



North Tyneside Council

Cabinet

17 November 2023

Monday, 27 November 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.

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<p>3. Minutes</p> <p>To confirm the minutes of the meetings held on 16 October (Ordinary meeting) and 30 October 2023 (Extraordinary meeting).</p>	<p>5 – 26</p>
<p>4. Report of the Young Mayor</p> <p>To receive a verbal report on the latest activities of the Young Mayor and Young Cabinet.</p>	
<p>5. 2023–24 Performance and Financial Management Report to 30 September 2023</p> <p>To consider a report on the 2023–24 Performance and Financial Management Report to 30 September 2023.</p>	<p>27 – 154</p>
<p>6. 2024–2028 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals</p> <p>To consider a report detailing Cabinet’s 2024–2028 Financial Planning and Budget Process: Initial Budget proposals and associated matters.</p>	<p>155 – 432</p>
<p>7. Report of the Overview and Scrutiny Co-ordination & Finance Committee's Scrutiny Task and Finish Group – Emergency Care in North Tyneside</p> <p>To receive a report of the Overview and Scrutiny Co-ordination and Finance Committee’s Scrutiny Task and Finish Group – Emergency Care in North Tyneside.</p>	<p>433 – 488</p>
<p>8. Adult Social Care Charging Policy</p> <p>To consider a report on Charging Policy to agree changes in principle to the fees and charges arrangements in Adult Social Care and to agree public consultation on these changes.</p>	<p>489 – 530</p>

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9. Home to School Transport	531 – 574
To consider a report seeking approval to commence a consultation on some proposed changes to the Home to School Transport Policy and the Annual Post 16 Transport Statement with a view to ensuring all statutory responsibilities are met within the current budget.	
10. Annual Corporate Complaints Report 2022-23	575 – 636
To receive the Annual Corporate Complaints Report 2022-23.	
11. Annual North Tyneside Highway Asset Management Plan Report 2023	637 – 672
To receive the Highway Asset Management Plan (HAMP) Annual Information Report for 2023.	
12. Annual North Tyneside Council Covert Surveillance Policy Report	673 – 694
To receive a report on the Authority's proposed Covert Surveillance Policy for 2023-24.	
13. Date and Time of Next Meetings	
Monday 22 January 2024 at 6.00pm (Ordinary meeting). Monday 29 January 2024 at 6.00pm (Extraordinary meeting).	

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, 16 October 2023

Present: Councillor C Johnson (Deputy Mayor)(In the Chair)
Councillors C Johnson, K Clark, P Earley, S Graham,
J Harrison, Janet Hunter, H Johnson, A McMullen
and S Phillips

In Attendance: C Quinn (Young Mayor)
D McNally (Age UK, North Tyneside)
D Hodgson (Business Representative)
M Wilkinson (Independent Chair, Audit Committee)

Apologies: Dame N Redfearn DBE (Elected Mayor)
S Rennison (Northumbria Police)
V Smith (Voluntary and Community Sector)
R Layton (NT Joint Trades Union Committee)

**CAB53/23 To Receive any Declarations of Interest and Notification of any
Dispensations Granted**

No declarations of interest or dispensations were reported.

CAB54/23 Minutes

Resolved that the Minutes of the previous meeting held on 18 September 2023 be approved and signed by the Chair.

CAB55/23 Deputy Mayor

The Deputy Mayor expressed his condolences on the recent death of Councillor Linda Arkley OBE.

CAB56/23 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:

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- Shiremoor Adventure Playground had received 10 bags of produce to complete the first pilot of Ready, Set, Grow-the cost-of-living crisis cookery competition. The Environment Committee and Young Mayor had requested support from schools with this project. These schools including Norham High were set to create low-cost dishes.
- £1500 had been discharged in grants through the Young Mayor's Community Grant Scheme over the summer. £500 was awarded to the West Allotment Wildings for a board games night.
- £1000 had been awarded to the Young Carers Centre for numerous activities across the summer with their 16 -19-year-old members as part of the work to provide more positive activities for young people which was something that came out as a priority at the Youth Council conference.
- Several youth councillors and Young Mayor had taken part in a sponsored walk along the River Tyne and the coast to St Mary's Island, the money raised going into the fundraising pot for Pathways 4 All, with over £700 raised so far.
- The Young Mayor attended the successful opening of the North Shields Transport Hub and North Tyneside Together Event.
- The Young Mayor had met with Council officers regarding the new Vape Disposal Bins and would be working with the team to help support this project from a young persons perspective and helping track the progress and outcomes.
- Visitors from the Connect Mental Health team had attended Youth Council and give details of the new created Padlet online space, which included helpful information about keeping good mental health and how young people could get support if needed.
- The Mayor had met with a representative from Nexus regarding the North East Youth Transport Forum regarding issues around safety on the metro and the reliability of services. All local authorities in the Northeast had been approached to join us in this project.
- A visit from the School Improvement Officer who shared the statutory PHSE information with the young people, and asked members about their own experiences in school which would be used to help shape the service, and discussed how schools could get involved in the White Ribbon campaign.
- Youth Councillors, the Member of Youth Parliament and Young Mayor had attended State of the Area Event in October. In August, they had Youth worked with the Council's teams to develop a series of workshops for the event: Education for Life, Access Everywhere, Feeling Safe, Climate Futures

and Participation in Democracy. They would be helping follow up on actions that came from this event as part of the 'Year of the Voice of the Child.'

- The Young Mayor had met with a member of the I met with a member of Public Health on the new policy around the Police change to responding to people with mental health issues, with strategies in place to ensure that people received the appropriate responses.
- Local Democracy Week commenced this week starting with the Youth Council debate on 17th October. Four schools would be debating the following topics: Public funds should be diverted from being invested in the motor industry and instead be invested in better public transport. Young People should be allowed to vote at 16 years old. Those interested were welcome to observe the debate and the Young Person's Question Time on 20th October to be held in Council Chamber, at Quadrant.

The Deputy Mayor thanked the Young Mayor for his update.

CAB57/23 Audit Committee Annual Report 2022/23

Cabinet received the Audit Committee Annual Report covering the work performed by the Audit Committee in 2022/23.

The Chartered Institute of Public Finance and Accountancy (CIPFA) viewed audit committees in local government as a key component of each local authority's governance framework. North Tyneside Council had a dedicated Audit Committee, which was independently chaired by Mr. Malcolm Wilkinson (Chair).

Mr. Wilkinson was in attendance at the meeting to present the Audit Committee report.

CIPFA recommended that the Audit Committee should regularly assess its own effectiveness and had prepared guidance which Audit Committees could use for this purpose. A review of the Authority's Audit Committee had therefore been led by the Audit Committee Chair.

The review identified that Audit Committee arrangements continued to be effective, however the 2022 revised good practice guidance raised a small number of areas requiring clarification and development as detailed in the report.

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The Annual report from the Audit Committee was attached as Appendix A. Mr. Wilkinson presented the report and summarised the key work undertaken by Audit Committee in 2022/23. .

The Deputy Mayor thanked Mr. Wilkinson for attending Cabinet on behalf of the Audit Committee to present the Audit Committee's Annual Report 2022/23 and thanked him and the Committee for the important work undertaken.

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

Resolved that the Audit Committee Annual Report 2022/23 attached as Appendix A to the report, be noted.

(Reasons for decision: 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).

CAB58/23 Procurement Plan 2023/2024

Cabinet considered a report seeking approval to the Authority's Procurement Plan 2023-2024 to proceed with the relevant procurement exercises throughout the financial year and award contracts in accordance with UK public procurement legislation to the most advantageous tenders.

The Authority continued to spend a considerable sum on third party goods and services. The Authority's Constitution required that prior to any procurement commencing which exceeded £500,000 Cabinet approval must be obtained.

Carrying out robust tendering exercises ensured that the Authority received the best value for money. Given the wide range of services the Authority delivered, some key tender exercises this financial year would be procurement of an

operator for the Rising Sun Country Farm, tenders for adults and children's specialist services, together with the procurement of new build housing.

The contracts identified in Appendix 1 to the report would require procurement exercises to be commenced in financial year 2023/24. These procurement exercises would continue to encourage bids from small businesses and would require at least one greener commitment to be made to support the Authority's target to be carbon net-zero by 2030. These tender exercises would include social value to support the Authority's five key themes of the Our North Tyneside Plan.

The Authority adopted its Procurement Strategy in March 2022, and details of the procurements process was set out in paragraph 1.5.2 of the report. Consultation prior to commencing a procurement with the relevant Cabinet Member was key, this would ensure that the Authority's priorities were achieved through its contracting arrangements. An evaluation team consisting of subject matter experts and the procurement team would evaluate each bid received against the published award criteria and in accordance with UK public procurement legislation. Prior to award of any contact, the evaluation result would be provided to the relevant Director of Service to approve the award together with financial assurance that the contract value would remain within existing budgets.

The Authority updated its Social value priorities in March 2022 and work was ongoing to develop a process, as part of the procurement and contract management actively, to monitor and manage social value throughout a contract lifecycle. Social value requirements had been an important aspect of the procurement process since the Public Services (Social Value) Act 2012, and this had directly resulted in benefits for communities across the borough as set out in paragraph 1.5.5 of the report.

Social value commitments had been monitored closely which had resulted in several positive social value achievements from projects across the borough. This had included charity gift donations, attending career events within the borough, grant funding for local Voluntary, Community spaces around North Tyneside. Further details of which were set out in Appendix 2 of the report.

The Authority had a Responsible Procurement Charter attached at Appendix 3 to the report, this sets out the Authority's expectations of its supply chain to ensure

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that the Authority was a responsible buyer. As a large organisation, the Authority could use its strength working with businesses who shared North Tyneside Council's values and objectives. It was therefore recommended that the Authority's Responsible Procurement Charter was amended to provide a commitment to those businesses confirming that North Tyneside Council would work together and coordinate relationships between key businesses in the borough.

Cabinet considered the following decision options:

Option 1: To 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: To 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.

Resolved that (1) the procurement of the goods and services as detailed in Appendix 1 of the report, be approved;

(2) the key achievements in social value for the borough via procurement activity carried out in 2023 as set out at Appendix 2, be noted;

(3) the amendments to the Responsible Procurement Charter as set out in Appendix 3, be approved;

(4) the relevant Director in consultation with the relevant Cabinet Member, Director of Resources and the Head of Law, be authorised to commence the procurements identified and award contracts to those bidders who submit the most advantageous tenders in accordance with UK public procurement legislation.

(Reason for decision: 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.)

CAB59/23 The Socio-Economic Duty

Cabinet considered a report which set out the socio-economic duty contained

within the Equality Act 2010 and explores the option of voluntarily adopting the provisions.

The Equality Act 2010 provided 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' had not been brought into effect in law in England (although they were now in force in Scotland and Wales) and therefore did not apply as a duty upon the Authority. It was understood that the Government did not have plans to bring it into force in England although no formal steps had 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.

However, a local authority may seek to voluntarily 'adopt' and implement the provisions of Section 1 of the Act which contained the socio-economic duty. It would be important for an authority to remain aware that where a 'duty' had been adopted on a voluntary basis it did not have the same standing and force as other provisions within the Equality Act 2010 or other legislation.

The duty was intended to affect how public bodies made strategic decisions about spending and service delivery and to enshrine in law the role key public bodies had in narrowing gaps in outcomes resulting from socio-economic disadvantage.

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 had already voluntarily adopted the duty.

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”.

The Local Government Association’s Equality Framework for Local Government (EFLG) 2001 was intended to help authorities comply with the Public Sector Equality Duty which is a legal obligation of the Equality Act 2010. While the framework had a focus on the nine legally protected characteristics, it also encouraged local authorities to consider other issues that might be affecting their communities and staff, for example, socio-economic inequality, caring responsibilities, rural isolation.

Section 1 of the Equality Act 2010 when in force would introduce a socio-economic duty on public bodies that required 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”.

Section 1 asks public bodies to consider how their decisions and policies could increase or decrease inequality that results from socio-economic disadvantage. 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.”

Adoption of the duty by the Authority would build on and strengthen the current approaches to tackling socio-economic inequalities in North Tyneside. Since the COVID-19 pandemic and the subsequent cost of living crisis the socio-economic inequalities across the borough had been amplified. As a result, the Authority had had a much greater focus on socio-economic inequalities with clear policy steer from Cabinet.

There was both a moral and economic case for tackling inequalities. The gap in life expectancy and healthy life expectancy in North Tyneside had 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 was 9.9 years. There was also a 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.

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.

Adoption of the duty would 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.

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

Resolved that (1) the contents of the report, be noted;

(2) the voluntarily adoption of the provisions of the Socio-Economic Duty for incorporation into North Tyneside Council's ongoing work and processes relating to equalities, diversity and inclusion, be agreed; and

(3) the Assistant Chief Executive, in consultation with the Cabinet Member for Environment and the Head of Law, be authorised 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.

(Reason for decision: Voluntary adoption of the duty can deliver a number of benefits to the Authority and its residents.)

CAB60/23 North Tyneside Council Housing Services Rent Policy Review 2023

Cabinet considered a report seeking approval to the revision of the North Tyneside Rent Policy.

The rent for social housing in North Tyneside as 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 was based on relevant sections of the Social Housing (Regulation) Act 2023 legislation.

The Policy review covered:

- 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.

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

The formula by which rents were set was provided by Government and was 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 allowed Cabinet to decide to set a rent up to the maximum Government had allowed.

Effective income management ensured that the Authority could continue to deliver a good housing service, develop, and maintain homes and help sustain viable tenancy arrangements by ensuring that all tenants received the appropriate support and advice to enable them to deal with their finances. Providing an income collection with care approach highlighted the responsibility of the Authority to ensure a person centred, flexible service which was responsive to diverse needs.

The North Tyneside Council Housing Services Rent Policy 2023 was appended to the report.

Cabinet considered the following decision options:

Option 1 – to 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 – to 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.

Resolved that the North Tyneside Council Housing Services Rent Policy 2023, be approved and reviewed in 3 years or as required by legislative changes.

(Reason for decision: It ensures regulatory compliance and promotes good practice in income collection.)

CAB61/23 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 item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB62/23 Corporate Risk Management Summary Report

Cabinet considered a report which detailed the corporate risks that had been identified for monitoring and management by the Authority's Senior Leadership Team and relevant Cabinet members. The report also provided detailed information on each risk and how it was being managed.

Cabinet considered the following decision options: to consider the information provided for each of the corporate risks and endorse the outcome of the latest review by the Authority's Senior Leadership Team; and after consideration of the detailed information provided for the corporate risks, suggest changes to the corporate risks and their controls.

Resolved that the latest review of key corporate risks undertaken by the Senior Leadership Team be endorsed.

(Reason for decision: Each of the corporate risks has undergone substantial review and challenge as part of the corporate risk management process. This is designed to provide assurance that corporate risks and opportunities are being identified and appropriately managed.)

CAB63/23 Date and Time of Next Meetings

Monday 30 October 2023 at 4.30pm (Extraordinary meeting)

Monday 27 November 2023 at 6.00pm (Ordinary meeting)

Minutes published on Thursday, 19 October 2023.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview,

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Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Thursday, 26 October 2023.

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**Cabinet
(Extraordinary Meeting)**

Monday, 30 October 2023

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

Apologies: Councillors K Clark and S Phillips
D Hodgson (Business Representative)
D McNally (Age UK, North Tyneside)
S Rennison (Northumbria Police)
V Smith (Voluntary and Community Sector)

**CAB64/23 To Receive any Declarations of Interest and Notification of any
Dispensations Granted**

No declarations of interest or dispensations were reported.

CAB65/23 North East Devolution

Cabinet received a report on North East Devolution following an announcement made on 28 December 2022 by HM Government that a “minded to” devolution deal with the seven Councils across the North East (i.e., Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland Councils).

The Councils had consulted on these changes and the Secretary of State had prepared a draft of the statutory order which was required to implement these proposals. This report was seeking approval to the authority to provide the Council’s consent in principle to the making of that statutory order.

The “minded to” devolution deal would see a significant shift of powers, funding and responsibility which would enable the Councils across the North East to pursue their ambitions for inclusive growth. In total, it was expected to provide £4.2 billion of additional investment to the region over 30 years, including a £1.4bn investment fund alongside significant funding for transport, education and skills,

housing and regeneration. This would enable investment into projects which reflected local needs and opportunities, making a real difference for our residents, communities, and the local economy. It would support every aspect of the delivery of the Council's priorities through the devolution of increased funding and powers.

The deal required the Councils to establish a new Mayoral Combined Authority. This would be dependent on the Secretary of State making a statutory order under the Local Democracy, Economic Development and Construction Act 2009 to deliver the following proposals:

- a. the abolition of the two existing Combined Authorities, namely, NTCA and NECA; and
- b. the creation of a new Mayoral Combined Authority which covers the area of all seven Councils, which will be called the North East Mayoral Combined Authority (NEMCA).

It was noted that the changes above would also entail the abolition of the Joint Transport Committee as NEMCA would be responsible for the exercise of transport functions across the region in the future.

As the first stage of the statutory process, the Councils undertook a Governance Review regarding the proposals set out in paragraph 1.5.2 of the report. The results of the Governance Review were reported to Cabinet on 16 January 2023 (Minute CAB71/23). On the basis of the Governance Review, Cabinet concluded that the proposals were likely to improve the exercise of statutory functions in accordance with sections 108 and 111 of the 2009 Act. Cabinet therefore agreed that the Councils should progress to the next stage of the statutory process by publishing a Scheme relating to the proposals and then carrying out a public consultation exercise.

The public consultation began on 26 January 2023 and closed on 23 March 2023. A report on the consultation process was considered by Cabinet at its meeting on 1 June 2023 (Minute CAB16/23). As set out in that report, the public consultation was considered to be extensive, and overall, the responses to the consultation were supportive. On this basis, Cabinet was satisfied that the consultation had been sufficient for the purposes of the legislation and that the statutory criteria above had been met. Cabinet therefore agreed to submit to the Secretary of

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State a summary of consultation responses together with a formal request that the Secretary of State make the necessary statutory order to abolish NECA and NTCA and establish the new Mayoral Combined Authority, NEMCA.

Similar decisions were made by the other Councils in the area and so on 23 June 2023 all seven Councils jointly submitted the Consultation Summary and formal request to the Secretary of State to make the order.

Discussions had taken place with the Department for Levelling Up, Housing and Communities (DLUHC) officials over a number of months regarding the content of the statutory order. The order would provide for the election of a Mayor for the new Combined Authority in May 2024 and for the new Combined Authority to come into existence when the Mayor was due to take office on 7 May 2024 (with the existing Combined Authorities being abolished at that point). The statutory order would also identify the powers and duties that the new Mayoral Combined Authority would have. It would set out how the new Combined Authority would operate and make decisions, including where decisions were to be made i.e. by the Cabinet or the Mayor. It also dealt with the transitional arrangements which were required to ensure continuity when the existing Combined Authorities were abolished, and the new Combined Authority came into being. This would include the transfer of existing staff from affected organisations to the new Combined Authority, so protecting their employment rights.

Whilst the order was still a draft at present and subject to some finalisation, the content of the order reflected what was agreed in the “minded to” devolution deal and the Scheme which was agreed by the seven Councils and included as part of the public consultation documents. A brief overview of the content of the order was attached as an Appendix to the report and the Scheme was listed as a background paper to the report via a weblink in paragraph 1.10.

As set out in previous reports to Cabinet, the Secretary of State must be satisfied that the relevant statutory criteria in the Local Democracy Economic Development and Construction Act 2009 were met before making the statutory order. Furthermore, the Secretary of State could only make the order if the seven Councils (as well as NECA and NTCA, including its Mayor) consent to the order. The Secretary of State had considered the Councils’ submission referred to in paragraph 1.5.5 of the report and had taken the view that the relevant statutory tests were met. This report therefore sought Cabinet’s approval to confirm that

the Council consents in principle to the making of the order and authorises the Chief Executive to issue the Council's formal consent to the final order when requested to do by the Secretary of State.

As was the case in 2018 when NTCA was created, it was also proposed that a side agreement was put in place between the seven Councils to address certain operational arrangements. It was therefore recommended that the Chief Executive, in consultation with the Elected Mayor was authorised to finalise these operational arrangements and the terms of the side agreement.

