager. Tel 0191 6435456

David Dunford – Senior Finance Business Partner. Tel 0191 6437027

Rosie Duerdin – Commercial Assistant. Tel 0191 643 7717

1.10 Background information:

There are no background papers.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The procurement of suppliers and contractors to complement the Authority's delivery needs is a critical part of the process to enable the successful delivery of key services.

The budgets to pay for the costs of suppliers of goods and services are provided for either via the Housing Revenue Account, the General Fund or the Capital Investment Plan.

2.2 Legal

The procurements shall be carried out in compliance with the Authority's Contract Standing Orders and Public Procurement Regulations 2015 and all other procurement legislation that may be enacted or in force from time to time.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation has been carried out with Cabinet Members.

2.3.2 External Consultation/Engagement

Consultation will take place with relevant business associations regarding the tender opportunities. Where appropriate market engagement events will be undertaken prior to the tender process commencing.

2.4 Human rights

There are no human rights issues directly arising from this report. Any potential implications will be considered before a decision is taken.

2.5 Equalities and diversity

There are no equality and diversity issues which arise directly from this report. Equality and diversity issues will be assessed when developing the individual service specifications and before and decision to award individual contract is taken.

2.6 Risk management

Any risk management issues are included within the Authority's risk register and will be managed by this process.

2.7 Crime and disorder

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

2.8 Environment and sustainability

Where appropriate tenderers will be obliged to commit to social value outcomes including, for example, carbon reduction and recycling to support the Carbon Net-Zero 2030 Action Plan.

PART 3 – SIGN OFF

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

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Title	Description of Service	Service Area	Contract Start Date
Adult overnight respite	Contract(s) to provide overnight respite for adults.	Adult Social Care	01/02/2024
Healthwatch	The Authority is seeking to procure a Social Enterprise which will deliver the functions of Healthwatch in NorthTyneside, the independent consumer champion for health and social care in the Borough.	Adult Social Care	01/04/2024
Complex hospital discharges (ongoing) – for adults with LD/ Autism and Forensic history	Contract(s) to provide complex hospital discharges for adults with Learning Disabilities, Autism and Forensic History	Adult Social Care	01/04/2024
Supported Accommodation services to reduce homelessness and social exclusion for 16-24 year olds	Contract(s) for borough wide supported accommodation services to reduce homelessness for 16-24 year olds.	Adult Social Care	01/04/2024
Supported Accommodation services to reduce homelessness and social exclusion for people 25 and over	Contract(s) for borough wide supported accommodation services to reduce homelessness for 25+ year olds.	Adult Social Care	01/04/2024
Renewal of Social Care IT System for Adults and Children Services & Social Care Web Portal	Social Care IT System for Adults and Children Services & Social Care Web Portal	Adult Social Care/ICT	31/10/2024
Specialist overnight and home care and outreach for children framework	Contract(s) to provide specialist overnight and home care and outreach services for children with life limiting conditions	Childrens Services	01/11/2023
NE12 children's residential short breaks	Contract(s) to provide residential short breaks for childrens	Childrens Services	01/04/2024
Children's Specialist and Residential Short Breaks	Contract(s) to provide residential/respite care for children and young adults including special schools and supported accommodation	Childrens Services	01/04/2024
Rising Sun Country Farm	Contract(s) for the management of the Rising Sun Country Farm	Commissioning & Asset Management	01/01//2024
Housing Programmed Works Frameworks	Contract(s) to provide a range of services to support the housing and repairs team including (but not limited to) heating upgrades and roofing	Housing Property Services	01/04/2024
Housing Specialist Works Frameworks	Contract(s) to provide specialist goods and services to support the Housing and Repairs team including drainage, asbestos and provision of fire doors for tenanted properties	Housing Property Services	01/04/2024
Commercial, Schools & Public Buildings Repairs & Maintenance, Planned Works and Preventative Maintenance Frameworks	Contract(s) to provide a range of services to support the asset management team	Housing Property Services	01/04/2024
Benton Lane Demolition and New Build Works	Demolition works followed by construction of 12 apartments and 36 houses for general need tenancies	Housing Property Services	01/04/2024
Rosehill Club Demolition and New Build Works	Demolition works followed by construction of 5 houses and 4 flats for general need tenancies	Housing Property Services	01/12/2023
Parkside House Demolition and New Build Works	Demolition works followed by construction of 10 apartments for general need tenancies	Housing Property Services	01/12/2023
Charlton Court Demolition and New Build Works	Demolition works followed by construction of 14 flats and a 40 bed sheltered accommodation unit	Housing Property Services	01/04/2027
Sexual Health Service	Contracts(s) to support public health with sexual health services	Public Health	01/04/2024
RTB Leaseholders Insurance	Property insurance in respect of private dwellings sold on a leasehold basis	Resources	01/04/2024

Title	Description of Service	Service Area	Contract Start Date
Purchase Cards	Provision of purchase cards and management system	Resources	01/04/2024
Managed Print Solution	Contract for the provision of an off-site print solution	Resources	01/04/2024
Salary Sacrifice Car Leasing Scheme	A salary sacrifice scheme for the supply of vehicles to employees	Resources	01/02/2024
Whitley Bay Playhouse	A contract for the operation and management of the Whitley Bay Playhouse	Regeneration and Economic Development	01/01/2025

Social Value Update: April – October 2023

Procurement process

41

Tenders have included an updated social value question since April 2022, across all service areas within the authority. 35 of these tenders have been awarded to date.

Each tender required at least one greener commitment to be made – working to support the authority's goal to be carbon net zero by 2030.



Over 80% of awarded tenders asked suppliers whether their staff are paid the real living wage – with targets being put in place for improvements to be made.

Over 40% of awarded tenders have required suppliers to set targets to reduce their annual business miles.



Key achievements



Over £60,000 offered to community projects within North Tyneside.

69 staff hours spent on school and college visits within North Tyneside. With an additional 60 staff hours donated internally.



Housing and Property Services contractors donated the labour and materials required to paint Addison Street Childrens Centre in North Shields.

Contractors have worked to improve the life of the residents in sheltered accommodation by donating and installing defibrillators and improving communal outside spaces.



Several contractors donated over £5000 in labour and materials to help DIY SOS renovate True Colours Theatre in Wallsend.

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Responsible Procurement Charter

October 2023



North
Tyneside
Council

North Tyneside Council

Responsible Procurement Charter

Every year North Tyneside Council procures a significant quantity of services and supplies, with a vast supply chain of over 4,000 suppliers and an annual external spend of £260 million.

With this comes a responsibility to ensure that we incorporate legal, ethical, environmental, and social considerations into our spending decisions whilst maximising value for residents of North Tyneside. We will ensure an informed decision-making process is followed to maintain a balance between economic, social and environmental priorities in making procurement choices, whilst meeting the required operational and business requirements.