It was anticipated that the Secretary of State would issue his request for the Councils and Combined Authorities to consent to the making of the order in December 2023 or January 2024. This would allow the Secretary of State to lay the order before Parliament and for it to be made (i.e., take effect) by March 2024. This would then allow for the Mayoral election to be held in May 2024 and NEMCA to come into existence on 7 May 2024.

The Elected Mayor thanked the Chief Executive, Paul Hanson, and the Chief Executive of North of Tyne Combined Authority, Dr Henry Kippin, and the teams behind them, along with the other councils for their dedication and collective approach in getting this far in delivering this important devolution deal to residents, communities and businesses in the Borough and across the North East region.

The Elected Mayor said this was just the first step on the journey, that councils have to deliver and not just say they want to deliver, as this was really important. She also felt passionately that councils continued to work collectively in meeting that delivery.

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

Resolved that (1) the content of the report, be noted;
(2) it be agreed that the Council should consent in principle to the making of the order;
(3) the Chief Executive, in consultation with the Elected Mayor, be authorised to issue the Council's formal consent to the Secretary of State when requested;

- (4) the Chief Executive, in consultation with the Elected Mayor, be authorised to finalise the terms of the side agreement regarding the support arrangements associated with these proposals;
- (5) the Chief Executive be authorised to take all other steps necessary to implement these proposals; and
- (6) the priorities for the Council's work with the new Mayoral Combined Authority to deliver the agreed 'Our North Tyneside Plan' as set out in paragraph 1.7 of the report, be agreed.

(Reasons for decision: The Council has a strong track record of working as a constituent council of the NTCA and the successes of the NTCA demonstrates the Council's ability to work as a proactive and collaborative partner to secure real benefits for the residents of North Tyneside, some of which are set out below. There is clear strategic alignment through the 'Our North Tyneside' Council Plan and as a result the Council has been able to secure significant funding from the NTCA, leverage private sector investment, and deliver positive outcomes in the Borough.

There are also clear links between the Council Plan and the ambitions and objectives that are set out in the "minded to" devolution deal. The devolution deal and the establishment of a new North East Mayoral Combined Authority provided an opportunity to build on strong foundations to deliver more benefits to residents, communities and businesses in the Borough and across the North East region as set out below.

Thriving North Tyneside: Support the Tyne Taskforce to position and strengthen the Riverside as a key place for investment, employment growth and leisure.

- Support for continued regeneration of town centres in North Shields, the ambitious plans for Wallsend and ideas for Whitley Bay as well as the Master Plan for the North West.
- Increased opportunities to attract and support businesses to create more quality jobs.
- Support to promote the Borough's natural assets and to grow the visitor economy.
- Greater opportunities to expand skills development and clear pathways to work, in particular working to close the skills gap and promote good work in social care and the cultural, creative and tourism industries.

Secure: Greater opportunities to develop affordable housing and improvements in private rented housing.

Family Friendly: New ways to improve transport connectivity and the delivery of services for the North West of the Borough.

- Increased focus on the Council's priority to tackle education inequalities in line with the Ambition for Education.

Caring: Increased opportunities to tackle poverty and to improve health, well-being and socio-economic inequalities in line with our Equally Well Strategy

- Improved ways to tackle continued support for community hubs.

Green: New ways to promote the decarbonisation of homes and industry

- Support the development of Net Zero infrastructure and encouraging supply chain innovation.
- Strengthen active travel routes and opportunities, such as the sustainable sea front cycle way.
- Link the green industrial revolution to skills pathways to create more employment opportunities for the future.

In addition, it is considered that the creation of a new Mayoral Combined Authority for the North East would unlock the benefits of the "minded to" devolution deal and improve the exercise of statutory functions across the region.

The provision of the necessary consents to the making of the order will enable it to be laid before Parliament so that it can be made and thereby establish the Mayoral Combined Authority for the region, which will in turn provide access to the benefits of devolution across the region.)

CAB66/23 Date and Time of Next Meeting

6.00pm on Monday 27 November 2023.

Minutes published on Wednesday, 1 November 2023.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview,

Cabinet

Scrutiny Co-ordination and Finance Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Wednesday, 8 November 2023.

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**North Tyneside Council
Report to Cabinet
Date: 27 November 2023**

**Title: 2023/24 Performance & Financial Management Report
to 30 September 2023**

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

Report from: Corporate Strategy and Finance

Responsible Officer: Jackie Laughton, Assistant Chief Executive **Tel:** 643 5724

Jon Ritchie, Director of Resources **Tel:** 643 5701

Wards affected: All

1.1 Executive Summary

1.1.1 This report provides Cabinet with a full overview of both the service delivery performance and budget position across the Authority as at 30 September 2023. For performance, it sets out the key areas of service delivery for Cabinet to note, including where this impacts in budget terms. In terms of the budget, it sets out the forecast outturn position to 31 March 2024 for both revenue and capital.

1.1.2 The report also sets out for Cabinet to note the current position in relation to schools finance, the Authority's Investment Plan, developers' contributions and treasury management. In addition, it provides details of additional

revenue and capital grants received up until 30 September 2023 for Cabinet to approve.

- 1.1.3 From a performance point of view, service delivery overall across the Authority remains strong. The Authority continues to manage high levels of demand in a number of 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 have financial implications. Key areas of strength are 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 is progressing well with regeneration projects across the four areas of the borough. Capital investment continues to deliver planned improvement works helping maintain council homes at the decent homes standard. Council Tax and Business Rates collection also remains on track.
- 1.1.4 Since the last report, the number of children in care has increased from 376 in July to 385 in September, which is an additional 55 children in care compared to budgeted levels. The number of children in need has decreased from 1,664 in July to 1,617 in September, closing the gap on the 1,600 budgeted for. The result of the additional children in care compared to July combined with the current mix of placements has driven a £1.372m worsening of the Children's Services position, to a total forecasted pressure of £7.846m.
- 1.1.5 From a budget perspective, the overall projection for 2023/24 is that the General Fund will outturn with a pressure of £9.648m, which is an improvement of £1.662m from the previous report, and the Housing Revenue Account will have a forecast underspend of £0.070m.
- 1.1.6 The report sets out the programme of work which is in place to manage and mitigate the 2023/24 budget pressures and form part of the 2024-2028 Medium Term Financial Plan.

1.2 Recommendations

- 1.2.1 It is recommended that Cabinet:
- (a) notes the update provided on the Performance of the Authority including updated data on the key pressures facing the Authority and progress against the Our North Tyneside Plan 2021-2025;
 - (b) notes the forecast budget monitoring position for the General Fund, Housing Revenue Account (HRA), Schools finance and Treasury

Management together with the service delivery performance position across the Authority as at 30 September 2023 (sections 1.5.1, 1.5.2, 1.5.3 and 1.5.5 of this report);

- (c) notes the Authority's Investment Plan spend of £34.634m to 30 September 2023 and the proposed financing of the Plan to the end of the year (section 1.5.4 of this report);
- (d) approves variations of £0.971m within the 2023-2028 Investment Plan (section 1.5.4 of this report) and note the current position with Developers' Contributions (section 1.5.6); and
- (e) approves the receipt of £3.685m new revenue grants (as outlined in section 1.5.7 of this report), £0.152m of new capital grants and £0.201m of Section 106 Developer contributions to be applied in 2023/24 (as outlined in section 1.5.8 of 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 23 June 2023.

1.4 Authority Plan and Policy Framework:

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

1.5 Information:

1.5.1 General Fund

- 1.5.1.1 Service delivery overall across the Authority remains strong, particularly in relation to the key policy priorities of the Our North Tyneside Plan 2021-2025. The Authority is on track against its commitment to become carbon net-zero by 2030. Carbon reduction in Authority service operations has achieved 58% against the baseline year of 2010/11. The ambition to deliver 5,000 Affordable Homes is on track against the profiled target with 2,348 homes delivered at the end of quarter two. The Ambition for North Tyneside Programme is progressing with regeneration projects in all four areas of the borough. Council Tax and Business Rates collection remains strong and comparable with national performance.
- 1.5.1.2 The Authority is experiencing challenges in some areas of delivery, which impact on the overall financial forecast for the year. This most significant

elements are summarised below, with changes since the previous report to Cabinet highlighted.

- 1.5.1.3 Within Children's Services, the number of children in care has increased from 376 in July to 385 in September, significantly higher than budgeted for. The overall level of children in need has decreased to 1,617 (1,664 in July), coming into line with the figures budgeted for in year. As previously reported, the increase to the gross budget of £9.700m in 2023/24 assumes levels of 1,600 children in need, 330 children in care and a staffing requirement of 74 social workers.
- 1.5.1.4 The Authority currently has an additional 55 children in care, compared to budgeted levels, leading to a significant financial pressure being forecast. The costs of residential placements are individually high reflecting both significant inflationary and complexity pressures. The result of the additional 9 children in care compared to July combined with the current mix of placements has driven a £1.372 m worsening, to a total forecasted pressure of £7.846m. Further detail is provided in Annex 2 at section 1.3.
- 1.5.1.5 Within Commissioning and Asset Management (C&AM) there are higher than expected levels of children with complex needs who have support with transport, linked to the number of pupils with Education, Health and Care Plans (EHCPs) the authority maintains. The number of children requiring home to school transport has risen from 614 in April 2016 to 880 in September 2023. This, along with inflationary pressures on the transport contracts, means that Home to School Transport has a pressure of £2.924m.
- 1.5.1.6 Catering Services also have a combination of inflation on the costs of food purchases, staffing costs relating to sickness, maternity cover, 'deep cleaning' days and reduced income from fewer schools now using this service has led to a forecast pressure of £2.923m. The resultant overall position in Commissioning and Asset Management is a pressure of £5.541m, an improvement of £0.461m from July. Further information on C&AM is included in section 1.5 of the Annex 2.
- 1.5.1.7 Within Adults Services the focus remains to facilitate hospital discharge and reduce the number of clients in short- and long-term residential and nursing care placements by maximising the use of home care. Pressure continues within residential care, although the number of home care hours provided are slowly starting to increase and the volume of people in residential placements have started to fall, the reduction on reliance on short-term residential placements is not yet established. The overall number of clients has remained stable, from 1,157 in July to 1,137 in September, however the

turnover in the number of clients leaving and joining the service continues to be high, with the number of contacts received since April 2023 at 6,678 an increase of 13% from the same time last year.

- 1.5.1.8 Cabinet will recall the additional workforce funding, announced in July 2023, which is a supplement to the Market Sustainability and Improvement Fund (MSIF). North Tyneside's allocation for 2023/24 is £1.568m. The impact of this is factored into the forecast financial position in this report, which has seen an overall improvement for the Directorate of £0.101m.
- 1.5.1.9 As at 30 September 2023, the Authority is showing a forecast net pressure for the current year of £9.648m. This is an improvement of £1.662m since July's position.
- 1.5.1.10 Offsetting the above pressures are organisation wide savings resulting from changes in the minimum revenue provision (£2.115m), treasury management savings (£1.000m) and the application of contingencies for general inflationary pressures (£2.638m). These items partly offset the overall forecast pressure by £5.788m. Further detail is included in section 1.11 of the Annex 2.
- 1.5.1.11 A more detailed commentary of the overall financial position is contained in section 1 of Annex 2. However, the key areas of variation behind the forecast net pressure for the current year as at 30 September 2023 of £9.648m are summarised in the following table.

1.5.1.13 Table: 1 2023/24 General Fund Revenue Forecast Outturn as at 30 September 2023 by Directorate

Services	Budget	Forecast Sept	Variance Sept	Variance July	Change since July
	£m	£m	£m	£m	£m
Adults Services	64.247	65.926	1.679	1.780	(0.101)
Children's Services	34.227	42.073	7.846	6.474	1.372
Public Health	1.507	1.257	(0.250)	0.000	(0.250)
Commissioning & Asset Management	8.905	14.446	5.541	6.002	(0.461)
Environment	42.369	41.684	(0.685)	(0.140)	(0.544)
Regeneration & Economic Development	11.383	11.118	(0.265)	0.000	(0.265)
Corporate Strategy	2.316	2.612	0.296	0.327	(0.031)
Chief Executive Office	(0.100)	(0.118)	(0.018)	(0.013)	(0.005)
Resources	4.838	5.630	0.792	0.971	(0.179)
General Fund Housing	2.323	2.823	0.500	0.651	(0.151)
Central Items	(9.737)	(15.525)	(5.788)	(4.741)	(1.047)
Support Services	20.181	20.181	0.000	0.000	0.000
Total Authority	182.459	192.107	9.648	11.311	(1.662)

1.5.1.14 Cabinet will wish to note that a programme of work is in place to both manage and mitigate the 2023/24 budget pressures as well as form the 2024-2028 Medium Term Financial Plan. A full overview of the 15 workstreams within this programme was included in the May report. The Senior Leadership Team (SLT) has worked with Senior Officers across the organisation to consider a range of in-year mitigations that could be explored to support the 2023/24 position. A summary of the options will be presented to lead Members in due course and included in future Performance and Finance reports to Cabinet.

1.5.2 Schools

1.5.2.1 Schools continue to work on their first budget monitor submission of 2023/24 whilst the 14 schools who submitted a deficit budget plan have been attending deficit review sessions throughout October. To further support the schools in deficit, the Education and Skills Funding Agency's (ESFA) offer to provide School Resource Management Advisors (SRMA) to visit schools is being progressed.

- 1.5.2.2 In October, Schools Forum Finance Sub-Group met and reviewed submissions for School's in Financial Difficulty Funding. The sub-group recommendations to allocate £0.419m of funding to schools were presented to Schools Forum on 9 November 2023.
- 1.5.2.3 The Authority has since been allocated £1.868m by the Department for Education from its funding to support schools in financial difficulty. An additional £20m has been provided nationally for maintained schools and officers are currently identifying the most appropriate application of this allocation for schools in the borough. Further information on Schools is included in section 2.0 of Annex 2.
- 1.5.2.4 Cabinet will recall there has also been significant pressures within the Dedicated Schools Grant (DSG) in relation to the High Needs block which ended 2022/23 with an overspend of £9.591m. As reported previously, to address these pressures, the Authority joined the Department for Education's (DfE) Safety Valve Intervention Programme, the second submission to the DfE was 15 September where the Authority reported it is on track to reach a positive in-year balance on this budget by the end 2027/2028. Positive feedback has been received from the DfE on this submission.
- 1.5.2.4 The Authority's DSG management plan forecasts that there would be 2,134 Education Health and Care Plans (EHCP) maintained in January 2024 and currently the authority is on track to do this. There are 2,126 EHCPs at the end of September 2023. The rate of EHCPs maintained by the Authority has slowed, despite the continued high demand for assessments in North Tyneside compared to national and regional rates.

1.5.3 Housing Revenue Account

- 1.5.3.1 Again, performance is strong in this area. Housing rental income collection has dropped to 93.2% at the end of quarter 2, this is due partly to an increase in levels of arrears, and officers are monitoring and focussing closely on the increasing arrears for current tenants. This performance is still encouraging, especially when considered against a background of the impact of the rent increase and increasing numbers of tenants moving onto Universal Credit, which both increase the amount of income that needs to be collected. Empty homes levels are very low at around half a percentage point, which represents around 56 homes out of over 14,000 in total. This is a significant help in maximising the amount of rent that can be collected and invested in improving service delivery to tenants.
- 1.5.3.2 The projected outturn position for the Housing Revenue Account (HRA) is an underspend of £0.070m. The major areas of pressure within this budget area

relate to housing management costs and more specifically to the costs of utilities attached to sheltered accommodation schemes. The Housing Repairs service continues to deal with inflationary increases on materials and subcontractor prices, however, at the current time the overall Repairs spend is forecast to come in on budget. There is also an anticipated pressure due to the 2023/24 pay award expected to be greater than assumed in the HRA Business Plan.

1.5.4 Investment Plan

1.5.4.1 The approved 2023–2028 Investment Plan totals £345.529m (£112.727m in 2023/24) and is detailed in table 21 of Annex 2, within section 4.

1.5.4.2 As part of September 2023 Investment Plan monitoring has resulted in proposals for variations (changes to the financing of the Plan) of £1.606m in 2023/24, details of which are set out in Section 4 of Annex 2, paragraphs 4.2 and 4.3. At the end of September 2023, spend of £34.634m had been incurred in year, representing 30.73% of the approved plan for 2023/24. This is higher than the 25.84% incurred by this stage in 2022/23.

1.5.4.3 At the end of September significant investment had been made in the following areas:

- **Housing Revenue Account (HRA) Capital Programme;** Almost £12m (c.40% of the budget) has been invested in delivering planned improvement works to maintain homes to the decent homes standard including kitchen and bathroom replacements, roof replacements, redecoration works, fencing replacements, heating replacement works.
- **Highways and Infrastructure Improvements;** Almost £9m of improvement works (c.28% of the budget) have been delivered including integrated transport improvements including the North Shields Transport Hub which was opened on the 2nd September 2023. Work continues to progress on the resurfacing programme, flood alleviation measures and on major highways improvement schemes such as the Seafront Sustainable Cycle Route, Stephenson Street junction upgrade and the next phase of the Routes to Metro Project.
- **Affordable homes delivery;** Almost £3m of works (c.26% of the budget) associated with the delivery of affordable homes, through the Authority's Trading Company as well as the HRA New Build programme. The Authority's Trading Company currently owns 101 homes and seven further homes in progressing to purchase. The HRA New Build Programme is currently progressing five projects including the conversion of garage sites in Battle Hill with 9 affordable homes, the conversion of six recreation

rooms at Forest Hall and Wallsend to six bungalows, the development of a site within Killingworth to 22 new homes, development of a derelict building in North Shields to a 2 bedroomed home and development of a former care home in Whitley Bay into two 3 bedroom homes.

- **Education improvement works;** £4.2m of planned works delivering improvements in condition and capacity within the Borough's schools., During the summer months, 3 schools underwent roofing replacements, Amberley Primary had a boiler replacement, 3 schools had luminaire replacements, whilst Backworth Park Primary had 2 shell classroom refurbishments.
- **Strategic Asset Maintenance;** Almost £1m (c.35% of the budget) has been invested delivering planned preventative maintenance activity within the Authority's operational asset portfolio. Planned works include water supply replacement at St Mary's Lighthouse and works are currently out for competitive tender at Stephenson Railway Museum. Proposals to bid for external grant funding for Public Sector Decarbonisation and the Swimming Pool Support Fund II projects are being considered by the Authority.

1.5.5 Treasury Management

- 1.5.5.1 The level of external borrowing (excluding PFI) has remained at £422.443m in the period to 30 September 2023. The level of internal funding remains high at £68.532m at 31 March 2023 (£102m at 31 March 2022). This is in line with the Authority's Treasury Management Strategy as this avoids external interest charges wherever possible.
- 1.5.5.2 As at 30 September 2023, the Authority had total treasury investments of £35.250m. Year to date Income generated through interest earned on investments from combined General Fund and HRA balances for 2023/24 is £0.843m. The Authority invests in line with Chartered Institute of Public Finance Accountancy (CIPFA) guidance, maintaining a low-risk approach to investments.

1.5.6 Developer Contributions

- 1.5.6.1 Section 106 monies relate to contributions received by the Authority through planning gain. £20.897m of contributions have been received to date, with £9.829m spent or committed through the Investment Programme Board process. £6.294m as of 30 September 2023 remains uncommitted, with officers developing plans to utilise this in line with the conditions of the s106 agreement and the Authority's strategic objectives. Further information is

provided in section 6 of the Annex 2 and shows an improving position in terms of utilisation.

1.5.6.2 Community Infrastructure Levy (CIL) £0.675m funding has been received by the Authority to date. CIL continues to develop within the Authority and further updates will be incorporated within this report when projects are developed, and funds utilised.

1.5.7 New Revenue Grants Received

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

Table 3 – Grants Received August and September 2023/24

Directorate	Grant Provider	Grant	Purpose	2023/24 value £m
Childrens	Education and Skills Funding Agency	Key Stage 2 Moderation and Key Stage 1 Phonics Funding	Statutory duties for KS2 Teacher Assessment and monitoring of the phonics screening check.	0.009
Adult Services	Department of Health & Social Care	Market Sustainability & Improvement Fund	Enable Local Authorities to make tangible improvements to ASC, in particular to increase social care capacity through increasing social care workforce capacity & retention, reducing social care waiting times and increasing fee rates paid to social care providers.	1.568
Adult Services	Department of Health & Social Care	CQC New Assessment of Local Authorities Grant	One off funding to support Local Authorities with expenditure incurred or to be incurred in engaging with CQC review and assessment for the first time.	0.027
Resources	Department for Levelling Up Housing and Communities	Electoral Integrity Programme New Burdens Funding	The grant supports local authorities with expenditure relating to the Elections Act 2022.	0.002

Regeneration & Economic Development	North of Tyne Combined Authority (NOTCA)	Mouth of Tyne Collective 23	Support for the Mouth of the Tyne festival for 2023	0.060
Regeneration & Economic Development	NOTCA	Smiley Art Trail	Funding for the delivery of the Community Partnership Project. The first quarter of 2024 will see the world premiere of the Smiley Art Trail.	0.060
Adult Services	NOTCA	Level 3 Free Courses for Jobs	Support level 3 free courses for jobs (extension to an existing scheme).	0.021
Adult Services	NOTCA	Adult Education	Funding to support adult education (extension to an existing scheme).	1.938
Total				3.685

1.5.7.2 A further grant from the DfE for Local Authority Delivery Support Funding to meet programme and delivery costs associated with rolling out the expanded Early Years entitlements has been announced during October for £0.055m that Cabinet is also asked to approve.

1.5.8 New Capital Grants Received

1.5.8.1 Table 4 below sets out the details of new capital grants received up to end September 2023 for Cabinet's approval.

Table 4 – Capital Grants Received August and September 2023/24

Directorate	Grant Provider	Grant / Project	Purpose	2023/24 value £m
Commissioning & Asset Management	Department for Levelling Up, Housing & Communities	Changing Places Fund	£0.100m of Capital funding has been awarded from the DLUHC to fund the installation of life enhancing changing places facilities within the Borough.	0.100
Commissioning & Asset Management	Department of Education	Schools Capital Allocation	Following the confirmation of the grant allocation from Education Skills & Funding Agency, this grant aligns the Investment plan for	0.052

			2023/24 with the grant funding allocation.	
Total				0.152

1.6 Decision Options:

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

1.6.2 Option 1

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

1.6.3 Options 2

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

1.7 Reasons for Recommended Option:

1.7.1 Option 1 is recommended for the following reasons:

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

1.8 Appendices:

Annex 1: Performance and Financial Management Report to 30 September 2023

Annex 2: Financial Management Report to 30 September 2023

Appendix 1: Investment Plan Summary

Appendix 2: S106 Summary & Detail

Appendix 3: 2023–24 Prudential Indicators

Appendix 4: Treasury Management Mid-Year Review

1.9 Contact Officers:

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

David Mason – Corporate Finance matters – Tel. (0191) 643 5747

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

Jane Cross – Corporate Finance and General Fund matters – Tel. (0191) 643 3166

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

Jackie Laughton – Policy and Performance matters – Tel. (0191) 643 5724

Pam Colby – Policy and Performance matters – Tel. (0191) 643 7252

1.10 Background Information:

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

(a) Revenue budget 2023/24

https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202023_24.pdf

(b) Investment Plan 2023–2028

<https://democracy.northtyneside.gov.uk/documents/s11473/Annex%201%20Appendix%20D%20i%202023%20-%202028%20Investment%20Plan.pdf>

(Agenda reports pack 16 February 2023 – Appendix D(i))

(c) Reserves and Balances Policy

<https://democracy.northtyneside.gov.uk/documents/s11480/Annex%201%20Appendix%20G%20-%202023-24%20Reserves%20and%20Balances%20Policy.pdf>

(Agenda reports pack 16 February 2023 – Appendix G)

(d) Overview, Scrutiny and Policy Development Performance Report

<https://democracy.northtyneside.gov.uk/documents/s11482/Annex%201%20Appendix%20I%20-%202023-24%20Report%20of%20the%20Overview%20Scrutiny%20and%20Policy%20Development%20Committee%20Jan%20202.pdf>

(Agenda reports pack 16 February 2023 – Appendix I)

(e) North Tyneside Safety Valve Agreement

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1142857/North_Tyneside_Safety_Valve_Agreement_2022-2023.pdf

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and Other Resources

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

2.2 Legal

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

2.3 Consultation/Community Engagement

2.3.1 Internal Consultation

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

2.3.2 External Consultation / Engagement

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

2.4 Human Rights

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

2.5 Equalities and Diversity

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

2.6 Risk Management

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

2.7 Crime and Disorder

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

2.8 Environment and Sustainability

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

PART 3 - SIGN OFF

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

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North
Tyneside
Council

Annex 1: Performance and Financial Management Report

September 2023

Produced by Policy, Performance and Research

Adults Services

Page 44

Residential Care, Nursing Care and New Long Term and Short Term Placements

Residential Care clients
September 2023 838

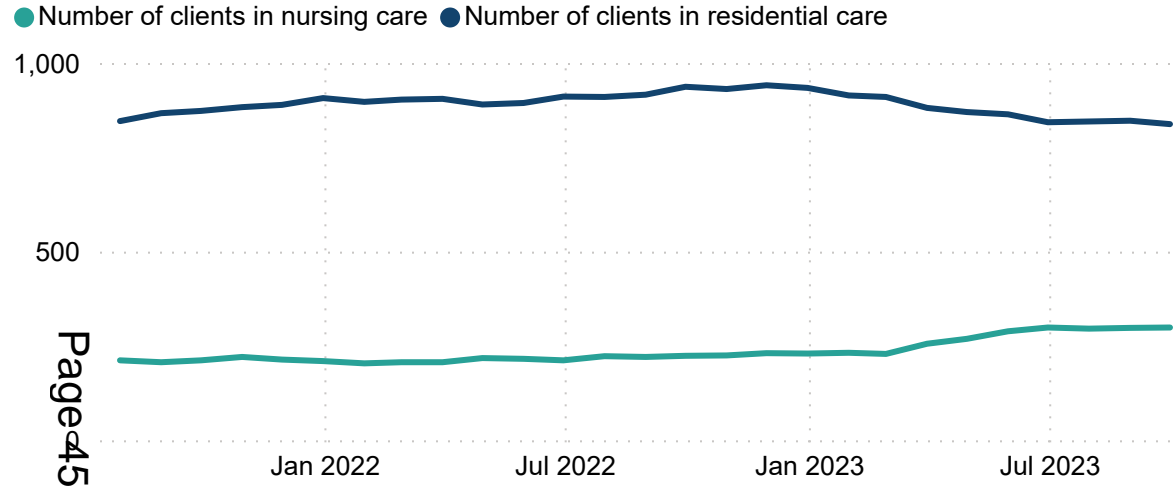
Nursing Care clients
September 2023 299

New Long Term Placements
2023/24 215

New Short Term Placements
2023/24 168

Requests for a service per
100,000 population
September 2023 426

Residential Care and Nursing Care clients



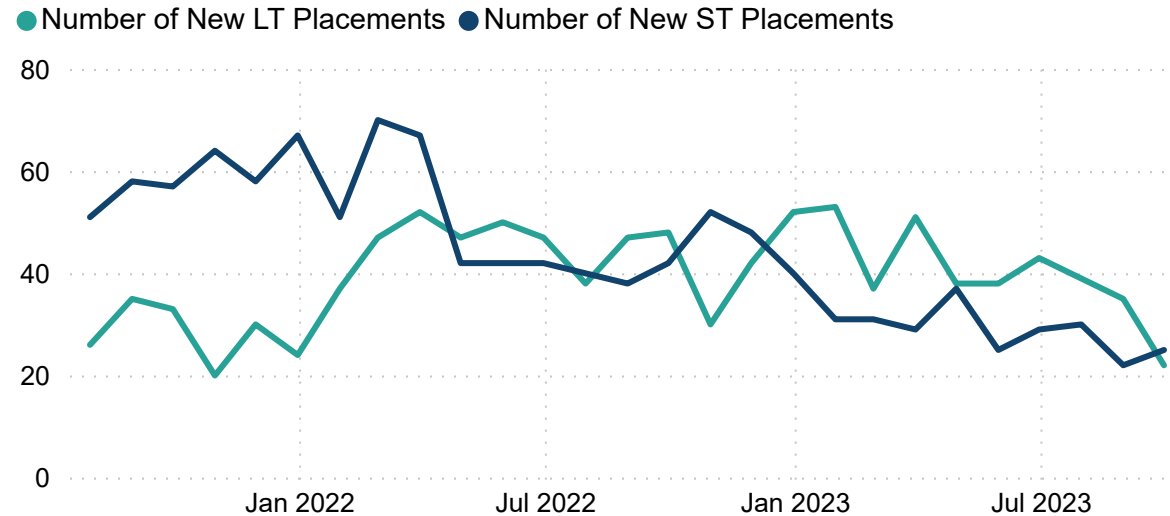
Comment on performance

Residential care placements are showing a 11% decrease compared to the same period last year, however nursing care placements have increased by 34%.

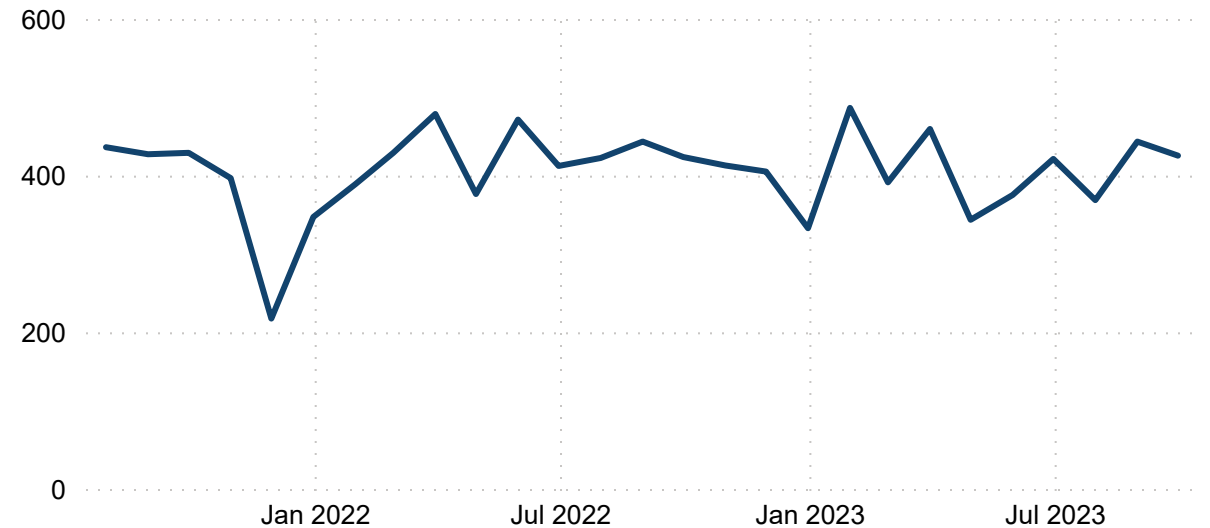
New long-term and short-term admissions to nursing and residential care have decreased compared to 2022/23.

Requests for service per 100k population is consistent compared to the same period last year.

Number of New Long Term and Short Term Placements



Requests for a service per 100,000 population



Standard Homecare hours, clients waiting for Homecare services and requests for a service

Homecare clients

Standard Homecare hours commissioned by local authority

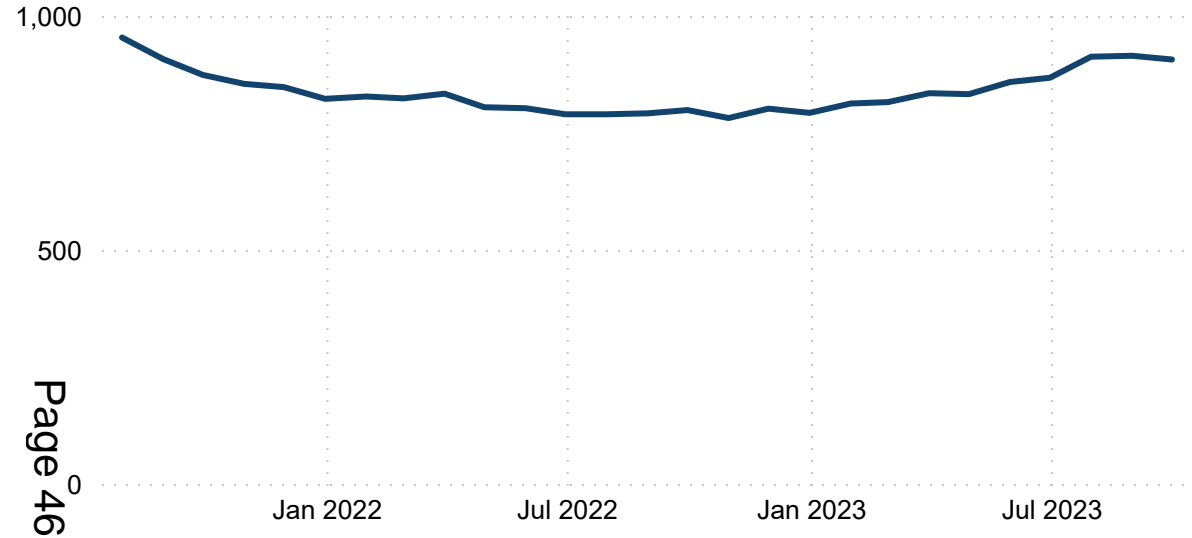
Clients waiting for Homecare services

September 2023 907

September 2023 42,933

September 2023 84

Homecare Clients

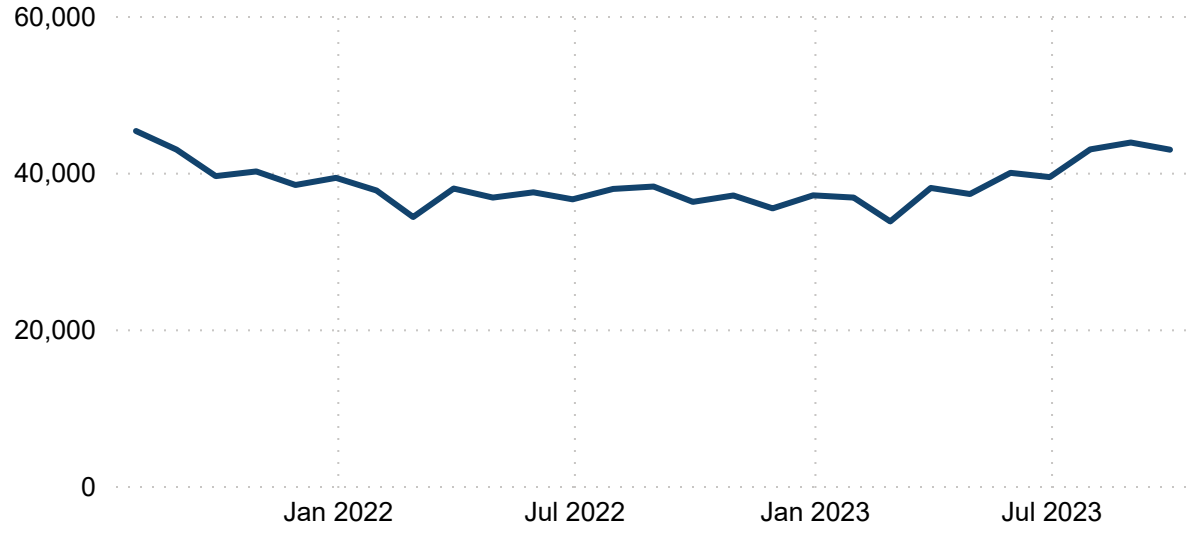


Comment on performance

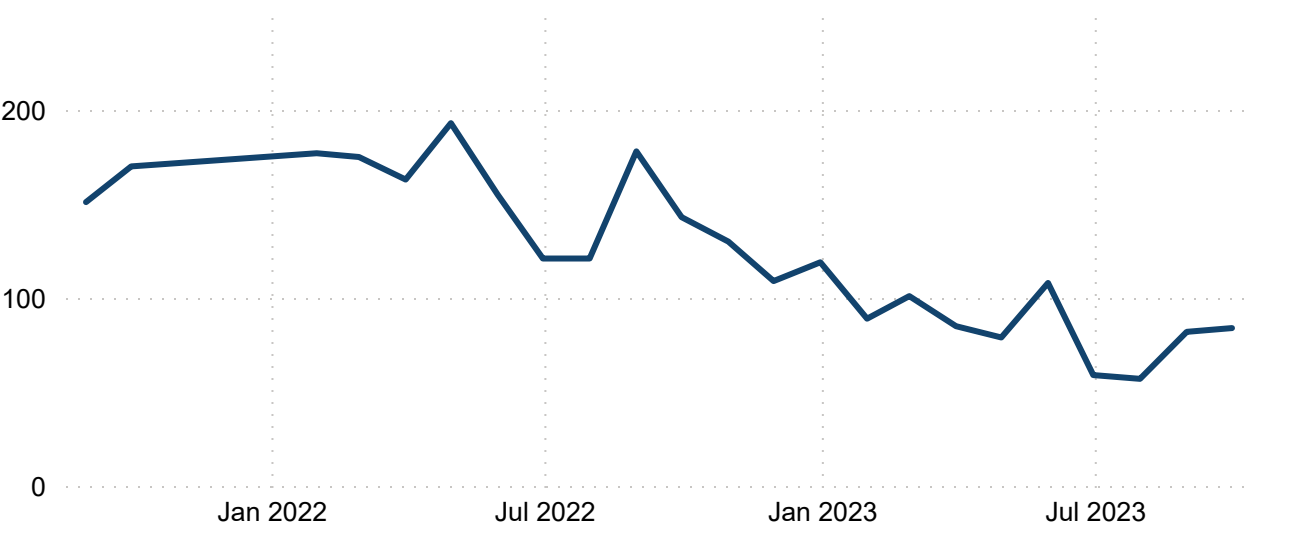
In September 2023, there were 907 homecare clients and 42,933 homecare hours commissioned by the local authority, which is increasing as the number of clients waiting for homecare services is decreasing.

The number of clients waiting for homecare services has significantly decreased compared to the previous two years, However, there is likely to be a seasonal increase in demand for services over the winter months.