Our relationship with suppliers will be underpinned by the following **principles**:

- Transparency
- integrity
- fairness
- accountability
- engagement
- respect

In exchange our **commitment to organisations** will focus on maintaining and fostering relationships with organisations whose values (we care, we listen, we are ambitious and we are value for money) and objectives align to those of the Authority, this will include the voluntary and community sector, not for profit and charitable organisations.

Our Charter focuses on the following areas:

		How we will do business	Our commitment
Thriving	Economic Prosperity and impact	We will support local businesses as well as larger national organisations. We will ensure our tendering process engage the market at the right time and our opportunities are attractive to the market. We support prompt payment and expect our supply chain to have similar payment terms. Making North Tyneside Council an exemplar procuring Authority.	We will utilise our relationships we have with organisations to make connections to ensure the borough thrives and attracts good quality organisations.
	Social value	We will continually review the contracting decisions made on behalf of the Authority. Ensuring best practice in how we procure goods and services. We will maximise the opportunity for Social Value within our supply chain. We will engage with and support markets to deliver on our behalf. We will review purchasing decisions to consider whether we can deliver internally or partner with similar agencies to support delivery.	We will ensure key links are made between organisations and our supply chain to maximise the potential impact of social value within the borough.

		How we will do business	Our commitment
Secure	Residents	Our residents are at the heart of what we do. Maximising value for our residents is key and delivering right first time is essential.	We will seek to utilise our asset base with organisations. Maximising use of the community and voluntary sector organisations asset base. Working together to support our Equally Well Strategy.
	Safe communities	Community safety ensures that North Tyneside is a great place to work, visit and live. Working with our supply chain to achieve a strong and safe community free from crime, intimidation, harassment, and fear.	
Family Friendly	Safeguarding	With our supply chain we will look for every opportunity to improve the welfare of residents, implementing practices that safeguard vulnerable communities and avoiding practices that could cause harm, this includes being alert to the risks of modern slavery.	We will work with organisations to share best practice and provide statutory guidance where we are market leaders (safeguarding and social care) for vulnerable children and adults, to have the greatest impact within the workplace and to ensure that our residents are safe and cared for. We will work with organisations to ensure that services delivered are maximised.
Caring	Health, Safety and Wellbeing	The health, safety, and wellbeing of everyone who lives, works or visits North Tyneside is a collective responsibility.	We will use our expertise to ensure that organisations have the right expertise to deliver key services.

		How we will do business	Our commitment
		We aim to provide our staff with all necessary training, equipment, and methods to achieve the highest level of health and safety performance and expect the same from our supply chain.	
	Equality, Diversity and Inclusion	North Tyneside Council celebrates the value that different backgrounds, experiences and perspectives can bring to our communities and businesses. In all activities we recognise the importance of ensuring no-one is treated in a way that excludes or discriminates, this includes identifying any practices that may disadvantage any specific group of residents and doing everything we can to prevent them.	We will link organisations prioritising those where a relationship will make most difference to inequality in North Tyneside.

		How we will do business	Our commitment
Green	Working towards a carbon net-zero future	North Tyneside Council has declared a climate emergency, setting a target to be carbon neutral by 2030. Our charter sets an ambition for the supply chain to help us work towards these goals. We want to reduce waste, emissions, and the use of natural resources. We support technology and innovative methods to help us achieve this aim.	We will continue work with organisations to reduce our carbon. We will link organisations with our supply chain to maximise the benefit.

North Tyneside Council

Report to Cabinet

Date: 16 October 2023

Title: The Socio-Economic Duty

Portfolio(s): Environment	Cabinet Member(s): Councillor Hannah Johnson
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Report from Service

Area: Corporate Strategy and Customer Service

Responsible Officer: Jacqueline Laughton, Assistant Chief Executive (Tel: (0191) 643 5724)

Wards affected: All

PART 1

1.1 Executive Summary:

This report provides information regarding the socio-economic duty contained within the Equality Act 2010 and explores the option of voluntarily adopting the provisions.

1.2 Recommendation(s):

It is recommended that Cabinet

- (1) Consider and note the contents of this report;
- (2) Agree to voluntarily adopt the provisions of the socio-economic duty for incorporation into North Tyneside Council's ongoing work and processes relating to equalities, diversity and inclusion; and
- (3) Authorise the Assistant Chief Executive, in consultation with the Cabinet Member for Environment and the Head of Law to take forward the steps necessary to integrate the duty into the Authority's decision making and other processes, including measuring and reporting on its impact.

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 8 September 2023.

1.4 Council Plan and Policy Framework

This report relates to the following priority(ies) in the 2021-2025 Our North Tyneside Plan:

All aspects of the plan and in particular the theme of a caring North Tyneside which works to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making.

1.5 Information:

Background

- 1.5.1 The Equality Act 2010 provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The provisions under the Act relating to a planned 'socio-economic duty' have not been brought into effect in law in England (although they are now in force in Scotland and Wales) and therefore do not apply as a duty upon the Authority. It is understood that the Government do not have plans to bring it into force in England although no formal steps have been taken to repeal the provisions. In November 2010, the then Home Secretary, Theresa May announced that the UK Government had decided not to implement the duty.
- 1.5.2 However, a local authority may seek to voluntarily 'adopt' and implement the provisions of Section 1 of the Act which contains the socio-economic duty. It would be important for an authority to remain aware that where a 'duty' has been adopted on a voluntary basis it does not have the same standing and force as other provisions within the Equality Act 2010 or other legislation.
- 1.5.3 The duty was intended to affect how public bodies make strategic decisions about spending and service delivery and to enshrine in law the role key public bodies have in narrowing gaps in outcomes resulting from socio-economic disadvantage.

- 1.5.4 Voluntarily adopting the duty can complement current approaches to tackling socio-economic inequalities such as anti-poverty, inclusive economy, and equalities approaches, and where appropriate, contribute to a 'levelling up' agenda. Several English local authorities, have already voluntarily adopted the duty.
- 1.5.5 In 2021 the Equality and Human Rights Commission stated the following on the issue of making England fairer:
- “We believe the duty can help reduce the most pressing inequalities of outcome exacerbated by the pandemic by helping organisations ensure their decision making takes full account of socio-economic disadvantage. By adopting the duty, regional authorities can help support inclusive approaches to strategic decision making across their organisations”.
- 1.5.6 The Local Government Association’s Equality Framework for Local Government (EFLG) 2001 is intended to help authorities comply with the Public Sector Equality Duty which is a legal obligation of the Equality Act 2010. While the framework has a focus on the nine legally protected characteristics, it also encourages local authorities to consider other issues that might be affecting their communities and staff, for example, socio-economic inequality, caring responsibilities, rural isolation.

What does the Section 1 Socio-economic Duty say?