Standard Homecare hours commissioned by local authority



Clients waiting for Homecare services



Commissioning and Asset Management

Local suppliers, electively home educated and home to school transport

Procurement - percentage of local suppliers

Electively home educated pupils

Number receiving home to school transport

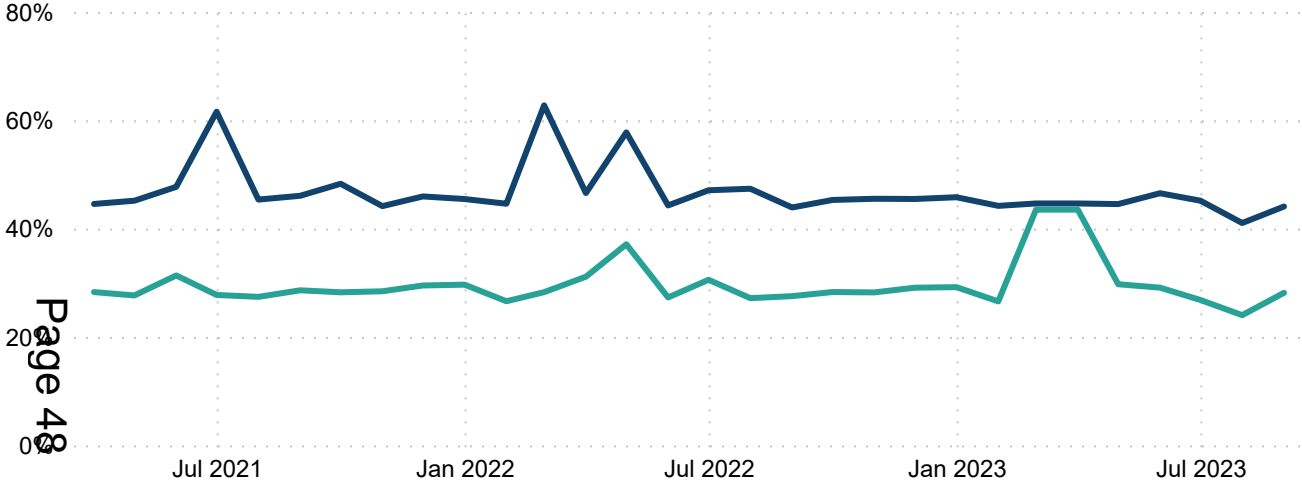
September 2023 28.2%

September 2023 177

September 2023 880

Procurement - percentage of local suppliers

● Newcastle Travel to Work Area (TTWA) ● North Tyneside



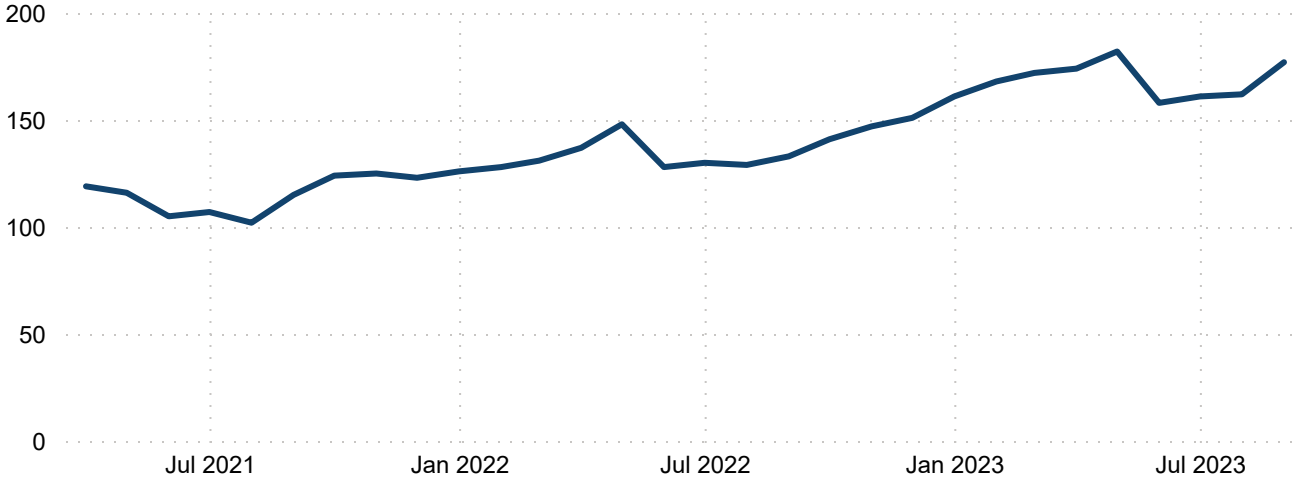
Comment on performance

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

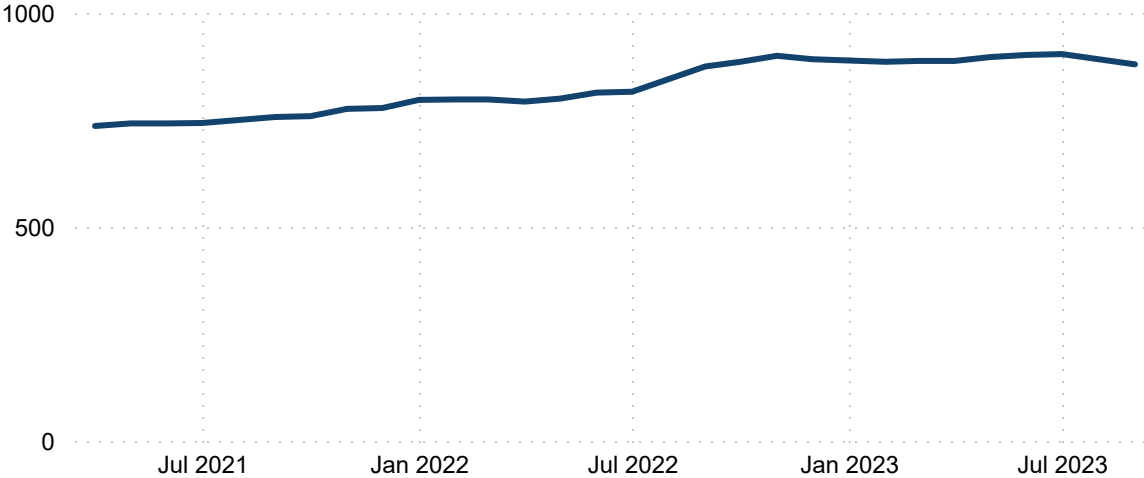
The number of pupils electively home educated is currently stands at 177 at the end of September 2023. The number of pupils electively home educated has gradually increased year on year for the last 7 years.

In September, 28.2% suppliers were local to North Tyneside. 44.1% travelled from Newcastle.

Electively home educated pupils



Number receiving home to school transport



Children's Services

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Children in Care and Children in Need

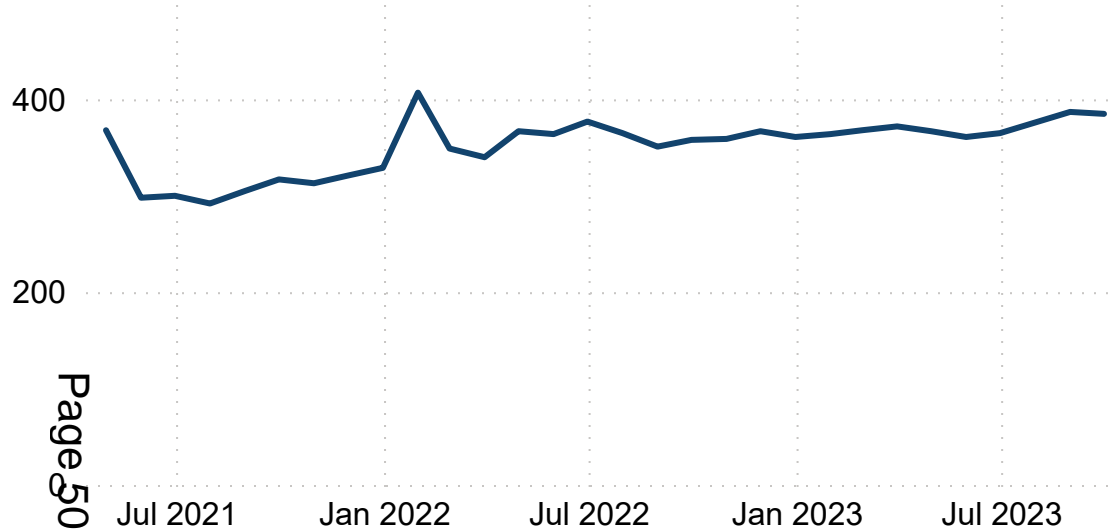
Children in Care

Children in Need

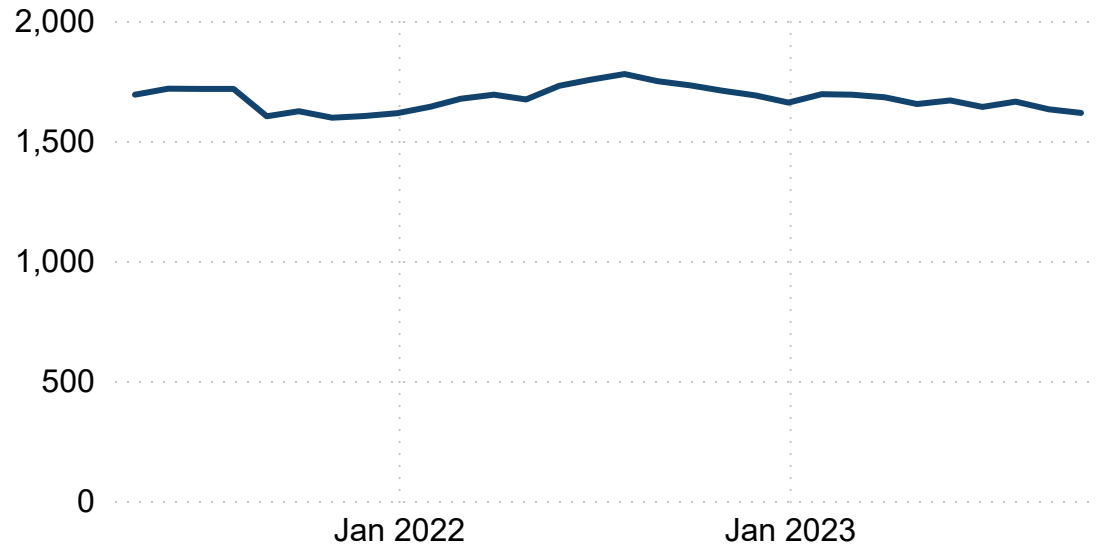
September 2023 385

September 2023 1,617

Children in Care

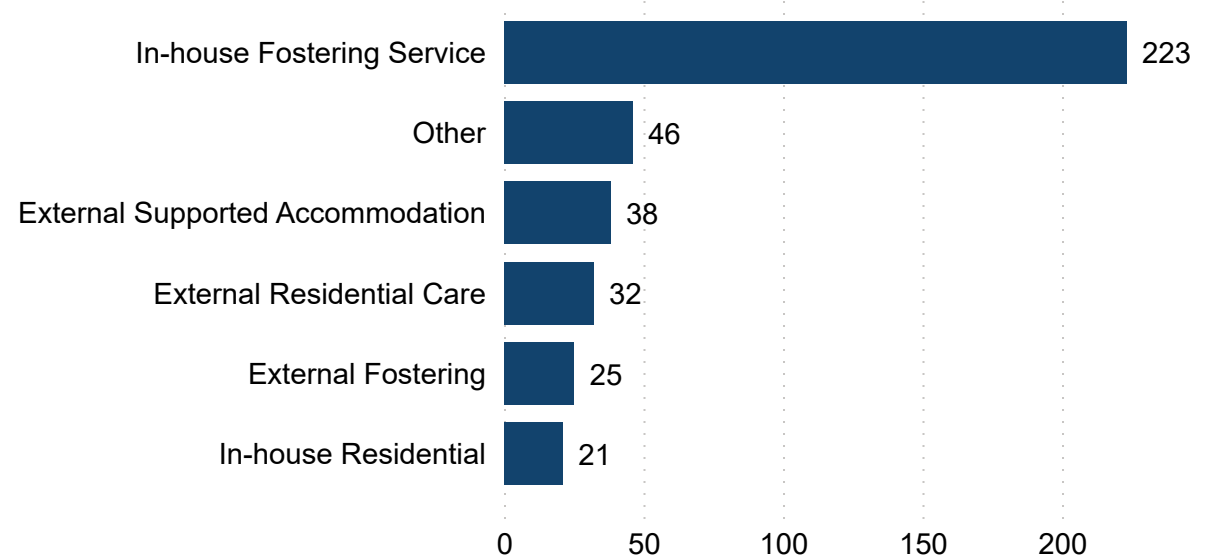


Children in Need



Children in Care split of placements

September 2023



Comment on performance

The number of Children in Need has reduced to 1,617 at the end of September 2023, which is closing the gap on the core 1,600 budgeted for.

The number of children in care has increased to 385 including 25 unaccompanied Asylum-Seeking Children (UASC). This is higher than the core 330 budgeted for, combined with the current placement mix driving higher costs.

Education, Health and Care Plans (EHCPs)

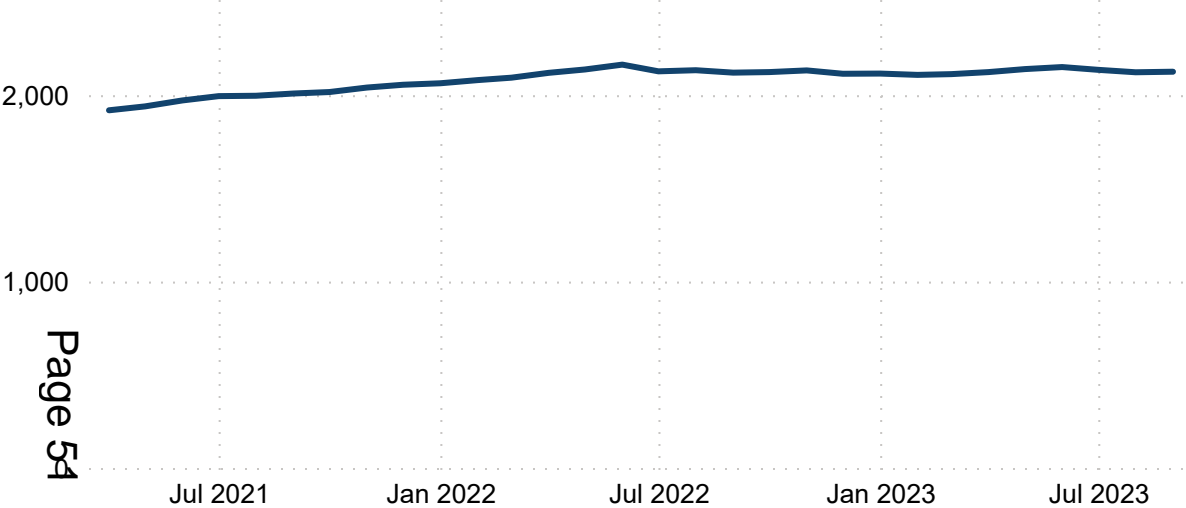
Actual EHCPs
September 2023 2,126

Ceased EHCPs
2023/24 123

Requests for an EHCP assessment
2023/24 201

EHCP assessments refused prior to assessment
2023/24 95

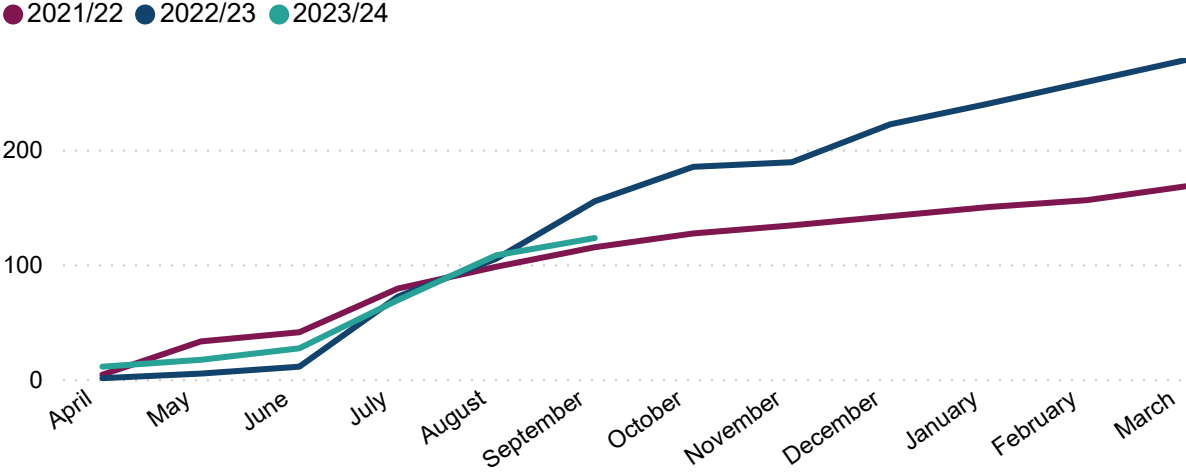
Actual EHCPs



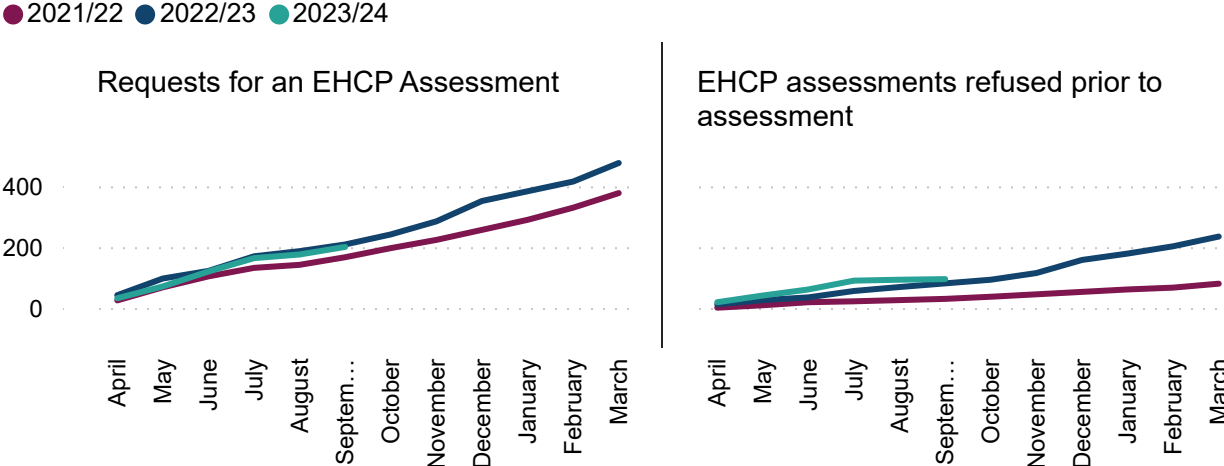
Comment on performance

2,126 Education, Health and Care Plans maintained, consistent with the same period last year. Demand for EHCPs remains high with 201 requests in the first six months this year. Refusals prior to assessments are slightly higher than last year. The number of ceased plans are in line with 2021/22, but have reduced by 21% compared to last year.

Ceased EHCPs - cumulative by financial year



Requests for an EHCP assessment and EHCP assessments refused prior to assessment - cumulative by financial year



Pupils with Special Educational Needs (SEN) support and SEN mediations and tribunals

Pupils with SEN support

January 2023 4,021

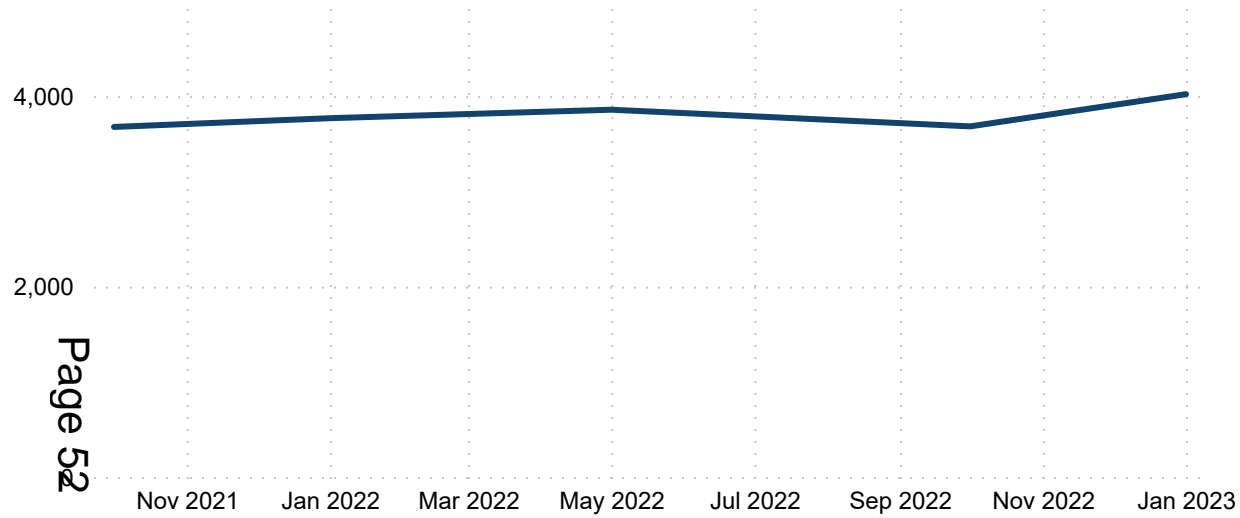
SEN mediations

2023/24 109

SEN tribunals

2023/24 55

Pupils with SEN support

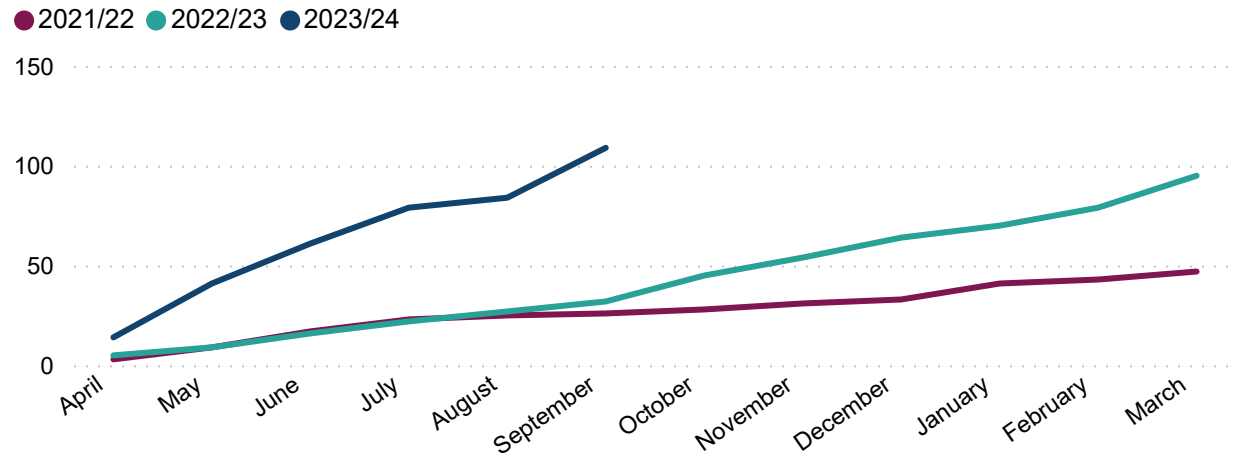


Comment on performance

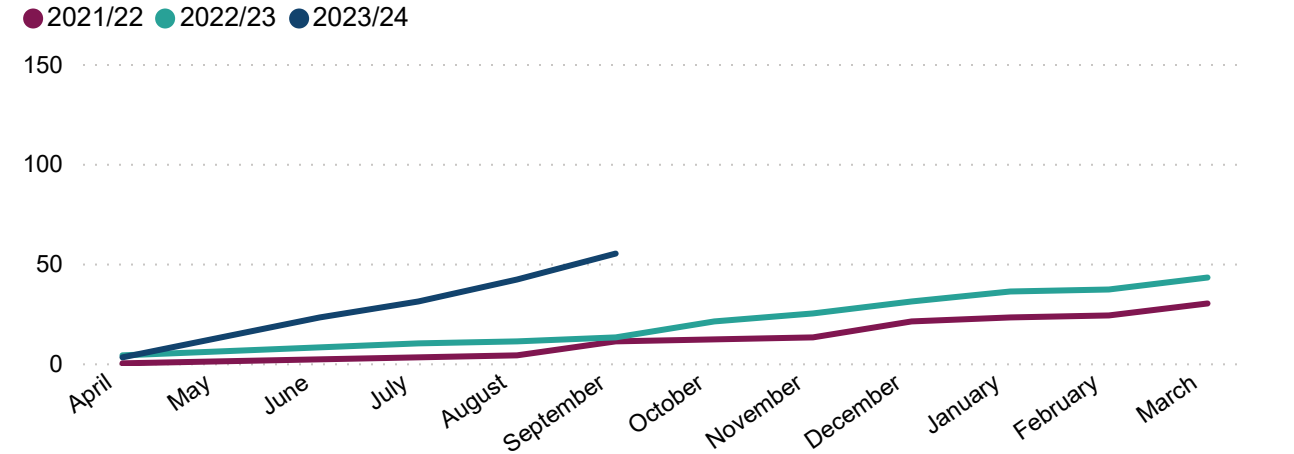
Significant increase in the number of tribunals and mediations, largely as a result of the increase in refusals for assessment.

The number of pupils with SEN Support has increased by 7% compared to the previous year.

SEN mediations - cumulative by financial year



SEN tribunals - cumulative by financial year



School absence, exclusions, suspensions and 16-17 year olds Not in Education, Employment or Training (NEET)

Overall absence

Persistent absence

Suspensions

Exclusions

16-17 year olds NEET

September 2023 5.8%

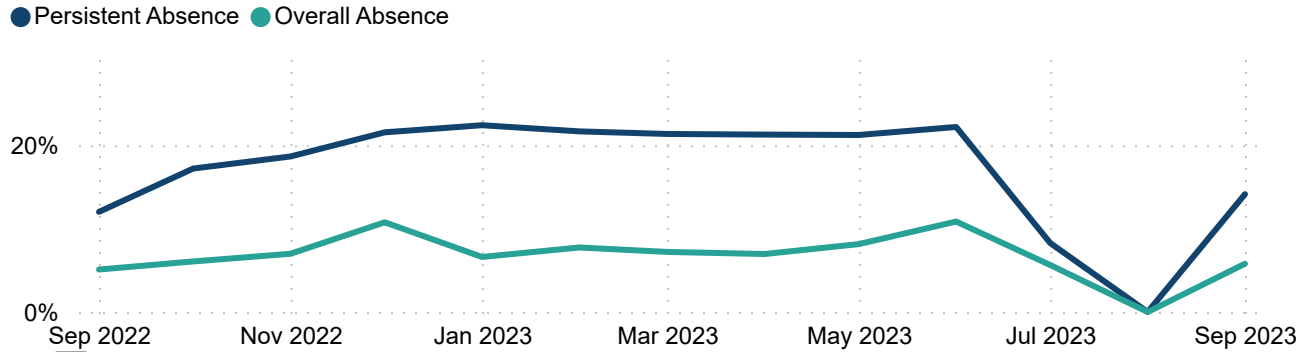
September 2023 14.1%

2022/23 2,678

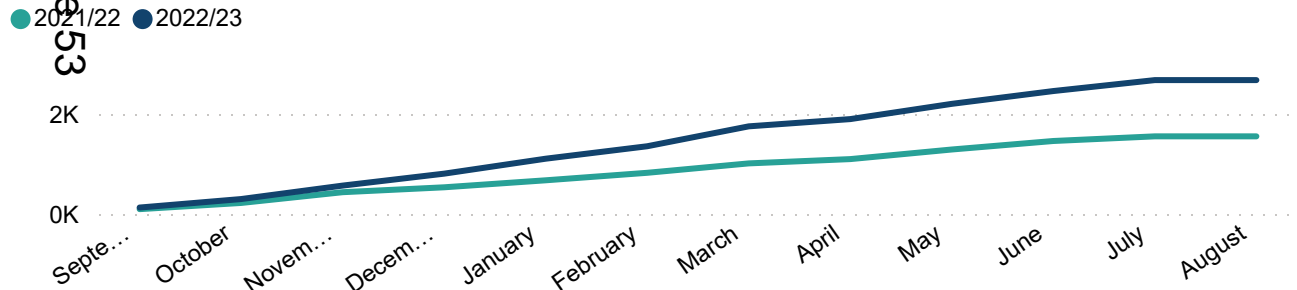
2022/23 71

August 2023 5.0%

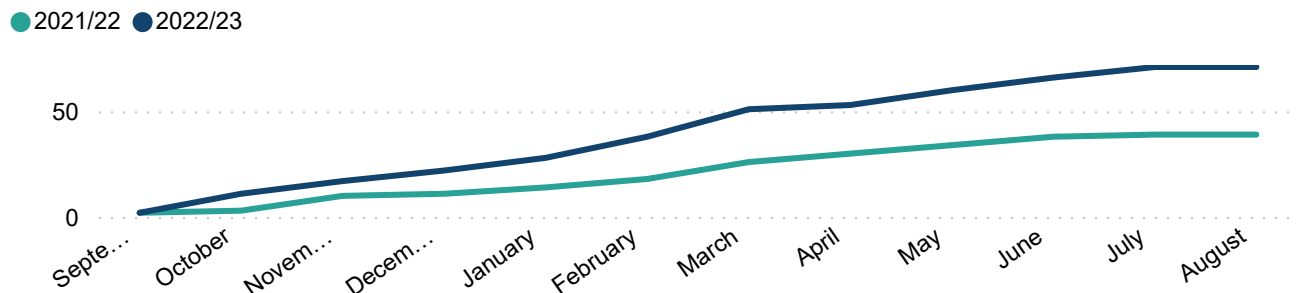
Overall and persistent absence



Suspensions - cumulative by academic year



Exclusions - cumulative by academic year

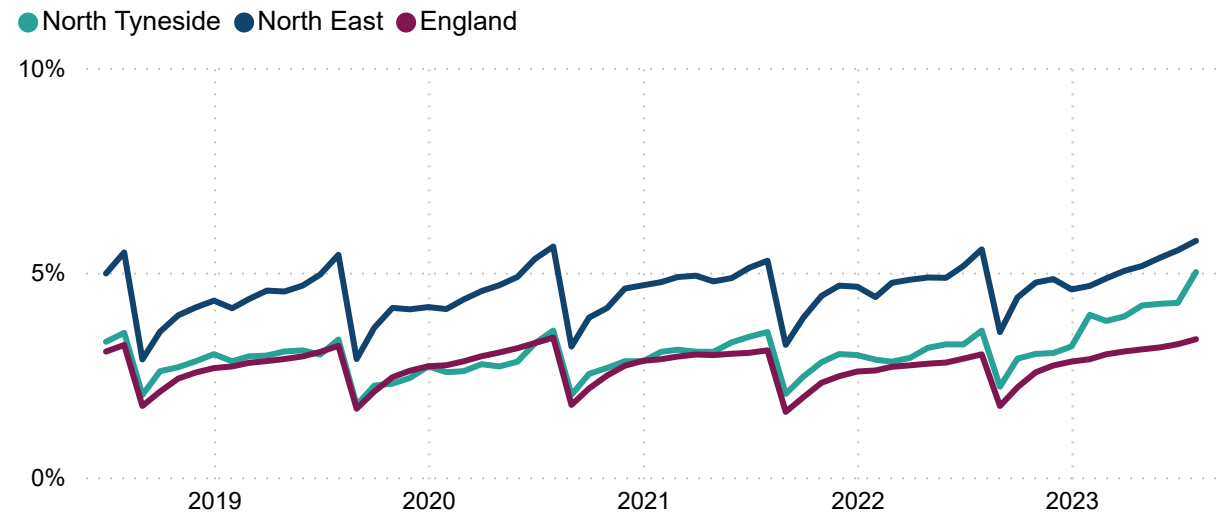


Comment on performance

At the end of the 2022/23 academic year, the number of suspensions was 2,678, 1,100 more than the previous year. There were 71 Permanent Exclusions compared to 39 for the same period last year. The rise is somewhat seen over all schools, but in schools who are above the local authority average for suspension and permanent exclusions the Education North Tyneside Team will be offering support and challenge.

Overall Absence in September is consistent with the same period last year. Persistent Absence is significantly higher than the same period last year.

16-17 year olds NEET



Environment

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Carbon reduction in council operations against baseline year and waste recycled, reused or composted

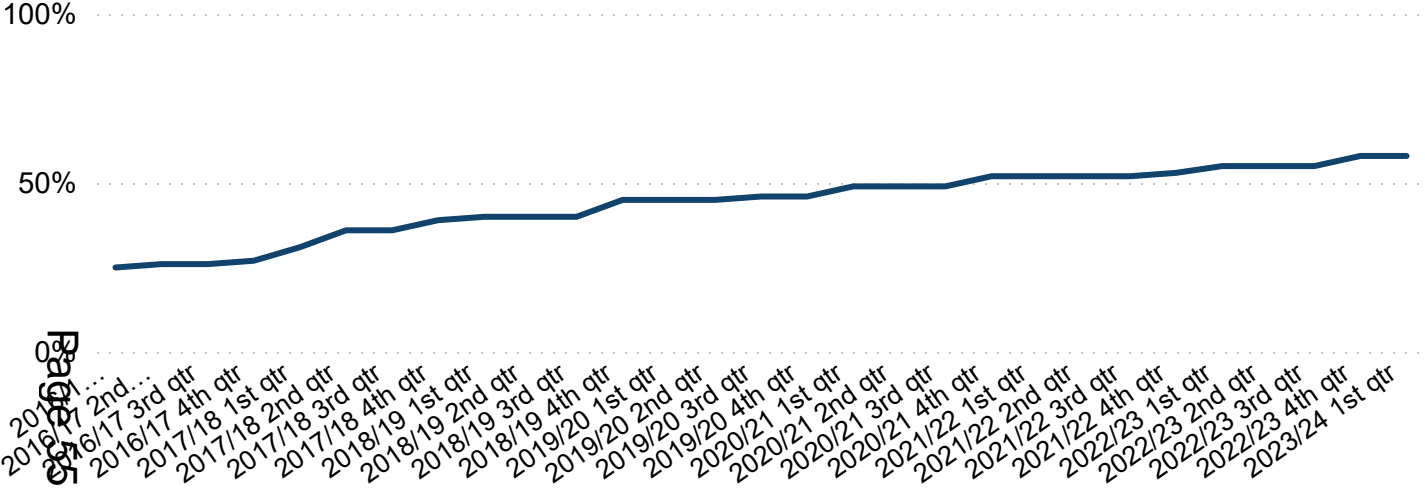
Carbon reduction in council operations against baseline year

2023/24 1st qtr 58%

Waste recycled, reused or composted

June 2023 43.0%

Carbon reduction in council operations against baseline year



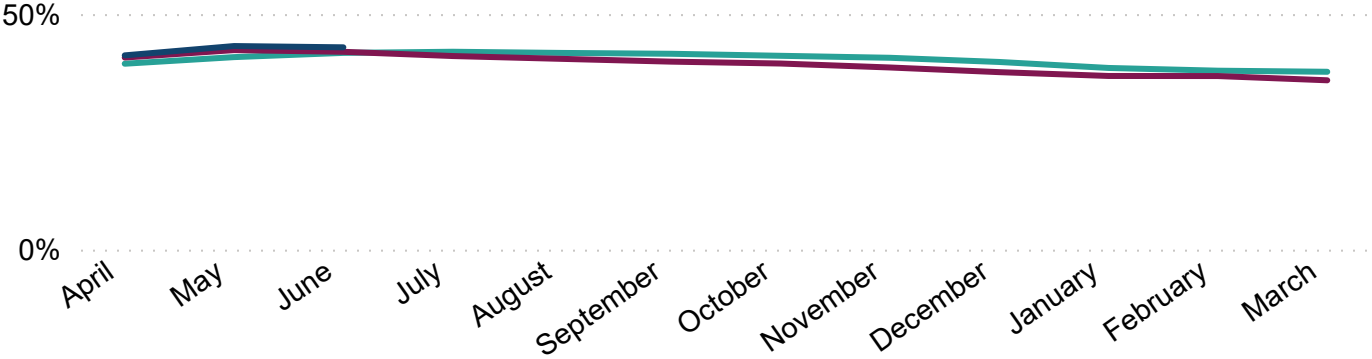
Comment on performance

Carbon reduction in council service operations have decreased by 58% against the baseline year of 2010/11.

At the end of quarter 1, the proportion of waste recycled, reused or composted is consistent compared to the same period during the previous two years.

Waste recycled, reused or composted

● 2021/22 ● 2022/23 ● 2023/24



Housing

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Affordable homes delivered, homeless presentations and priority homeless acceptances

Affordable homes delivered against target 5,000 (cumulative)

2023/24 2nd qtr 2,180

Homeless presentations

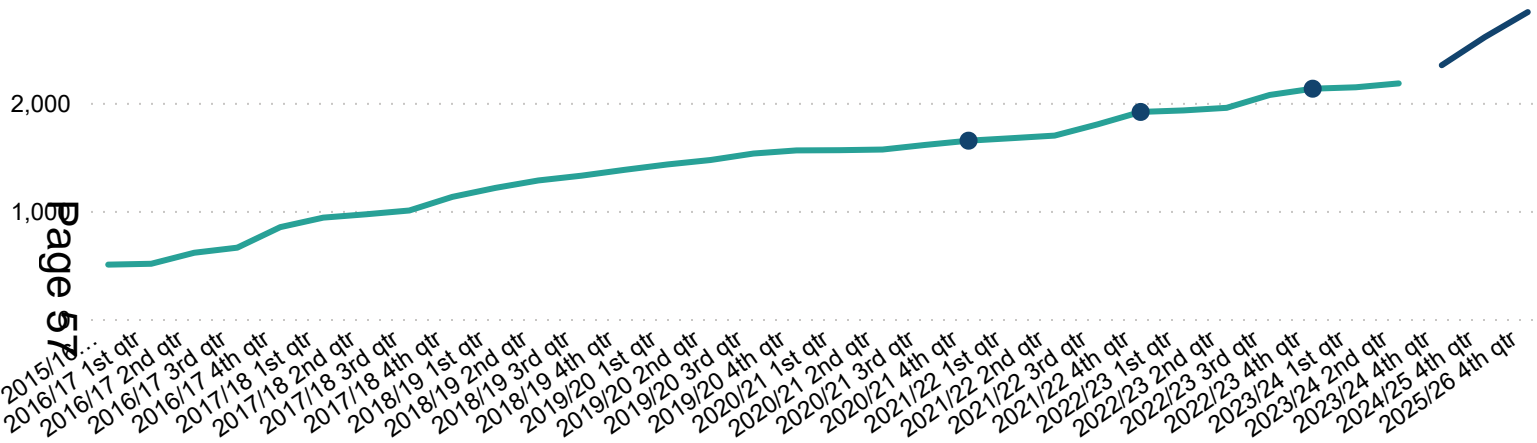
2023/24 6,279

Priority homeless acceptances

2023/24 323

Affordable homes delivered against target 5,000 (cumulative)

● Number of affordable homes delivered target (cumulative) ● Number of affordable homes delivered against target 5,000 (cumulative)



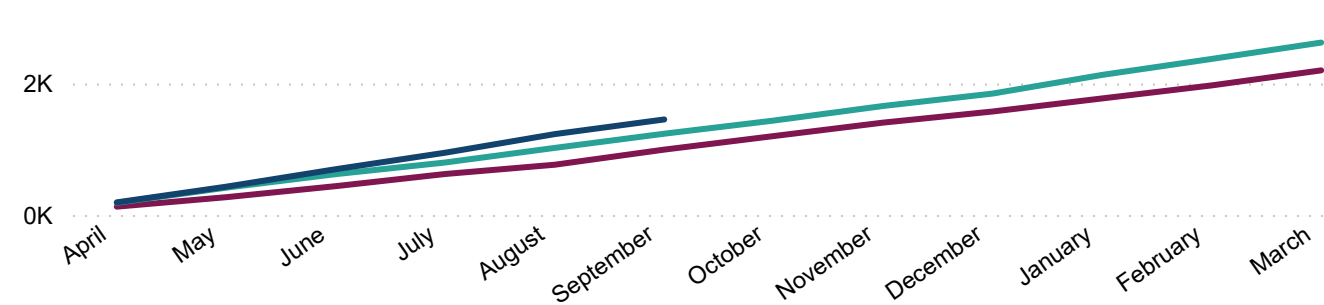
Comment on performance

The affordable homes programme is on track against the profiled target to deliver 2,348 by the end of quarter 2.

The trend of homeless presentations and priority acceptances are increasing. At the end of September there were 1,454 compared to 1,237 at the same period last year, but proportionally 5% of presentations result in a priority homeless acceptance, which is consistent.