- 1.5.7 Section 1 of the Equality Act 2010 when in force would introduce a socio-economic duty on public bodies that requires them:
- “when making decisions of a strategic nature about how to exercise its functions” to “have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage”.
- 1.5.8 Section 1 asks public bodies to consider how their decisions and policies could increase or decrease inequality that results from socio-economic disadvantage.
- 1.5.9 The explanatory notes which accompanied the Bill stated that:

“such inequalities could include inequalities in education, health, housing, crime rates, or other matters associated with socioeconomic disadvantage. It will be for public bodies subject to the duty to determine which socio-economic inequalities they are in a position to influence.”

What would adopting the duty mean for North Tyneside ?

- 1.5.10 Adoption of the duty by the Authority will build on and strengthen the current approaches to tackling socio-economic inequalities in North Tyneside.
- 1.5.11 Since the COVID-19 pandemic and the subsequent cost of living crisis the socio-economic inequalities across the borough have been amplified. As a result the Authority has had a much greater focus on socio-economic inequalities with clear policy steer from Cabinet.
- 1.5.12 There is a both a moral and economic case for tackling inequalities. The gap in life expectancy and healthy life expectancy in North Tyneside has persisted over the last two decades. Men in the most socio-economically deprived wards of the borough can expect to live on average 11.4 years less than men in the least deprived wards. For women the corresponding figure is 9.9 years. There is also 14 year gap in the average number of years lived in good health between people living in the most and least deprived areas of the borough.
- 1.5.13 In November 2021 the North Tyneside Health and Wellbeing Partnership agreed a strategy for reducing inequalities across the borough driven by socio-economic determinants. Equally Well: A Healthier, Fairer Future for North Tyneside (2021-2025) was published in November 2021. Underpinned by a detailed assessment of need and a clear evidence base, a detailed implementation plan was developed to deliver a wide range of interventions and initiatives, many led and delivered by the Authority. Examples include the poverty intervention fund, inequalities funding for VCS organisations, supporting people into employment, an enhanced holiday activities and food programme and warm welcome hubs.
- 1.5.14 Adoption of the duty will further support:
- Strong and visible leadership and the clear commitment to tackling socio-economic inequalities in North Tyneside
 - Widespread organisational commitment to, and consideration of, socio-economic inequalities including embedding culture change.

- Cross organisational and cross departmental working.
- Effective partnership working.
- High awareness of socio-economic inequalities within organisations and among partners.
- Increased engagement with residents in areas of the borough that suffer the greatest inequity.
- Systematic approaches to equality impact assessments and assessment of policy and practice more broadly.
- Systematic data gathering and analysis.
- Effective use of data as a tool for decision making and to monitor impact and compliance.
- Effective and efficient allocation of resources.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To agree the recommendations set out in Section 1.2 of this report.

Option 2

Not to agree the recommendations set out in Section 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:

Voluntary adoption of the duty can deliver a number of benefits to the Authority and its residents.

1.8 Appendices:

None.

1.9 Contact officers:

Louise Watson, Senior Manager Legal and Registration Services, tel. (0191) 643 5325

Jacqueline Laughton, Assistant Chief Executive, tel. (0191) 6435724

David G Dunford, Senior Business Partner, Finance Team, tel. (0191) 6437027

Anne Foreman, Policy and Performance Manager, Corporate Strategy and Customer Service, tel. (0191) 643 2225

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) [Equality Act 2010](#)
- (2) [A practical Guide for Local Authority Implementation of the Socio-Economic Duty in England – June 2021 – Greater Manchester Poverty Action and Just Fair](#)
- (3) [Equality Framework for Local Government 2021 – November 2021 – Local Government Association](#)
- (4) [Tackling Socio-Economic Inequalities Locally - June 2018 - Just Fair](#)
- (5) [Equally Well: A Healthier, Fairer Future for North Tyneside \(2021-2025\)](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

At this time, there are no revenue costs expected to emerge directly from this report or the recommendations or actions therein. Any additional cost requirements associated would be reported and managed in accordance with the Authority's financial procedure rules.

2.2 Legal

The legal background and implications are set out in the body of the report.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Authority's Constitutional Task Group will be consulted upon any changes to the Authority's decision-making requirements within its Constitution prior to changes being approved by Full Council.

For future individual matters impacted by the socio-economic considerations consultation appropriate to that matter will be undertaken.

2.3.2 External Consultation/Engagement

External consultation or engagement will take place where appropriate on policy initiatives arising or impacted by the socio-economic considerations.

2.4 Human rights

There are no direct human rights implications. Adoption of the socio-economic duty should have no detrimental impact on human rights.

2.5 Equalities and diversity

Adoption of the socio-economic duty will have positive implications from an equalities perspective. These are identified within this report.

2.6 Risk management

Voluntary adoption of the duty would be low risk provided it is implemented and monitored appropriately including ensuring that greater weight is not given to the non-statutory socio-economic factors at the expense of the protected characteristics or other legal obligations. Similarly, if the Authority as a matter of policy adopted the duty as part of its decision making but then neglected to consider it or to do so properly then decision making could be challenged. These risks would be mitigated by the availability and use of clear guidance and training on decision making.

2.7 Crime and disorder

Adoption of the socio-economic duty will have positive implications in addressing some of the underlying socio-economic disparities which can contribute to levels of crime and disorder in communities.

2.8 Environment and sustainability

There are no adverse impacts on the environment arising from this report. On the contrary, by addressing socio-economic disadvantages across the borough, the Authority helps to reduce the impacts of climate change on the most vulnerable groups.

For example, lower-income groups living in poorer-quality housing in coastal locations are disproportionately affected by coastal flooding, while disadvantaged groups living in urban areas with the least green space are more vulnerable to pluvial flooding (flooding caused by rainfall) and heatwaves. Tenants are more vulnerable than owner occupiers because they cannot modify their homes, so are less able to prepare for and recover from climate events.

In this context, alleviating socio-economic inequality can help to mitigate the impacts of climate change.

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: 16 October 2023

Title: North Tyneside Council Housing Services Rent Policy Review 2023

Portfolio(s):

Housing

Cabinet Member(s):

Cllr John Harrison

Report from Service

Area:

Housing Management Service

Responsible Officer:

Peter Mennell

Tel: (0191) 643 6935

Wards affected:

All

PART 1

1.1 Executive Summary:

This Policy details how North Tyneside Council set new rents, review rents annually and the Authority's approach to rental income collection (although this does not include Aurora Homes, the Authority's Trading Company). The current policy was introduced in 2011 and has been reviewed in line with changes that have occurred within North Tyneside Council and externally. The reviewed policy applies to all housing and garage rented accommodation within North Tyneside Council' direct ownership and Leasehold Service Charges.

The formula by which rents are set is provided by government and is reviewed annually to reflect changes in Consumer Price Inflation (CPI) and rent caps, these factors combined with North Tyneside Council's asset value, investment requirements and financial planning allow Cabinet to decide to set a rent up to the maximum Government has allowed.

Effective income management ensures that the Authority can continue to deliver a good housing service, develop, and maintain homes and help sustain viable tenancy arrangements by ensuring that all tenants receive the appropriate

support and advice to enable them to deal with their finances. Providing an income collection with care approach highlights the responsibility of the Authority to ensure a person centred, flexible service which is responsive to diverse needs.