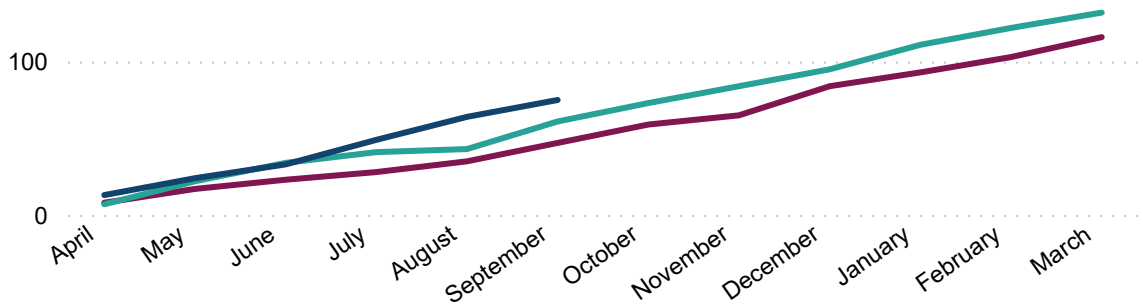
Homeless presentations - cumulative by financial year

● 2021/22 ● 2022/23 ● 2023/24



Priority homeless acceptances - cumulative by financial year

● 2021/22 ● 2022/23 ● 2023/24



Empty homes available for letting, housing relet time and rent collected

Empty homes available for letting as a proportion of stock - total

October 2023 0.40%

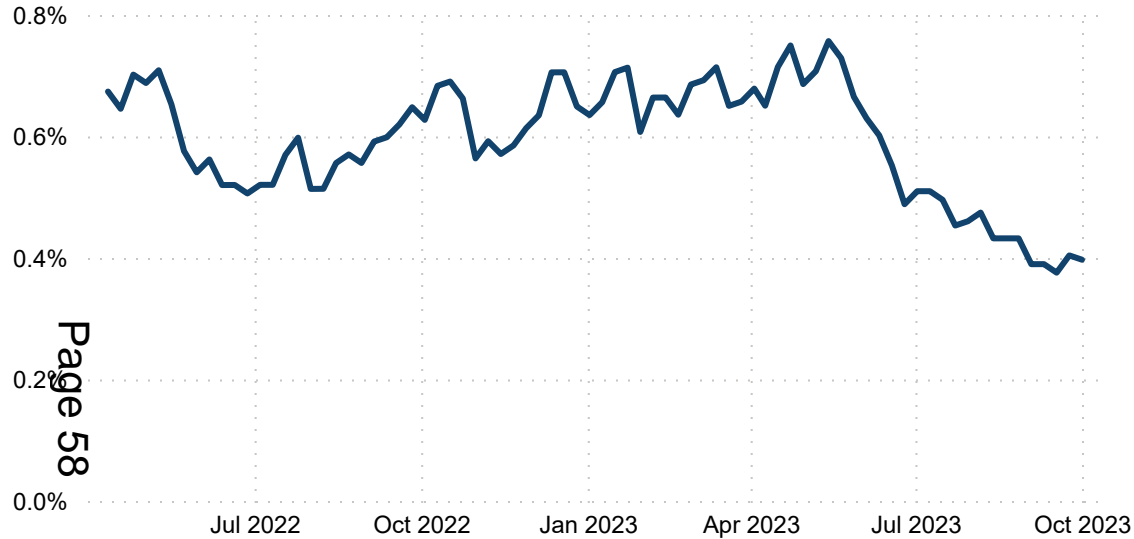
Average housing relet time (days)

September 2023 40.2

Rent collected

2023/24 2nd qtr 93.2%

Empty homes available for letting as a proportion of stock - total



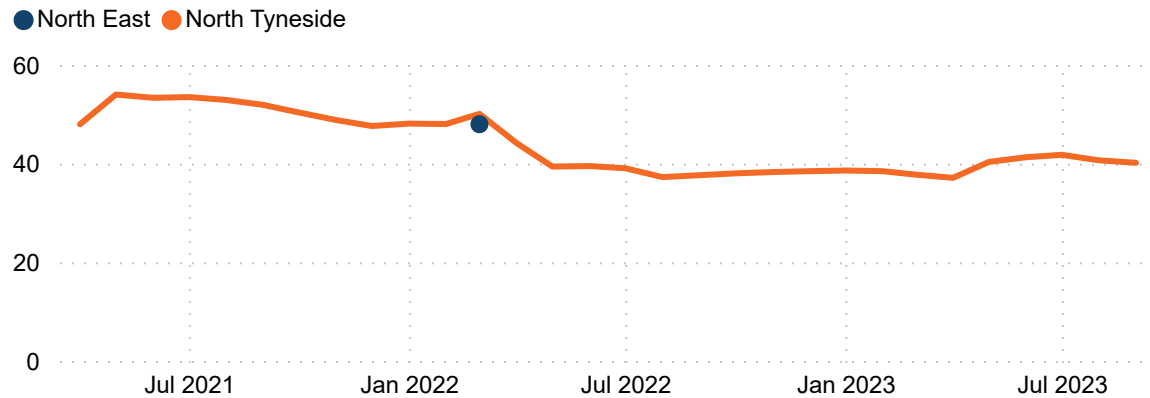
Comment on performance

At the end of quarter 2, rental collection has dipped to 93.2%.

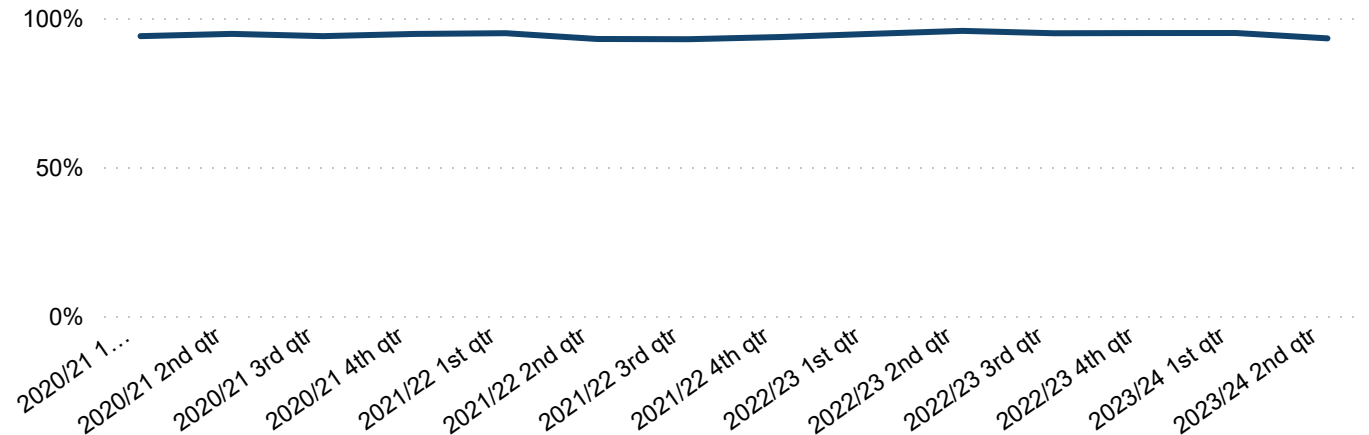
The average housing relet time performance time has increased to over 40 days compared to 38 days last year. There are fewer than half a percentage point of homes empty and available for letting, which represents 56 homes out of over 14,000 in total.

Average housing relet time (days)

North Tyneside monthly North East annual



Rent collected



Council housing repairs

Emergency housing repairs completed within target time

August 2023 99.2%

Non-emergency housing repairs completed within target time

August 2023 87.3%

Comment on performance

New Tenant Satisfaction Measures to baseline. Across all housing stock; general needs and North Tyneside Living 99.2% emergency housing repairs completed within time and 87.3% non-emergency housing repairs completed within target time.

Public Health

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School readiness, expected level of development and breastfeeding prevalence

School readiness: children achieving a good level of development at the end of Reception

2021/22 61.9%

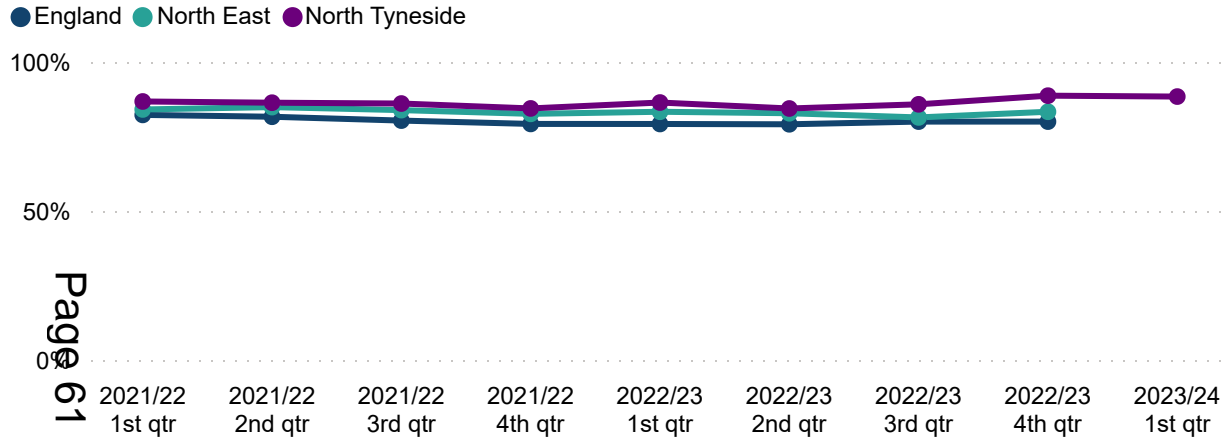
Children who received a 2 to 2½ year review in the quarter who were at or above the expected level in all five areas of development

2023/24 1st qtr 88.4%

Breastfeeding prevalence at 6 to 8 weeks after birth

2023/24 1st qtr 43.2%

Children who received a 2 to 2½ year review in the quarter who were at or above the expected level in all five areas of development



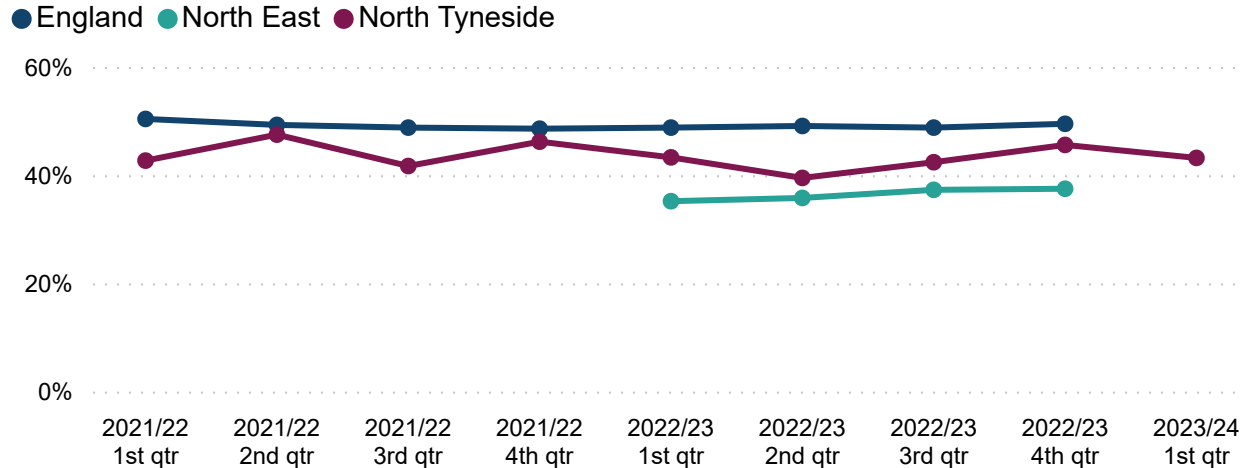
Comment on performance

School readiness at the end of Reception in 2021/22 was below regional and national levels.

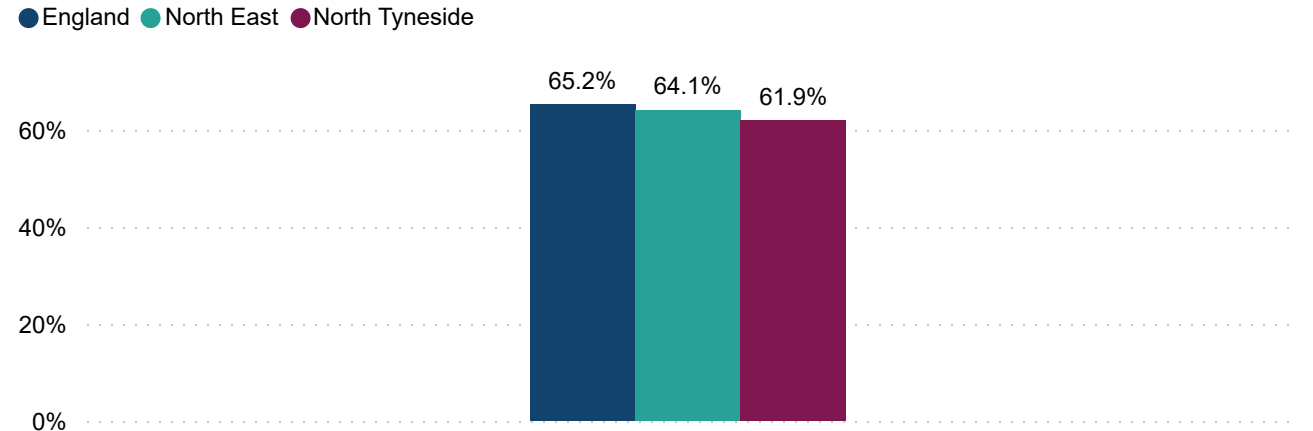
At the end of 2022/23 the proportion of children meeting or exceeding the expected level of development is better than regional and national performance.

Breastfeeding prevalence at 6 to 8 weeks after birth in North Tyneside has dipped slightly to 43.2% at the end of quarter one. At the end of 2022/23, breastfeeding prevalence was in line with the England rate and higher than the regional rate.

Breastfeeding prevalence at 6 to 8 weeks after birth



School readiness: children achieving a good level of development at the end of Reception 2021/22



Crime and anti-social behaviour (ASB)

Number of crimes
rolling 12 month total

August 2023 18,761

Rate of crime per 1,000 population
rolling 12 month

August 2023 90

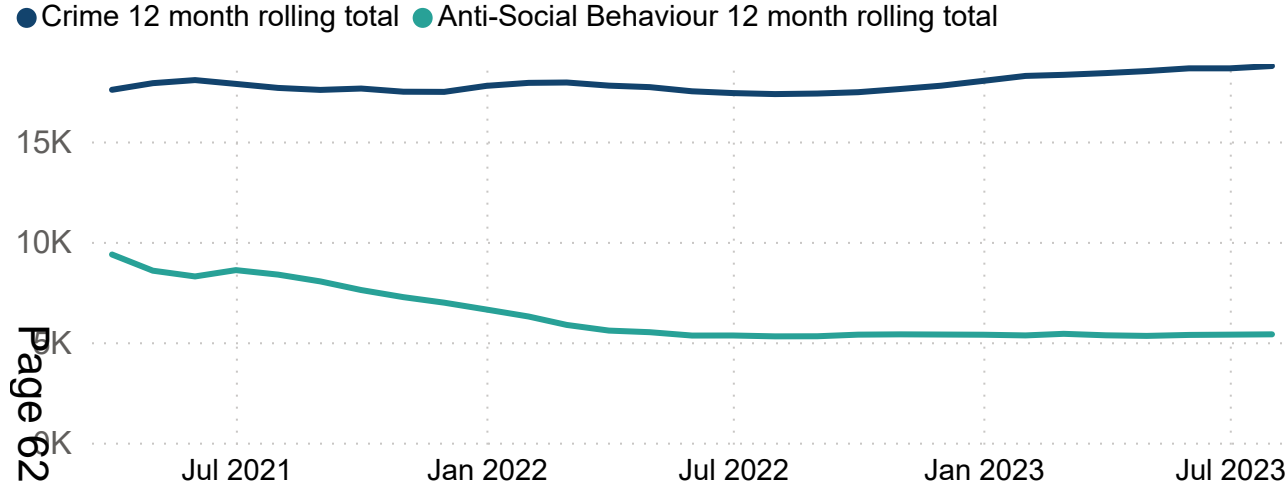
ASB incidents
rolling 12 month total

August 2023 5,396

Rate of ASB incidents per 1,000 population
rolling 12 month

August 2023 26

Crime and ASB (number) North Tyneside



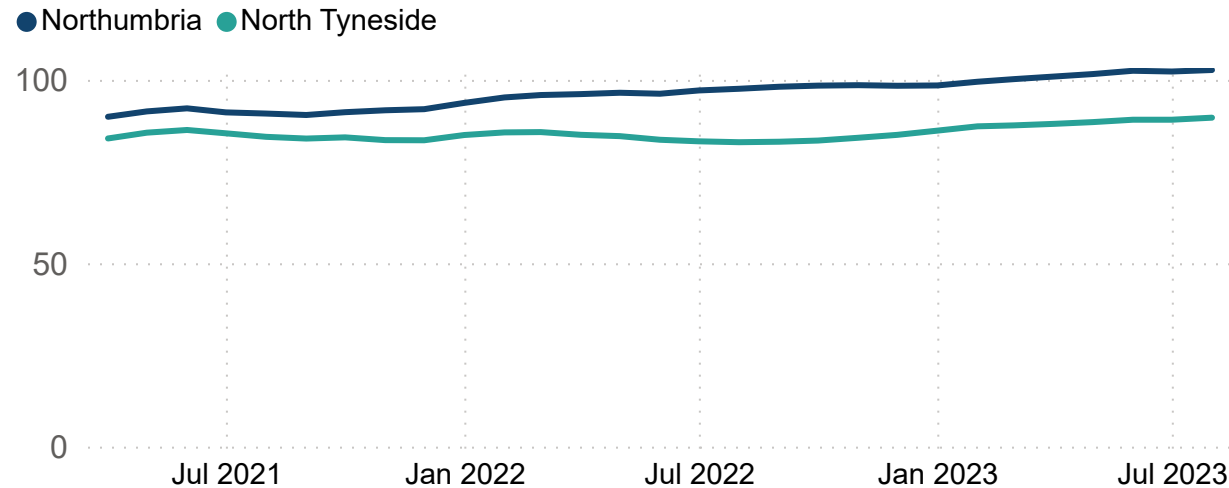
Comment on performance

At the end of August, there have been 18,761 crimes over 12 month period, a 6% increase compared to last year.

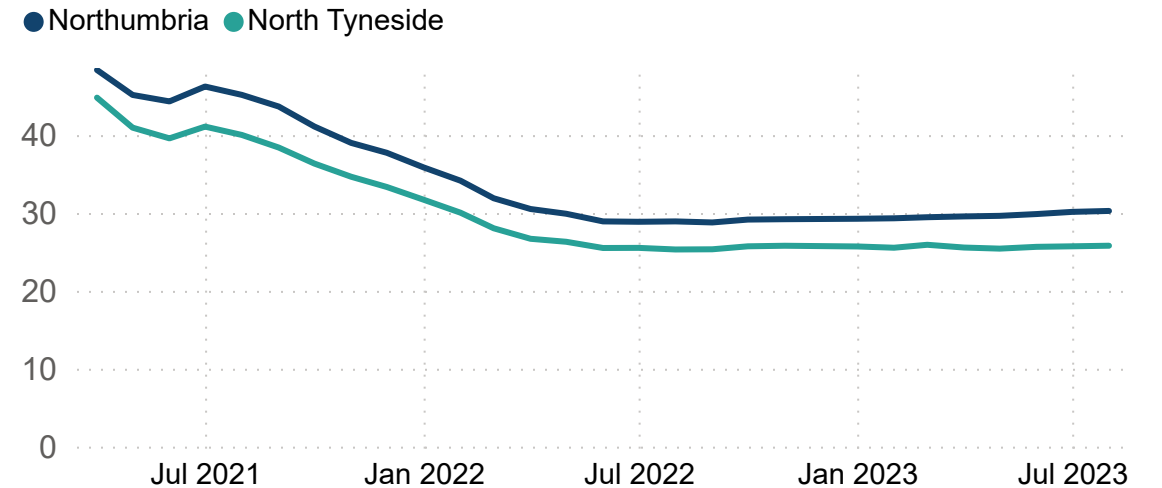
5,396 ASB incidents over 12 months, consistent to last year.

The rate of crime and ASB per 1,000 population is lower than the rate across the Northumbria Police area.