1.2 Recommendation(s):

It is recommended that Cabinet:

Approve the revised policy and adopt the policy.

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 08 September 2023

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021/25 Our North Tyneside Plan:

- **A Secure North Tyneside** – We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty.
- **A Caring North Tyneside** – People will be cared for, protected and supported if they become vulnerable, including if they become homeless.

North Tyneside Housing Strategy 2023- 2028 – Building a better North Tyneside

- **Support our Tenants and Residents and Improve our Communities** – The Strategy recognises the impact that the rising cost of living is having on many of our residents, and continuing to provide advice and support for people in need is a clear priority.

1.5 Information:

1.5.1 Background

The rent for social housing in North Tyneside is set annually by Cabinet based on Government guidelines included in the 2020 Regulator of Social Housing Rent Standard. The policy for the collection of the rent is based on relevant sections of the Social Housing (Regulation) Act 2023 legislation.

1.5.2 The policy review covers:

- **Income Collection with Care** – including promoting financial inclusion, maximising benefit take up and access to specialist support and advice.
- **Rent and garage charges and tenant responsibilities** – in relation to paying rent.
- **Leasehold Service Charges** – transparent and well communicated charges made annually.
- **Universal Credit and Housing Benefit** – ensuring collaboration and partnership working with Housing Benefit Service and Department for Work and Pensions.
- **Accessibility** – appropriate and accessible methods of communication, payment and support provision
- **Pre-tenancy affordability assessment** – to promote tenancy sustainment.
- **Rent arrears management procedures and legal action** – a comprehensive suite of procedures ensures a flexible person-centred approach to managing rent arrears and supporting tenants. Legal action is the last resort other than in exceptional circumstances in the arrears.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may accept and approve the revised rent policy and require this to be reviewed again in 3 years or as required by legislative changes.

Option 2

Cabinet may reject the revised rent policy; however, the Authority may then be at risk of failing to meet its duty to review and update the current rent policy.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Ensures regulatory compliance.

Promotes good practice in income collection.

1.8 Appendices:

- North Tyneside Council Housing Services Rent Policy, 2023

1.9 Contact officers:

Toby Hartigan – Brown – Head of Housing Management Services

Christine Allen – Service Manager Housing Management

Darrell Campbell – Senior Business Partner – Financial Strategy and Planning

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. North Tyneside Housing Strategy 2023 – 2028
https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Housing%20Strategy%202023-2028_March2023%20v2.
2. [Equality Impact Assessment](#)
3. [Housing Act 1985](#)
4. [Local Government and Housing Act 1989](#)
5. [Housing and Regeneration Act 2008](#)
6. [Localism Act 2011](#)
7. [Welfare Reform and Work Act 2016](#)
8. [The Debt Respite Scheme \(Breathing Space Moratorium and Mental Health Crisis Moratorium\) \(England and Wales\) Regulations 2020](#)
9. [Mental Health Act 1983](#)
10. [Human Rights Act 1998](#)
11. [Mental Capacity Act 2005](#)
12. [Equality Act 2010](#)
13. [Care Act 2014](#)
14. [Homelessness Prevention and Rough Sleeping Strategy 2023 – 2028](#)
15. [Social Housing \(Regulation\) Act 2023](#)
16. [Rent Standard – April 2023](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no direct financial implications arising from this policy.

2.2 Legal

There is no direct legal requirement to have a Rent Policy. However, it is good practice, and it demonstrates transparency and provides accessible information for tenants, which is in line with the requirements of Social Housing (Regulation) Act 2023. The rent setting process is governed by the Rent Standard 2023.

The policy will provide clarity as to the Council's approach to rent setting and serve as an evidence base to refer to.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Officers internally within the council – Housing Options & Property Services Housing Sub 20 March 2023 (as known then) to consider and review the policy – Feedback was positive with the approach in the policy.

2.3.2 External Consultation/Engagement

Tenancy service improvement group March 2023 (feedback was positively received by the tenant's group with the approach in the policy)

Consulted with the Housing Quality Network (HQN – specialist Housing sector) on development of Collection with Care policy and good practice.

Consultation with various local authorities in line with policy development and good practice.

2.4 Human rights

There are no human rights implications arising from this revised Policy.

2.5 Equalities and diversity

All potential equality implications that may arise from this Policy have been considered. There are some negative impacts that are highlighted in the Equality Impact Assessment. These impacts have measures in place to reduce these impacts

and support those needing assistance. The form is part of the background information.

2.6 Risk management

Any risks associated with this policy have been considered. The Income policy provides guidance to our tenants and leaseholders in North Tyneside on the Authority's approach to income collection with care. Without such a policy in place, there is a risk of failing to meet its duty to review and update the current rent policy.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from approval of the proposed Policy.

2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this Policy.

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

Housing Services

Rent Policy 2023

Date: April 2023 **Version:** 1 **Author:** Rachael Sanderson & Christine Allen



Contents

1. Introduction
2. Purpose
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 - Income Collection with Care
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 - An Accessible Service
 - Universal Credit – Housing Element & Housing Benefit
 - Pre-Tenancy Checks and Tenancy Sign Up
 - Rent Arrears Management Procedures
 - Legal Action

1. Introduction

This Policy details how North Tyneside Council set new rents, review rents annually and the Authority approach to income management. It applies to all housing including all social and affordable rent, garage tenancies and long lease for flats sold under the right to buy provisions.

The Authority is responsible for calculating rents applicable to every Council home, using a formula based on the value of the home, average income for the area and Government guidelines. The higher the value of the property the higher the rent calculated, however, to protect tenants from large increases the Government caps the amount by which rent can increase in any one year.

Effective income management ensures that the Council can continue to deliver a good housing service, develop, and maintain homes and help sustain viable tenancy arrangements by ensuring that all tenants receive the appropriate support and advice to enable them to deal with their finances.

2. Purpose

The purpose of the Rent Policy is to set out the overall approach to rent setting and income management, in doing so, helping maximise income and sustain tenancies. The Authorities housing income management service contributes to the financial strength of the Council so that it can provide financial resources to help deliver our strategic priorities.

3. Aims

The Aims of this policy are set out below:

- To encourage prompt and regular payments of rent to minimize arrears.
- To offer early intervention advice and support to those in need.
- To provide clear advice to officers on managing arrears, and to promote consistency whilst enabling officers to respond flexibly to cases within policy guidelines.
- To take proportionate action on rent arrears at an early stage.
- Provide help and assistance to tenants and leaseholders through partnership working with key agencies to maximise their incomes and manage their finances effectively.

- Develop highly skilled staff that are customer focussed and have access to a range of effective support for vulnerable people.
- Promote a culture of engagement and minimise arrears levels by providing a choice of convenient, accessible, cost-effective payment methods.
- To be effective in our communication, ensuring it is clear and accurate.
- To maintain good relationships with tenants and to adopt a sensitive, sympathetic, and appropriate approach to recovering any arrears.
- Regularly seek to improve the service and performance in line with best practice, current legislation, and our duty of care.

4. Legislation

The rent for social housing in North Tyneside is set annually by Cabinet based on Government guidelines included in the 2020 Regulator of Social Housing Rent Standard, and on relevant sections of previous legislation, namely:

- Housing Act 1985
- Local Government and Housing Act 1989
- Housing and Regeneration Act 2008
- Localism Act 2011
- Secondary legislation under the above acts
- Welfare Reform and Work Act 2017
- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020
- Mental Health Act 1983
- Human Rights Act 1998
- Mental Capacity Act 2005
- Equality Act 2010
- Care Act 2014 (Safeguarding)

5. Equality and Diversity

North Tyneside Council is committed to the principles of equality and diversity. Our Rent Policy seeks to:

- Achieve its aim that North Tyneside is a place where people feel safe, and no one experiences discrimination or disadvantage because of their characteristics, background, or personal circumstances.
- Ensure our service is responsive and meets the needs of all our customers.

This Policy has been subject to an equality and impact assessment.

6. Review

This Rent Policy will be reviewed every three years, or as a result of any changes in legislation and/or regulation or in line with business needs. The Housing Service Rent Procedures will be reviewed in line with reviewed Policy.

7. Policy Scope

Income Collection with Care	<p>How we collect our rent is key to helping our tenants sustain their tenancies and provide the services to tenants that are expected:</p> <p>Avoiding potential direct and indirect discrimination by being aware of mental health impacts on:</p> <ul style="list-style-type: none">• Ability to work.• Ability to make responsible decisions during manic episodes.• Ability to engage with communication methods and processes used. <p>In order to promote financial inclusion, we will:</p> <ul style="list-style-type: none">• Provide advice on benefits, and act as a gateway to more specialised support and advice such as debt counselling, financial advice, and sources of finance such as credit unions.• Publicise the availability of welfare benefits through posters, advice leaflets etc.• Provide tenants with an application form to apply for housing and council tax benefit.• Keep tenants informed of any significant changes in Universal Credit, Housing Benefit, and other benefits.• Carry out benefit checks for all tenants in arrears to help tenants maximise their income.
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	<ul style="list-style-type: none"> • Provide a welfare support service for tenants or refer tenants to external agencies. • Run periodic benefit campaigns with other agencies such as the Housing Benefit Service, Citizens Advice Bureau and the Department for Work and Pensions.
<p>Rent Charges</p>	<p>The weekly rent collected by North Tyneside is used to pay for a range of services provided, to manage and maintain the Council stock and to help sustain viable tenancy arrangements. The tenant's responsibilities in relation to paying rent are set out in their tenancy agreement and are outlined in the tenancy handbook.</p> <ul style="list-style-type: none"> • The basic rent for each dwelling is calculated in line with the Government's national rent formula and guidelines. • Rents are reviewed on an annual basis. Tenants are given four weeks written notice in advance of any implementation date of the annual rent increase and information is provided regarding changes to housing benefit. • Tenants in receipt of Universal Credit are advised to contact the Department for Work and Pensions (DWP) to inform them of changes to their rent level. • Rent account statements are sent to tenants at quarterly intervals. Individual "one off" statements will be produced at the request of the tenant. • Tenants pay rent equally over 52 weeks. • There are 3 main elements of a weekly rent charge that could be included in a typical bill:

	<ul style="list-style-type: none"> ○ Net Social Rent – the basic social rent charge based on Government guidelines. ○ Service Charges – usually levied for shared services in a building / estate such as communal lighting or heating, cleaning, concierge services etc. ○ Water Rates – all tenants are required to pay water rates and the authority collects water rates on behalf of the local water company Northumbrian Water. <ul style="list-style-type: none"> ● There are a small number of Council homes that have been built using Government grants as part of the Affordable Homes Grant programme. In these instances, it is usually a requirement of accepting the grant that the Authority charges Affordable Rents on those properties. Affordable Rent usually means a rental charge at 80% of the current rates being charged for comparable properties in the private rented sector, known as market rents. In most cases this will be at a rate between Social Rent and Market Rent.
<p>Leasehold Service Charges</p>	<ul style="list-style-type: none"> ● Leaseholders pay an annual service charge, which represents the cost of services provided to them. These charges are subject to an annual audit. ● Leaseholders receive an invoice and statement giving a transparent and effectively communicated breakdown of the cost on an annual basis.
<p>Garage Charges</p>	<ul style="list-style-type: none"> ● VAT is charged on all garages where the licence holder is not a council tenant, VAT will also be charged if more than one garage is let. ● When a council tenant buys their home from the local authority but continues to rent their

	<p>garage, the authority ceases to be the landlord in respect of the home and VAT becomes chargeable on the garage rental.</p> <ul style="list-style-type: none"> • If, however, a council tenant buys a flat under a leasehold agreement (as opposed to freehold) and pays ground rent, the Council is still the landlord and therefore VAT is not due on the garage rental. • Garage rents are reviewed on an annual basis. • The recovery of garage arrears is based on a staged escalation process, up to and including the termination of the licence of the garage.
<p>Accessible Service Payments</p>	<ul style="list-style-type: none"> • To maximise income collection we support tenants, former tenants, and leaseholders to pay their rent, service charges and other housing debts by providing easy access to cost effective methods of payment. • We support tenants to find the best payment method for their circumstances. • The following payment options are available: <ul style="list-style-type: none"> ○ Direct Debit ○ Pay Point and Post Office outlets. ○ Online ○ In person using credit or debit card at Customer Service Centres (using payment machines) ○ By Telephone ○ Direct payment from wages for employees ○ Direct payments from the Department of Work and Pensions in certain circumstances. • We will actively encourage Direct Debit as this is the most cost-effective method of payment and it promotes regular payment.