Rate of crime per 1,000 population (rolling 12 month)



Rate of ASB incidents per 1,000 population (rolling 12 month)



Resources

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Council Tax and Business Rates collection rates and Change of Circumstances

Council Tax collection rate
(cumulative financial year to date)

September 2023 53.0%

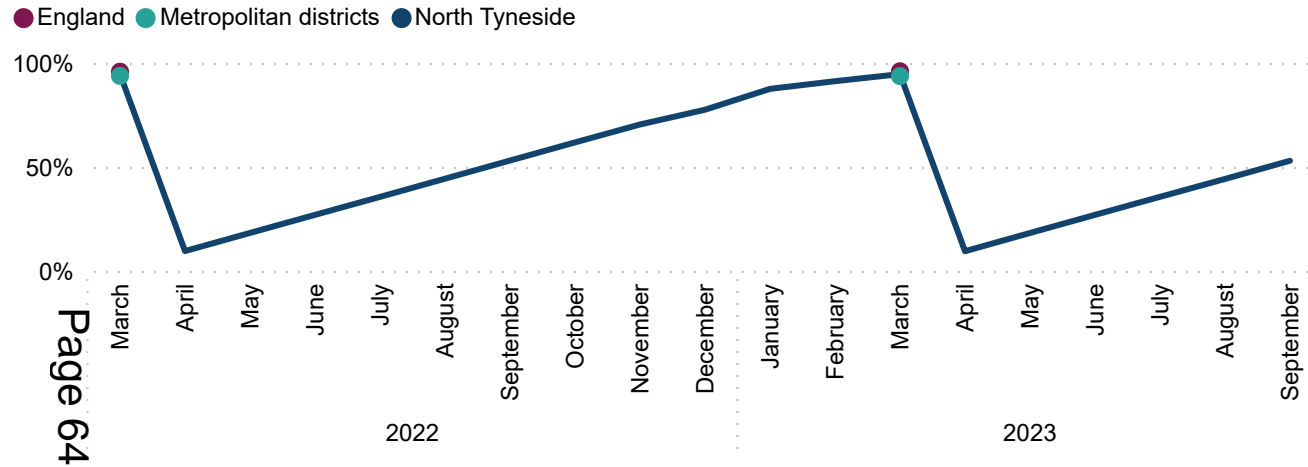
Business Rates collection rate
(cumulative financial year to date)

September 2023 55.9%

Average time to process change of
circumstances (days)

September 2023 5.9

Council Tax collection rate
monthly cumulative (North Tyneside) and annual (England and Metropolitan districts)

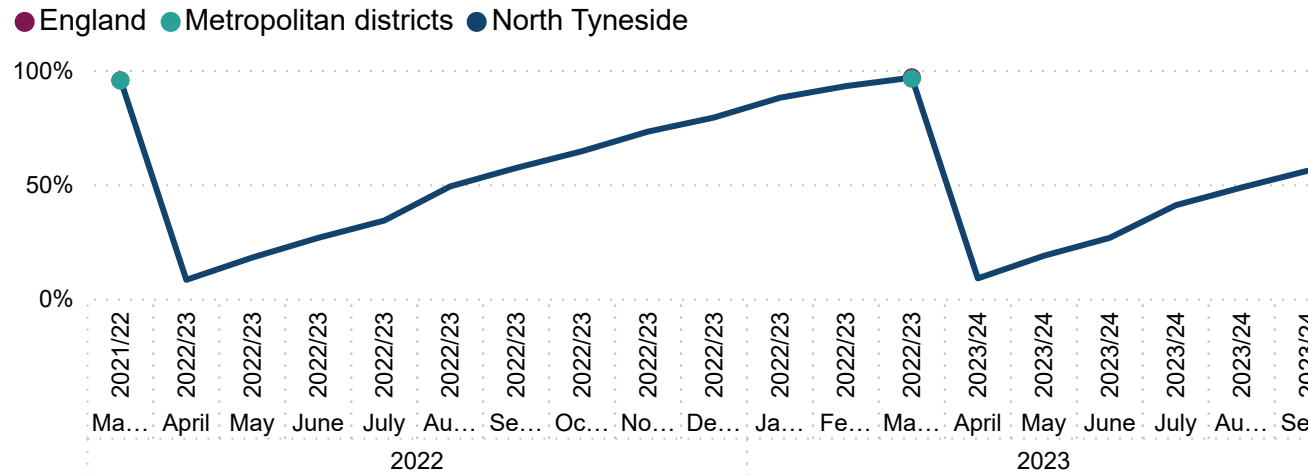


Comment on performance

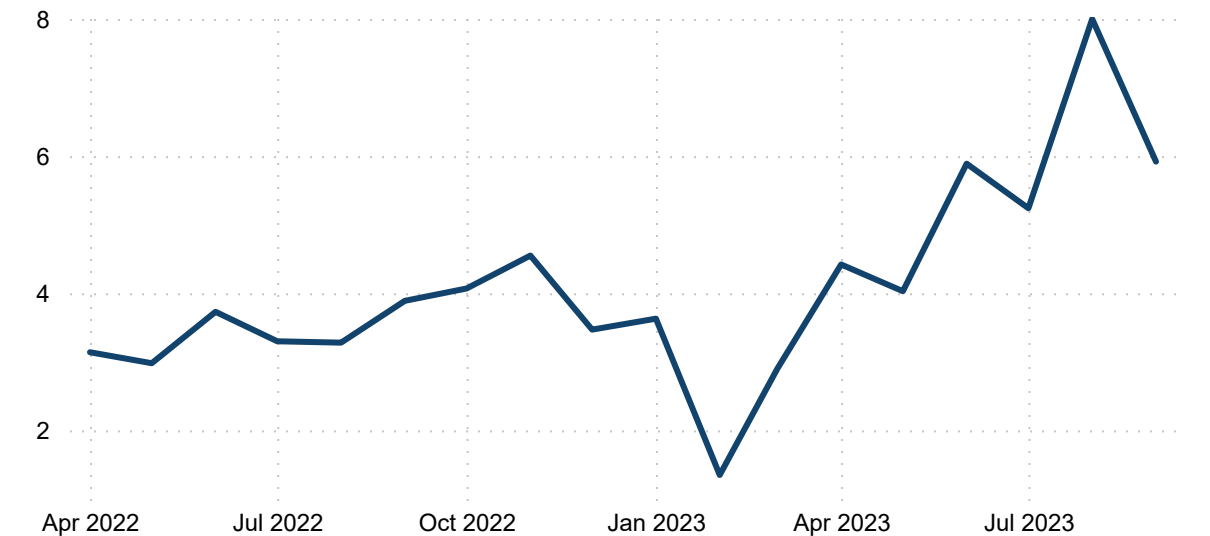
Council Tax and Business Rates collection is consistent with the same period last year.

The average number of days to process change of circumstances has increased slightly to 5.9 days.

Business Rates collection rate
monthly cumulative (North Tyneside) and annual (England and Metropolitan districts)



Average time to process change of circumstances (days)



Sickness and Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR)

Sickness - average days sickness lost per month per full-time equivalent (FTE) (rolling 12 months)

RIDDORs

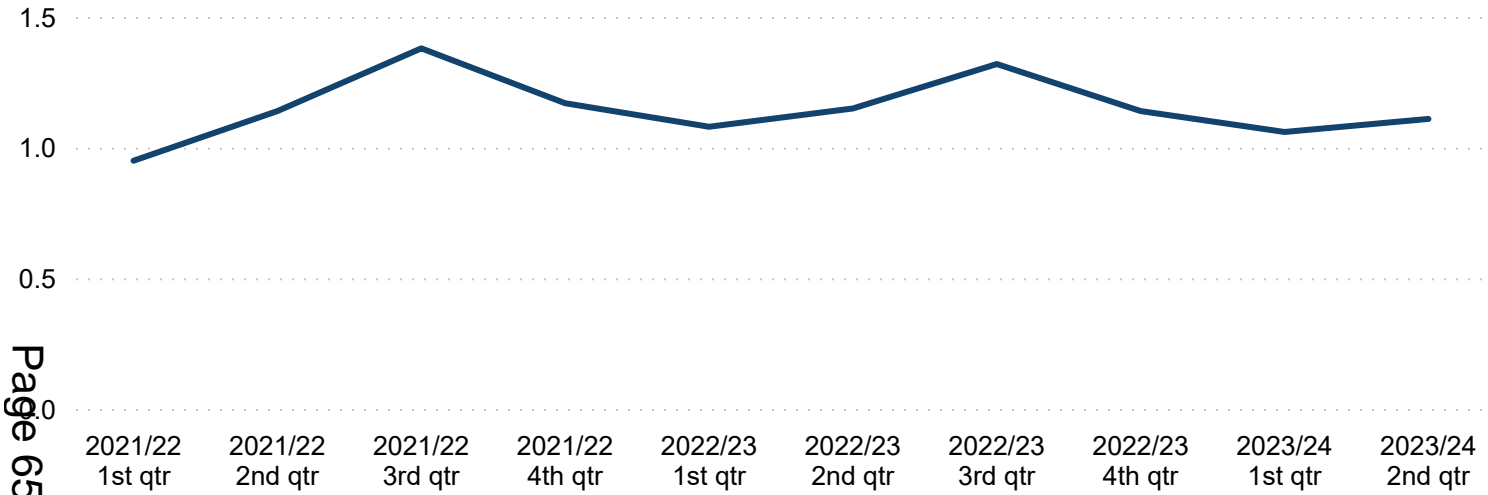
2023/24 2nd qtr 1.11

2023/24

3

Sickness - average days sickness lost per month per FTE

Rolling 12 months

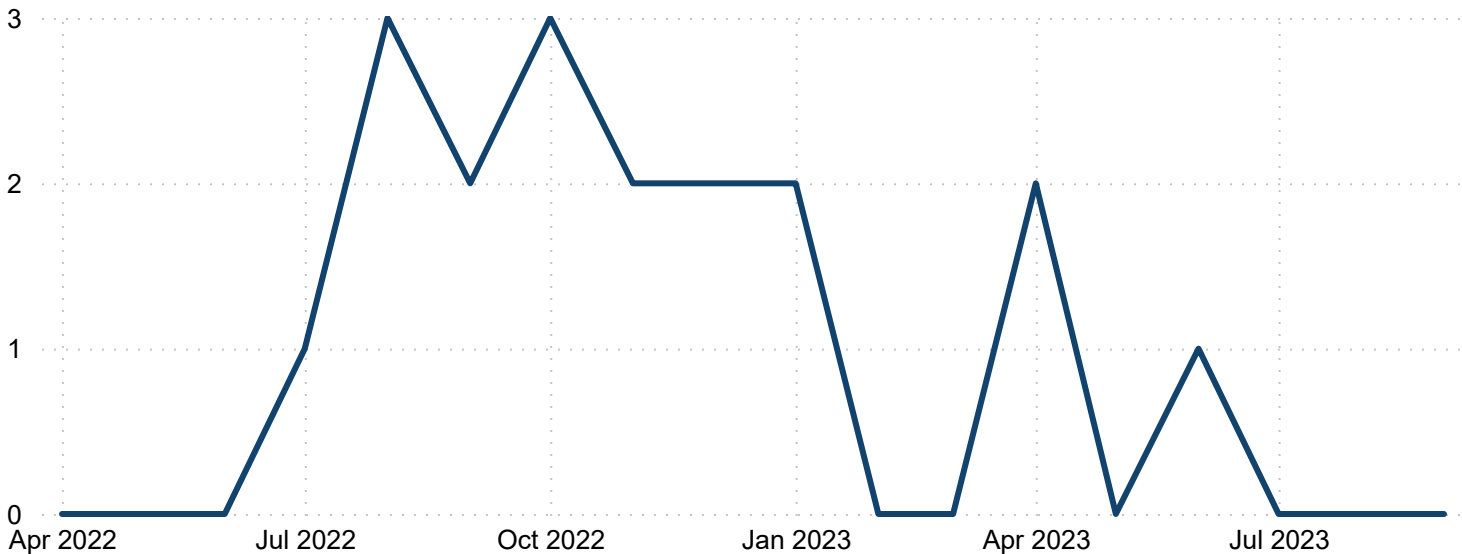


Comment on performance

At the end of quarter 2, there have been 1.11 average working days lost per month per full-time equivalent, consistent compared to the previous two years.

Three RIDDOR reportable incidents have occurred during 2023/24, compares to 6 during the same period last year.

Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR)



Corporate Strategy and Customer Services

Complaints

Complaints received

2023/24 251

Stage 1 corporate complaints escalated to stage 2

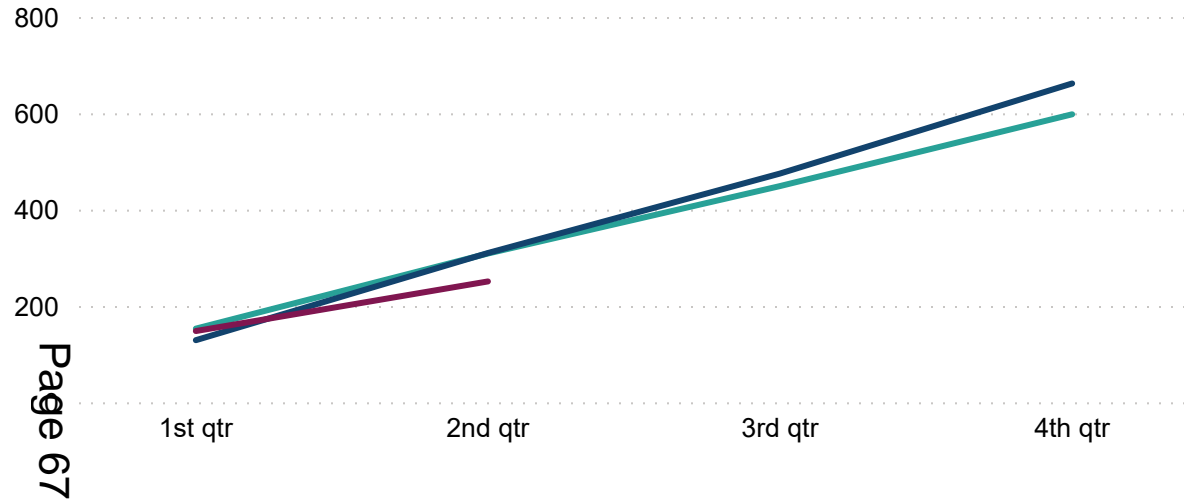
2023/24 2nd qtr 13%

Stage 3 complaints heard by Regulation and Review Committee

2023/24 2

Complaints received - cumulative by financial year

● 2021/22 ● 2022/23 ● 2023/24



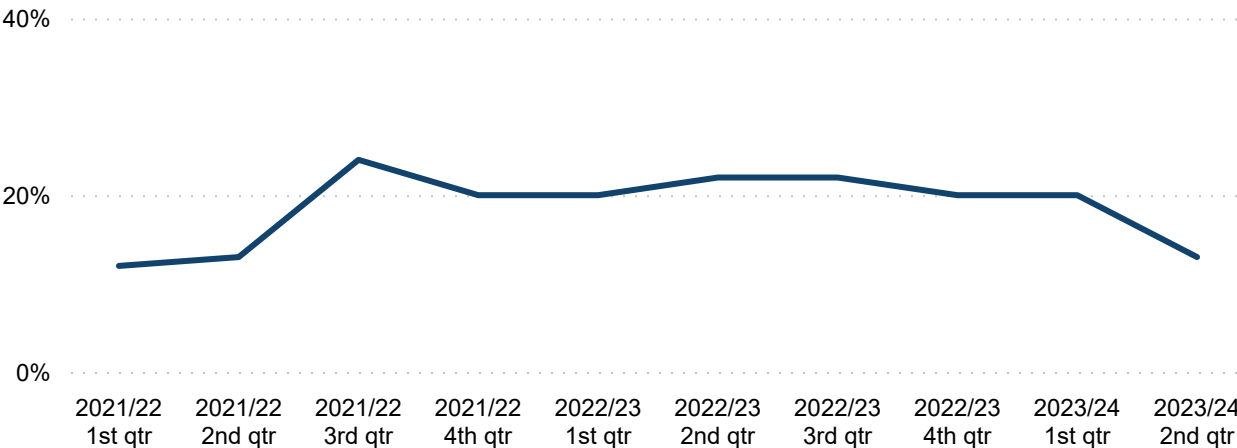
Comment on performance

251 formal complaints received during 2023/24 up to the end of September, which represents a 19% decrease compared to the previous two years.

13% stage 1 corporate complaints have been escalated to stage 2, a decrease of 9 percentage points compared to quarter 2 2022/23.

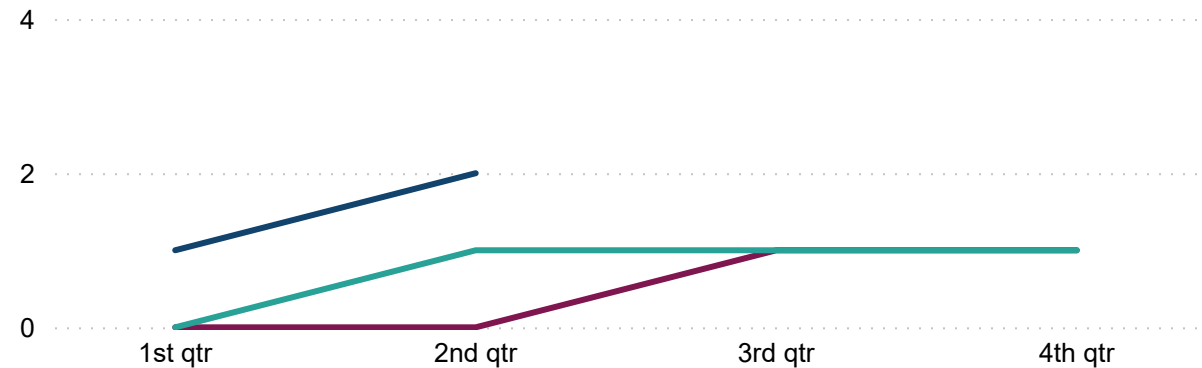
Two stage three complaints have been heard by Regulation and Review Committee. Consistently low number of stage three complaints are escalated.

Stage 1 corporate complaints escalated to stage 2



Stage 3 complaints heard by Regulation and Review Committee - cumulative by financial year

● 2021/22 ● 2022/23 ● 2023/24



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2023/24

Performance and

Financial

Management

Report

Annex 2 – Financial

Summary

INDEX

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1. Service Commentaries	3
2. Schools Finance	27
3. Housing Revenue Account	33
4. Investment Plan	40
5. Treasury Management & Cash Position	46
6. Developer Contributions	49

SECTION 1 – SERVICE COMMENTARIES

1.1 Meetings have been held between finance and performance officers, and budget managers to review the forecast position for 2023/24, with the forecast being prepared on a prudent basis to give sight of the overall challenges at this stage in the financial year. In addition, a challenge session was held to review the bi-monthly financial position and service performance with the Elected Mayor and Cabinet with the Assistant Chief Executive, Director of Resources and senior officers. In the future, Service Directors and their senior teams may also attend these challenge sessions as appropriate to discuss specific plans in progress to mitigate any pressures.

1.2 Adults Services

1.2.1 Adults Services is showing a forecast variance of £1.679m against its £64.247m net controllable expenditure budget. The net budget for 2023/24 has decreased by £0.081m from July to reflect a movement of 2 posts into Children's Services.