<p>Universal Credit – Housing Element & Housing Benefit</p>	<ul style="list-style-type: none"> • Effective liaison with the Housing Benefit Service and the Department of Work and Pensions is in place, this helps towards the prevention and reduction of arrears. • Liaison with such services is conducted on a case-by-case basis covering arrangements, where appropriate for: <ul style="list-style-type: none"> ○ Sharing information ○ Submitting claims ○ Dealing with enquiries ○ Updates on the progress of claims ○ Prioritising serious arrears cases ○ Submitting information to the necessary service ○ Recovering overpayments. • Where rent arrears accrue and there is an outstanding benefit entitlement, we will provide appropriate advice and assistance to tenants to help resolve such situations, ensure their tenancy is sustained where possible (including utilising the Alternative Payment Arrangements process), aim to minimise the financial detriment to the tenant and work with tenants and the DWP to maximise income. • The Housing Benefit Regulations sets out the minimum evidence required to consider entitlement for Housing Benefit which the Benefit Service follows and staff in Housing are familiar with these requirements. • We have developed a partnership and referral agreement with the Citizens Advice Bureau CAB who can assist with debt counselling and money advice, help to negotiate payment agreements with creditors and provide income maximisation services to ensure all benefit

	<p>entitlement is taken up. It can also assist with appeals against housing benefit decisions, DWP decisions relating to Universal Credit and other welfare benefits and help tenants with financial literacy difficulties.</p>
<p>Pre – Tenancy Checks and Tenancy Sign Up</p>	<ul style="list-style-type: none"> • All applicants undergo an affordability assessment including identifying any outstanding Housing Debt. Realistic predictions of running costs and expenses help applicants to identify the sustainability of a tenancy for themselves and get support in place pre tenancy. • All offers of accommodation are conditional upon the applicant continuing to meet the necessary criteria and qualification, up to the point of the signing of a Tenancy or Occupancy Agreement. • Tenancy Sustainment is key prior to the commencement of a tenancy with effective systems in place for clearing debts through support, signposting and identifying barriers. • Clear expectations are set, and advice is provided for managing rent, to support tenants in understanding the importance of paying their rent, and the services available to support them with this, how to pay their rent and to make the required payment at the required time.
<p>Rent Arrears Management Procedures</p>	<ul style="list-style-type: none"> • We have a flexible and person-centred approach to the recovery of rent areas and a suite of procedures which can be used for individual circumstances. • Officers will work with the individual to find an affordable method of repayment.

Legal Action	<ul style="list-style-type: none">• All tenants with rent arrears are offered the opportunity to be referred to the Citizens Advice Bureau for debt advice and supported through a range of tenancy support services and referrals that are available prior to taking legal proceedings.• We follow the Rent Arrears Pre-action Court Protocol with its increasing emphasis on negotiation not litigation, which is supported by our procedure documentation and a part of our national and legal requirement.• Legal action to recover rent arrears will commence when efforts to obtain regular payments fail and arrears continue to rise. Legal action is the last resort other than in exceptional circumstances in the arrear's recovery process.• The decision to request legal action to recover possession of the property will only be taken when all other appropriate means of arrears recovery have been exhausted.• Eviction will only be considered in exceptional circumstances where all alternatives have been tried and any potential vulnerable household members identified and protected.• The legal costs for taking a tenant to court for rent arrears are recovered through a sundry account paid at the same time as the rent and arrears or paid separately once the arrears have been cleared.
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North Tyneside Council

Report to Cabinet

Date: 16 October 2023

Title: Audit Committee Annual Report 2022/23

Portfolio(s): Finance and Resources	Cabinet Member: Cllr Anthony McMullen
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Report from Service Area: Resources

Responsible Officer: Jon Ritchie, Director of Resources Tel: (0191) 6435701

Wards affected: All

PART 1

1.1 Executive Summary:

1.1.1 The purpose of this report is to present an Annual Report to Cabinet from Audit Committee, covering the work performed by the Committee during 2022/23.

1.1.2 The Report explains the role of Audit Committee and summarises:

- the outcomes of a review of the effectiveness of the Audit Committee. This was led by the independent co-opted Chair and included areas recommended for the further development of the effectiveness of Audit Committee, and
- the highlights from the substantive business considered by the Committee during 2022/23.

1.2 Recommendation(s):

1.2.1 It is recommended that Cabinet notes the Audit Committee Annual Report for 2022/23, attached as Appendix A to this report.

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 15 September 2023.

1.4 Council Plan and Policy Framework

- 1.4.1 The work of Audit Committee supports the entire framework of governance, risk management and control within the Authority, and all service responsibilities and priorities as identified within the Our North Tyneside Plan.

1.5 Information:

Background

- 1.5.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) views audit committees in local government as a key component of each local authority's governance framework¹. The Authority has a dedicated Audit Committee, which is chaired by an independent co-opted member, Mr Malcolm Wilkinson.
- 1.5.2 CIPFA recommends that the Audit Committee should regularly assess its own effectiveness and has prepared specific guidance for Audit Committees. The Authority's Audit Committee arrangements have therefore been reviewed in line with latest guidance (2022), led by the Audit Committee Chair.
- 1.5.3 The review identified that Audit Committee arrangements continued to be effective, with a self-assessment score of 182 out of a possible 200. The review identified a few areas that require clarification due to changes in the most recent guidance. These include consideration of the Audit Committee Terms of Reference within the Constitution.
- 1.5.4 An Annual Report from Audit Committee is attached. This is recommended by CIPFA and is designed to provide accountability to the organisation. The report includes a summary of the review of Audit Committee effectiveness; demonstrates how the Audit Committee has discharged its responsibilities throughout the year (as set out in its Terms of Reference) and summarises some of the key items of business undertaken in 2022/23.

¹ CIPFA Position Statement on Local Authority Audit Committees, *Audit Committees – Practical Guidance for Local Authorities and Police, CIPFA 2022*

1.6 Decision options:

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

Option 1

Cabinet notes the Audit Committee Annual Report 2022/23.

Option 2

Cabinet does not note the Audit Committee Annual Report 2022/23.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

1.7.1 Option 1 is recommended for the following reasons:

Noting the Audit Committee Annual Report 2022/23 will demonstrate that Cabinet:

- has received and considered the outcomes of the Audit Committee's review of its own effectiveness, which is good practice recommended by CIPFA.
- is aware of the main governance matters which have been considered by Audit Committee in 2022/23 and provides a formal opportunity to feedback to Audit Committee on its work and performance throughout the year.

1.8 Appendices:

Appendix A: Audit Committee Annual Report 2022/23.

1.9 Contact officers:

Richard Dunlop, Interim Chief Internal Auditor, (0191) 643 5738 (Marc below w.e.f. 27 September 2023)

Marc Oldham, Acting Group Assurance Manager (0191) 643 5711

David Mason, Senior Manager Capital Strategy and Planning

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) [CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022](#)
- (2) [Review of Audit Committee Effectiveness – Report to Audit Committee, 22 March 2023](#)
- (3) [Reports to Audit Committee 2022/23](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

2.1.1 Audit Committee’s remit covers the Authority’s entire framework of governance, risk management and control, including financial governance and control. The work of the Committee supports and promotes effective financial control throughout all parts of the organisation. There are no direct financial implications arising from the recommendations in this report. Should any financial implications associated with these risks emerge that cannot be contained within current budgets, then these will be reported to Cabinet.

2.2 Legal

2.2.1 There are no legal implications arising from the recommendations in this Report.

2.3 Consultation/community engagement

2.3.1 Consultation on the analysis against CIPFA’s good practice guidance, taken from the 2022 publication “Audit Committees – Practical Guidance for Local Authorities and Police”, was undertaken by the Chair of Audit Committee. This involved the Chair meeting with a number of serving elected members of Audit Committee on an individual basis.

2.3.2 An updated self-assessment of Audit Committee Effectiveness from the consultation, was discussed with and endorsed by Audit Committee members at the meeting of Audit Committee on 22 March 2023.

2.3.3 Individual reports from Internal Audit, External Audit or the Director of Resources (referenced in the Audit Committee Annual Report 2022/23) have all been discussed with the relevant client identified for that work, at the time that this was completed.

2.4 Human rights

2.4.1 There are no human rights act implications arising from the recommendations in this Report.

2.5 Equalities and diversity

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

2.6 Risk management

2.6.1 There are no risk management implications arising directly from this report.

2.7 Crime and disorder

2.7.1 There are no crime and disorder implications arising directly from this report. The work of the Audit Committee in considering the arrangements in place for an effective framework of governance, risk management and control helps to mitigate against the risk of certain types of crime (e.g. fraud) towards the Authority.

2.8 Environment and sustainability

2.8.1 There are no environment and sustainability implications arising directly from this report.

PART 3 – SIGN OFF

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

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Audit Committee Annual Report 2022/23

October 2023



North
Tyneside
Council

Introduction from Co-opted Chair of Audit Committee

Since I was appointed into the independent role of Chair on North Tyneside Council's Audit Committee in 2022, from my role as Deputy Chair, I have enjoyed a deeper understanding of the Council's operations, and comparing the challenges it faces with those which I encountered during my career in local government. The scale and breadth of what the Council does continues to impress. The 2022/23 year has seen the recovery from the Coronavirus pandemic, a challenging environment for external audit, the finishing of the shared internal audit service and the re-building of the Authority's internal audit function.

The provision of independent assurance to the Council on its changing and evolving risk profile has, arguably, never been more important. At their core, audit committees can play a vital role in supporting and maintaining a culture and environment to support the integrity of governance arrangements and the provision of information for decision making for the organisation.

I found over my many years on this committee that the members have shown great interest and understanding of the role, and have asked many challenging questions. It is testament to the diligence of the Committee that it embraces and adapts to change, with the changing Council risk environment initiating regular presentations by risk owners to explain the wider risk to the Committee and encourage challenge. At times of uncertainty, transparency can be of heightened importance, so I hope this annual report from Audit Committee on its work and how it has met its agreed Terms of Reference during 2022/23 is a useful source of assurance to Cabinet.

In addition to summarising highlights from the substantive business considered by Audit Committee in 2022/23, this report details the outcomes from reviewing our Audit Committee arrangements and its effectiveness. The report details progress we have made as a Committee, with regard to reflecting good practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and further developments identified to improve Audit Committee's effectiveness further.

An annual report on the work of the Committee is one action identified and I am pleased to introduce this annual report to Cabinet on behalf of the Audit Committee. I hope that this report is of interest and helpful to Cabinet. Any views from Cabinet can be used to help guide the work of Audit Committee to ensure we can continue to develop a vital assurance link for the organisation and in turn, residents, businesses, and all those who live or work within the borough.

Malcolm Wilkinson
Co-opted Chair of Audit Committee

Role of Audit Committee

The importance of audit committees in local government has grown and developed in recent years. The main professional public sector accounting body, the Chartered Institute of Public Finance and Accountancy (CIPFA), issues guidance to support local government audit and financial governance matters. CIPFA issued a revised Position Statement on Audit Committees in Local Government during 2022, and a self-assessment against this revised guidance was undertaken and presented to Audit Committee in March 2023.

The key generic aims arising from the position statement are:

1. Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

2. Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight

and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body.
- in local authorities, be independent of both the executive and the scrutiny functions.
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups.
- have rights to request reports and seek assurances from relevant officers.
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation.

3. Core functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

Maintenance of governance, risk and control arrangements:

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.

- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics, and managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting:

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment (and any actions required to improve it), and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance:

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- in relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance, and conformance to professional standards.
 - support effective arrangements for internal audit.
 - promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review, and accountability.

4. Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills, and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion.
 - managing meetings to cover all business and encouraging a candid approach from all participants.
 - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise, and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance. The appointment of

co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

5. Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public.
- be able to meet privately and separately with the external auditor and with the head of internal audit.
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required.
- have the right to call on any other officers or agencies of the authority as required.
- support transparency, reporting regularly on its work to those charged with governance.
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

6. Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance. The committee should evaluate its impact and identify areas for improvement.

Review of North Tyneside Council's Audit Committee

It is good practice to undertake an annual review of the effectiveness of our Audit Committee arrangements. Using CIPFA's Position Statement¹ as a foundation for a review, a self-assessment was undertaken by the Audit Committee Chair in conjunction with the Interim Chief Internal Auditor and Acting Group Assurance Manager. The assessment process included an invitation to all serving elected members of Audit Committee to meet with the Chair, Interim Chief Internal Auditor and Acting Group Assurance Manager to discuss Audit Committee arrangements. The process also included consultation with Senior Officers of the Authority, including the Director of Resources (s151 Officer).

The self-assessment was the first time it had been completed against the latest (2022) CIPFA guidance, but it demonstrated that Audit Committee arrangements continued to reflect good practice. A score of 182 out of a possible 200 was achieved (previous assessments were not scored).

Several ideas to develop Audit Committee arrangements were discussed, including the benefits of updating Audit Committee Terms of Reference to fully meet changes in the latest CIPFA guidance. The ideas for development and clarification included:

- Audit Committee currently approves the annual statement of accounts, whereas CIPFA's guidance is that Audit Committee's maintain their advisory role by not having decision making powers.
- Audit Committee's annual report is currently presented to Cabinet, whereas the updated guidance is that it is presented to full Council.

A full report on the review of effectiveness including areas for development, was presented to, and endorsed by Audit Committee at its meeting in March 2023.

¹ CIPFA Position Statement on Local Authority Audit Committees, *Audit Committees – Practical Guidance for Local Authorities and Police, CIPFA 2022*

Audit Committee Substantive Business – Key Highlights

In addition to considering how we might improve Audit Committee's delivery of its role and remit during 2022/23, the Committee's business proceeded largely as planned, and a number of important reports were received and discussed by the Committee. The reports, which are set out at Annex A, were scheduled in an annual work programme for the Committee to ensure it could discharge the responsibilities set out in its Terms of Reference. Key highlights from the Committee's work during the year included:

Internal Audit and Risk Management

Annual Opinion – the Chief Internal Auditor's Annual Opinion on the Framework of Governance, Risk Management and Control for 2021/22 was reported in May 2022. This provided a 'satisfactory overall' opinion, which is a positive outcome for the organisation and reflected the favourably on the Authority's governance arrangements.

The opinion detailed work undertaken by Internal Audit during the year and highlighted the main findings of this work. The report explained that a number of key financial systems, those systems of 'high value and / or high volume' which protect the Authority's resources were among those awarded 'significant' assurance opinions.

The opinion also highlighted a small number of areas which were awarded 'limited assurance' opinions, which reflected the need to strengthen controls and processes. The report also detailed other work completed in year which contributed to the overall opinion, including grant certification exercises and programme assurance activity.

A number of probing and challenging questions on the opinion report were asked and debated in detail by the Committee.

Audit Plan Progress and Key Outcomes – At its meetings in May and November 2022, Audit Committee also received reports on progress

against the Internal Audit Plan, and summaries of the key outcomes from Internal Audit's reports. These key outcome summaries highlighted:

- the audit objectives of each assignment
- the number and priority grading of recommendations made
- any areas of good practice in the area under audit
- key findings from the audit including any good practice identified
- a management comment on action taken in response to the audit recommendations made.

Audit Committee considered the issues contained within the reports and sought further assurance in several areas, including clarification around Information Governance training for employees which had been highlighted as an issue.

Internal Audit Charter – A revised charter, setting out Internal Audit's purpose, authority, and responsibility, was presented to agreed by Committee at its meeting in November 2022.

Risk Management – Audit Committee received bi-annual updates on the Authority's corporate risks and risk management process. This was supplemented with a new initiative. A range of detailed briefings at Audit Committee meetings throughout the year by the corporate risk owners. The corporate risk owners, who are all members of the Authority's Senior Leadership Team, discussed with the Committee the potential impact on corporate objectives of their risks materialising, and what controls were in place to mitigate the risks. The briefings, which included Economic Downturn, Supply Chain and Health Inequalities risks, prompted debate on each risk topic and the risk management process.

Counter Fraud Annual Report – An annual report on the Counter Fraud activity that had been undertaken during 2021/22 was received by the Committee. The report, which set out the Authority's approach to counter fraud work through risk assessment and prioritisation of higher risk areas, also included performance details and the value of cashable and non-cashable savings made (£0.047m and £0.673m respectively). The report was of particular interest to the Committee, and a number of points were raised and discussed.

Finance

Statement of Accounts – an update on the Annual Statement of Accounts for 2021/22 was received by the Committee in May 2022. The update set out the rationale for the delay in publishing the draft 2021/22 accounts, with an anticipated revised date of end of June 2022. The delays being due to a number of factors including Covid 19 grant funding accounting treatment and delays in information from Central Government. The Committee sought clarification and assurance that that the revised deadline would be met.

A number of updates on the 2021/22 accounts, including confirmation of that the draft accounts were published 30 June 2022, were provided to Committee throughout the financial year. The updates advised of delays in finalising the audit of the draft accounts, including a national issue on infrastructure asset reporting and subsequent delays on pension statement valuations. Subject to these issues being resolved it was anticipated that an unqualified external audit opinion would be received. Throughout the year questions from the Committee were received concerning the Authority's committed and usable reserves, and approach to prevention and detection of fraudulent grant claims.

Audit Committee received and considered reports on the proposed process for closure of, and accounting policies to be used in, the 2022/23 Annual Statement of Accounts.

Annual Governance Statement – the draft 2021/22 Annual Governance Statement, which accompanies the draft accounts, was received, and considered by the Committee in July 2022. The report set out how the Authority delivered good governance during the year, with the assessment based on the framework produced by CIPFA and the Society of Local Authority Chief Executives (SOLACE). The report highlighted that the assessment had been undertaken in conjunction with the Senior Leadership Team and included commentary on financial stability through utilising the CIPFA Financial Management Code. Reference was made to new items on the corporate risk register including supply chain, impact of Covid 19, rising energy costs. Discussions were held regarding monitoring and controlling of the distribution of Covid grants, and clarification was provided around the control processes that had been in place.

External Audit

Provisional Audit Results Report – Audit Committee received and considered the provisional report for 2021/22 from the external auditor. The report is designed to express an opinion on the 2021/22 financial statements and arrangements for securing value for main within the Authority. As noted earlier in this report, the Committee were appraised that national issues with infrastructure assets and subsequent pension valuation, have led to delays in finalising the final opinion on the 2021/22 accounts.

Future Work of Audit Committee: 2023/24 and Beyond

Building upon the work already undertaken and outlined in this report, some of the tasks required of Audit Committee in the coming year are already clear, and a programme of work for 2023/24 was agreed at its meeting in March 2023.

An annual self-assessment of Audit Committee's performance will be undertaken early in 2024 and reported to Audit Committee initially, and then Cabinet in the next annual report. The assessment will consider and build upon the areas for development highlighted earlier in this report.

The Audit Committee provided positive feedback on the briefings on corporate risks provided throughout the year by the nominated risk owners (officers). These have continued with a briefing from the Chief Executive in May 2023, with further briefings by the risk owners scheduled throughout the year.

Under the Public Sector Internal Audit Standards, the Internal Audit service will again need to be externally assessed. Audit Committee have been appraised of the form of assessment and likely timelines, and the outcomes will be reported to the Committee once complete.

Conclusion

Audit Committee is pleased to present its 2022/23 annual report to Cabinet. It is hoped that the report gives sufficient detail to Cabinet on its performance across 2022/23 and demonstrates that the Audit Committee is discharging its responsibilities as set out in its Terms of Reference. The Committee looks forward to developing its arrangements in accordance with good practice guidance, and in assuring and supporting Cabinet as the year progresses.

Annex A – Summary of items considered by Audit Committee in 2022/23

Meeting	Governance Matters Considered
26 May 2022	<ul style="list-style-type: none"> • 2021/22 Update on Annual Statement of Accounts • 2021/22 Opinion on the Framework of Governance, Risk Management and Control • Key Outcomes from Internal Audit Reports issued between November 2021 and May 2022 • Corporate Risk Management Summary Report • 2021/22 Strategic Audit Plan Final Monitoring Statement
27 July 2022	<ul style="list-style-type: none"> • 2021/22 Annual Governance Statement • 2021/22 Draft Statement of Accounts • Detailed corporate risk briefings: <ul style="list-style-type: none"> ○ Economic Downturn ○ Supply Chain
16 November 2022	<ul style="list-style-type: none"> • 2021/22 Annual Financial Report • Internal Audit Charter 2022 • Key Outcomes from Internal Audit Reports issued between May and November 2022 • Update on North East Audit Committee Chairs Forum • 2022/23 Strategic Audit Plan Interim Monitoring Statement • Corporate Risk Management Summary Report • Detailed corporate risk briefing – Health Inequalities
22 March 2023	<ul style="list-style-type: none"> • Detailed corporate risk briefings: <ul style="list-style-type: none"> ○ Information Governance ○ Health, Safety and Wellbeing ○ Finance and Resources ○ Workforce / Succession Planning ○ Rising Energy Costs • 2021/22 Annual Financial Report • Accounting Policies to be used in the compilation of the 2022/23 Annual Statement of Accounts • 2022/23 Annual Statement of Accounts Closure Update • Review of Audit Committee Effectiveness • Proposed Audit Committee Work Programme 2023/24 • Update on North East Audit Committee Chairs Forum • Strategic Audit Plan 2022/23

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