1.2.2 **Table 1: Forecast Variation for Adults Services as at 30 September 2023**

	2023/24 Budget £m	Sept Forecast £m	Sept Variance £m	July Variance £m	Change July-Sep £m
Central, Strategy and Transformation	0.866	0.768	(0.098)	0.080	(0.179)
Social Work and Associated Activity	8.284	8.061	(0.223)	(0.218)	(0.004)
Integrated Services	2.657	1.724	(0.933)	(0.834)	(0.099)
Business Assurance	0.403	0.429	0.026	0.028	(0.002)
Sub-total Operations	12.210	10.982	(1.228)	(0.944)	(0.284)
Wellbeing and Assessment	17.408	19.099	1.691	0.989	0.702
Learning Disability	30.304	31.153	0.848	0.513	0.335
Mental Health	4.583	5.402	0.819	1.105	(0.286)
Other Services	(0.258)	(0.710)	(0.452)	0.116	(0.568)
Commissioned Services	52.037	54.944	2.907	2.724	0.183
Total Adult Services	64.247	65.926	1.679	1.780	(0.101)

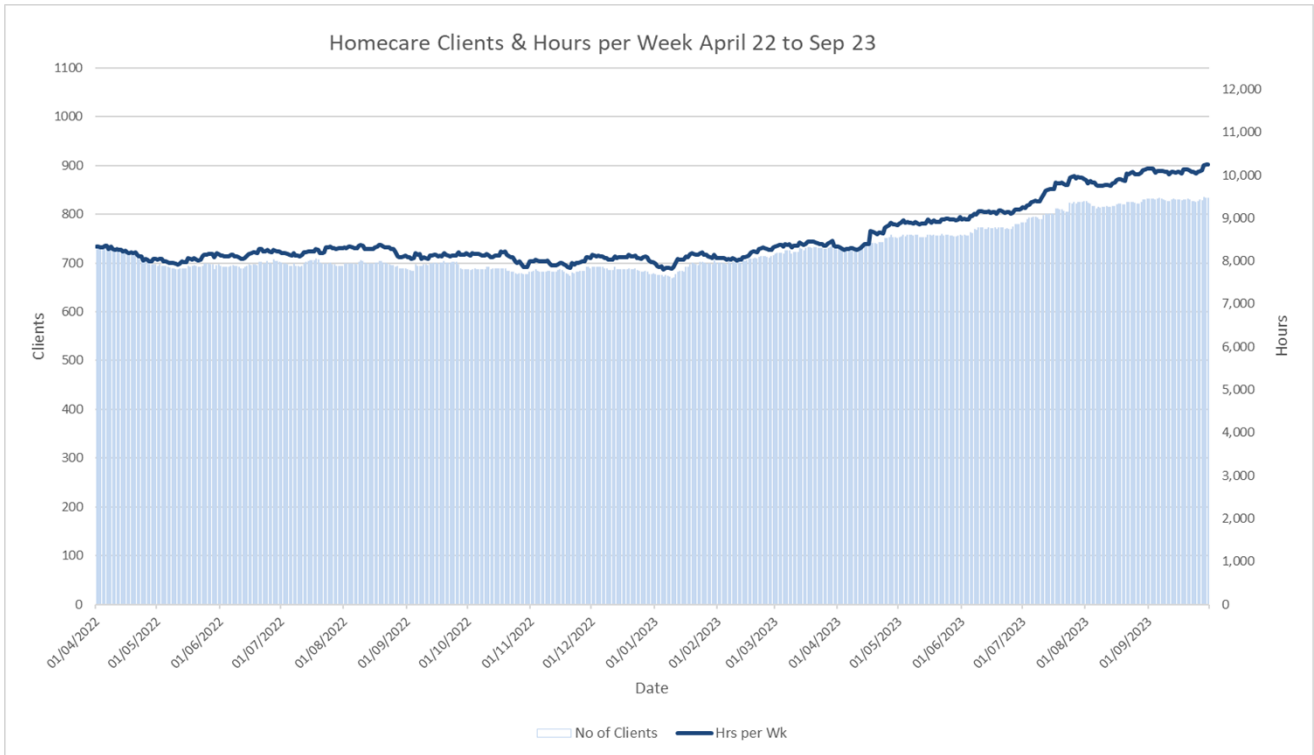
Main budget pressures across Adults Services

- 1.2.3 The analysis of sub-service areas is reported to show the split between the operational aspects of the service and the externally commissioned care costs. The operational costs of the service are forecasting an underspend of £1.228m, an increase of £0.284m since the July position.
- 1.2.4 Despite the actions taken to address grading and the problems with recruitment and retention of staff across Adult Services, there continues to be an underspend against staffing budgets, which is starting to impact on service delivery. There continues to be a high turnover of staff which is reflected in the increased underspend. The Short-Term Review Team continues to support with capacity, support and challenge in the system and is making a positive impact on ensuring the appropriate level of care is being provided.
- 1.2.5 Adult Services manages a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. The supplement to the Market Sustainability and Improvement Fund – Workforce Fund allocated to North Tyneside was £1.568m and is reflected in the overall position. Officers remain focused on plans for the winter pressure period.
- 1.2.6 During September there has been a further increase in the hours of homecare provided within the borough. As at the end of September there were 84 clients on the brokerage waiting list, compared to 143 during the same period last year, although this is an increase from July when it was at 60. The lack of home care provision continues to result in increased short term residential care placements, in September 2023 there were 25 new short-term placements, which was a slight decline from July. The Authority continues to work with providers to look at new and innovative solutions to further maximise efficiency and support the “home-first” approach.
- 1.2.7 Adult Social Care Discharge funding of £1.343m for 2023/24, includes a scheme to increase in-house homecare capacity which will increase control of home care provision with a focus on reablement. The posts are directly employed by the authority and will form part of the social care career

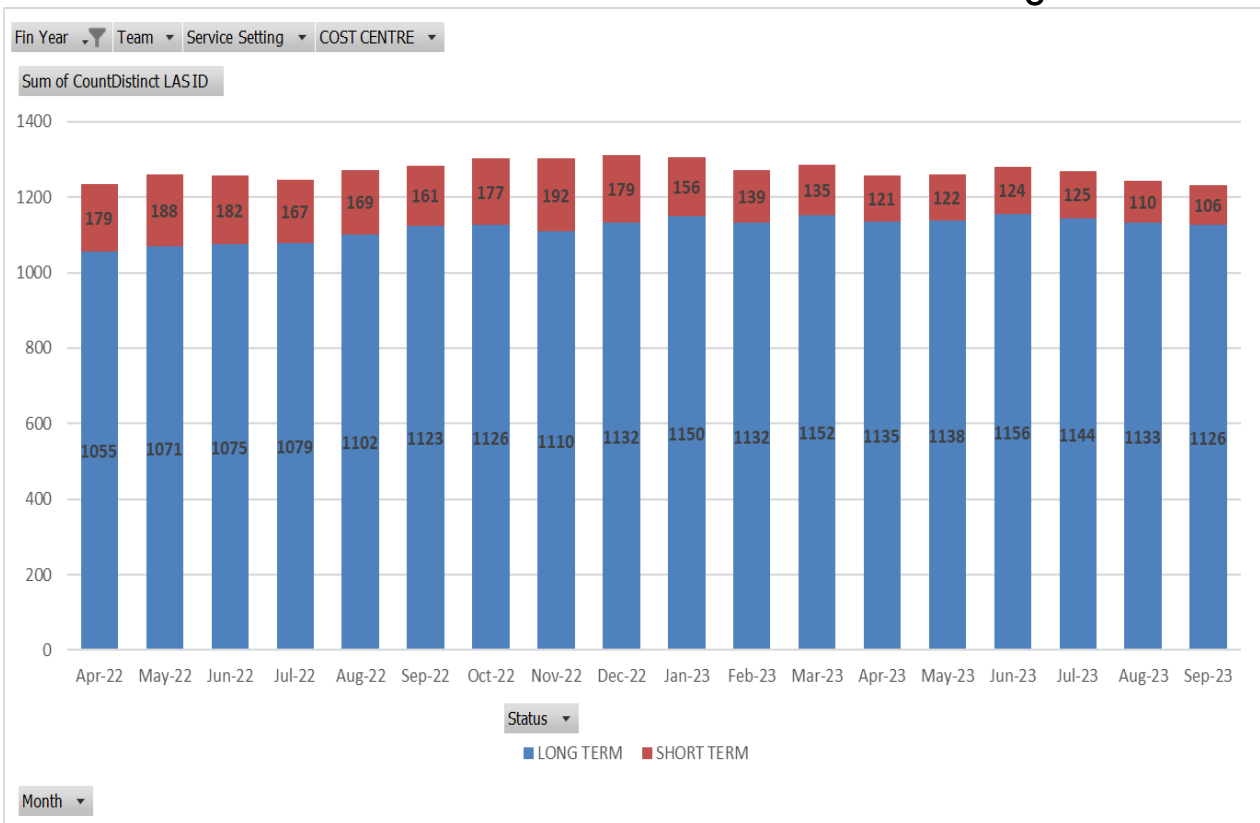
pathway. However, this is also impacted by the issues with recruitment and requires further work with People Team to address this.

- 1.2.8 The hospital stepdown beds, additional Extra Care placements and reablement flats that allow more clients to receive community-based care will again be relied upon across the winter to help maintain hospital flow and prevent delayed discharges. These services allow for admissions at very short notice.
- 1.2.9 The transition of complex clients from both Children's Services and long-term hospital settings have previously been highlighted as a pressure for Adult Services and they continue to be monitored. There has been one transition case from Children's Services since the July reported position resulting in an additional part year cost of £0.096m with a full year cost estimated at £0.159m.
- 1.2.10 The Authority works closely with the ICB to ensure funding contributions for clients with health needs continue on an equitable basis but the social care element continues to grow. Funding received from the ICB for S117 mental health after care services has increased overall (ICB contribution for these clients is 50% of total care costs), however, there continues to be pressure around funding from the NHS for clients with shared care and to support mental health infrastructure originally established in relation to clients resettled from long stay NHS hospitals.
- 1.2.11 Work is ongoing in the Adult Social Care Finance Team to improve the income and debt collection processes, forecast client contributions have increased since July in line with the increase in home care provision.
- 1.2.12 Work continues on the Health & Social Care workstream as part of the 2024 – 2028 Medium Term Financial Plan (MTFP). This is a cross cutting exercise involving Public Health colleagues to consider the medium to long-term pressures and efficiencies that health and social care adult services will face.

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



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



1.3 Children, Young People and Learning (CYPL)

1.3.1 Children's Services is showing a forecast variance of £7.846m against its £34.227m net controllable expenditure budget. The net budget has increased by £0.081m from July as staffing budgets were adjusted to reflect a movement of 2 posts from Adult Social Care. There were no new savings targets allocated in 2023/24.

1.3.2 Table 2: Forecast Variation for Children's Services as at 30 September 2023

	2023/24 Budget £m	Sept Forecast £m	Sept Variance £m	July Variance £m	Change July-Sept £m
Corporate Parenting & Placements	26.938	32.706	5.768	4.506	1.262
Quality of Practice	0.754	0.923	0.170	0.139	0.030
Multi-agency Safeguarding Arrangements	0.120	0.137	0.017	0.027	(0.010)
Health, Information & Advice, Virtual School & Emotional Wellbeing (HIVE)	0.013	(0.146)	(0.159)	0.000	(0.159)
Early Help & Vulnerable Families	1.805	1.605	(0.200)	(0.200)	0.000
Employment & Skills	0.725	0.703	(0.022)	(0.006)	(0.016)
Children's Disability Service	1.790	4.061	2.271	1.825	0.446
Education North Tyneside	1.604	1.847	0.243	0.364	(0.121)
Youth Justice Service	0.621	0.380	(0.241)	(0.181)	(0.060)
Regional Adoption Agency	(0.143)	(0.143)	0.000	0.000	0.000
Total Children's Services	34.227	42.073	7.846	6.474	1.372

Main budget pressures across Children’s Services

- 1.3.3 The “Handling Children’s Finance” workstream continues to work to address the pressures in Corporate Parenting linked to a higher number of children in care 385 and children in need 1,617.
- 1.3.4 The £7.846m forecast pressure partly relates to an increasing number of external residential care and external supported accommodation placements as work is ongoing to reach the “core” children in care numbers as well as the placement mix identified in the workstream, see table 4. The forecast also reflects ongoing pressure within the Children’s Disability Service and inhouse children’s homes.
- 1.3.5 Table 3 shows the Children’s Services position split between operational and commissioning pressures. The decrease pressure in staffing & operations includes additional income of £0.109m secured from the Integrated Care Board for children in care and care leavers support.
- 1.3.6 **Table 3: Forecast Variation for Children’s Services Split between Operational & Commissioned Care Costs**

	2023/24 Budget	Sept Forecast	Sept Variance	July Variance	Change since July
	£m	£m	£m	£m	£m
Commissioned Services	9.055	14.296	5.241	3.300	1.941
In-house Services	11.516	13.290	1.774	1.968	(0.194)
Staffing & Operations	13.799	14.630	0.831	1.206	(0.375)
Regional Adoption Agency	(0.143)	(0.143)	0.000	0.000	0.000
Total Children’s Services	34.227	42.073	7.846	6.474	1.372

- 1.3.7 The service continues to have a high number of vacant social work posts and work is on-going with People Team to address the issues with workforce

recruitment and retention. This is vital to enable the service to meet the core target of 330 children in care.

1.3.8 The increased pressure in Children’s Disability Services relates to an increased forecast on short break care which, as Cabinet will recall, work is on-going to identify additional resources to meet need, which is vital to families and carers. Lack of provision could lead to future breakdown in care arrangements.

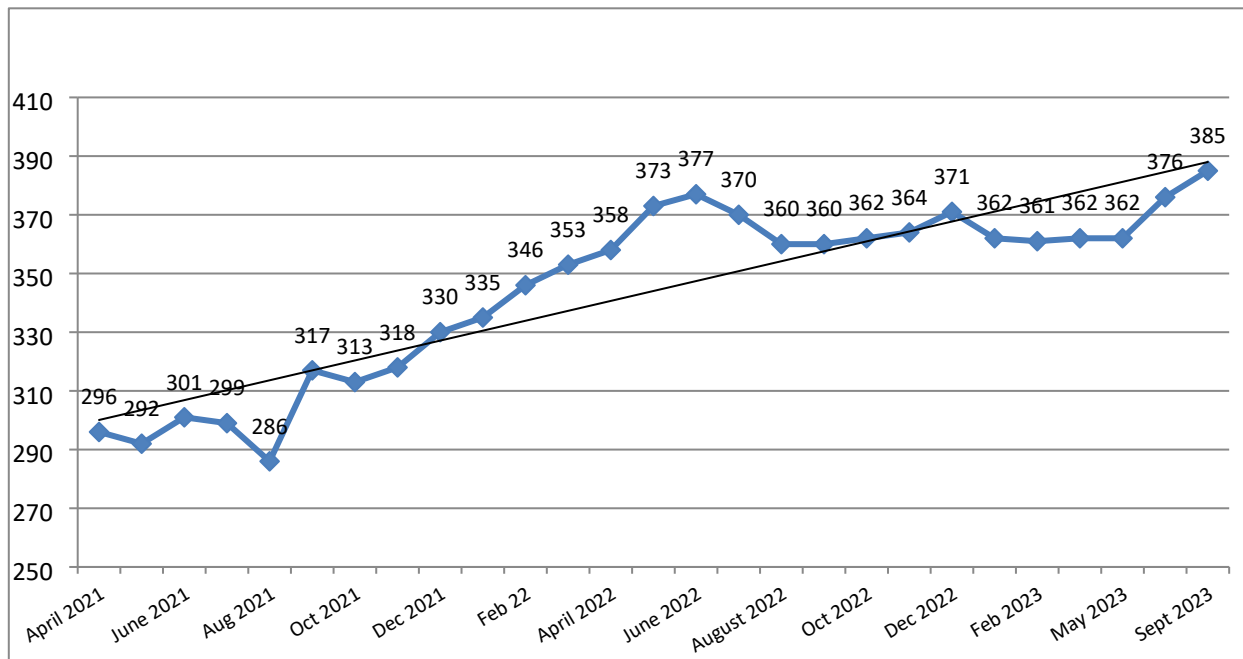
1.3.9 Commissioned services are showing a pressure of £5.282m, an increase of £1.982m since July which reflects the overall increase in Children in Care. In September there were 385 children in care compared to 376 in July. This increase has resulted in an increase in external residential care placements and there are still pressures in external fostering and supported accommodation placements above the “core” number reflected in the budget.

1.3.10 **Table 4: “Core” Number of Children in Care and planned placement mix**

Placement Type	“Core” Mix	No. of “Core” Children	No. of Children May 23	No. of Children July 23	No. of Children Sept 23
External Residential Care	7.0%	23	27	26	32
External Fostering	6.7%	22	22	27	25
In-House Fostering	61.7%	204	209	222	223
External Supported Accommodation	9.7%	32	46	41	38
In-House Residential Care	6.4%	21	21	21	21
Other	8.5%	28	37	39	46
Total	100%	330	362	376	385

1.3.11 The forecast is based on the children in care at the end of September 2023. Chart 3 shows the number of children in care was 385, this is higher than the “core” number of 330 and an increase from July when there were 376 children in care.

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



1.3.13 Current numbers include 25 unaccompanied asylum-seeking children (UASC) under the age of 18 and 14 above 18 years of age now classed as leaving care. The Authority is mandated to take 39 UASC. This is offset by an increase in external funding however the total funding received still leaves a shortfall to cover the cost of the placements and allowances. The additional placements required for UASC increases the pressure on the sufficiency of placements available within the Borough. Work is ongoing with Housing to look for innovative local solutions.

1.3.14 The number of Children in Care can be volatile, with an increase of 9 children since July and costs for individual children can be very high. There is always a potential risk that the forecast could increase if numbers of complex children start to rise above current levels.

Corporate Parenting and Placements

1.3.15 Table 5: Analysis of Pressures in Corporate Parenting and Placements

Type of Service	2023/24 Budget	Sept Forecast	Sept Variance	July Variance	Change since July
	£m	£m	£m	£m	£m
Care provision – children in care	16.270	20.457	4.187	2.943	1.245
Care provision – other children	4.434	4.915	0.482	0.529	(0.047)
Management & Legal Fees	0.035	0.681	0.646	0.622	0.024
Social Work	6.150	6.615	0.465	0.407	0.059
Safeguarding Operations	0.049	0.037	(0.013)	0.005	0.000
Total	26.938	32.706	5.768	4.506	1.262

Care Provision – Children in Care

- 1.3.16 A further breakdown of the care provision costs for the 385 children in care is provided in Table 6. Since July there has been an increase in numbers of children within in-house fostering and an increase in the numbers in external residential care. There is a continued pressure within in-house residential care, however unit costs for external residential care continue to increase significantly more than inhouse services and there are plans to look to increase the capacity of the in-house provision.
- 1.3.17 External fostering is currently supporting 25 children in care, this has decreased by 2 but remains above the number of “core” children in care that would expect to be placed in external fostering arrangements. However external fostering is still a preferred option for children in care, after in-house fostering.

1.3.18 **Table 6: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	2023/24 Budget £m	Sept Forecast £m	Sept Variance £m	Average Annual Placement Cost	Number of Children		
					Core	July 2023	Sept 2023
External Residential Care	5.492	6.735	1.243	£0.373	23	26	32
External Fostering	0.993	1.210	0.217	£0.052	22	27	25
In-House Fostering Service	5.627	5.594	(0.033)	£0.025	204	222	223
External Supported Accommodation	1.686	3.873	2.187	£0.103	32	41	38
In-House Residential Care	2.472	3.045	0.573	£0.145	21	21	21
Other*	-	-	-	-	28	39	46
Total	16.270	20.457	4.187	-	330	376	385

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

1.3.19 The average annual placement cost is based on the full year effect of the packages in place at the end of September, however the forecast is based on actual activity and expected duration of placements. We have seen an increase of 6 child in external residential placements and the overall % of inhouse fostering placements is above the “core” mix we are aiming for, however whist the number of children in care is 55 above the “core” number the pressure will continue.

Care Provision – Other Children (not in care)

1.3.20 This area has a forecast pressure of £0.482m relating to care provision for children not in the care system relates to children under a Special Guardianship Order (SGO), as this is a means tested allowance, there is an increasing pressure due to the impact of the cost-of-living crisis. There is also

an increased pressure within adoption services as there has been an increase in the number of children adopted.

Management and Legal Fees

- 1.3.21 This area has a forecast pressure of £0.646m however some of the pressure within this area is due to residual savings targets, which the service are looking to reprofile. There is also an ongoing pressure due to increased legal fees and whilst there has been an exercise to provide more support internally from Legal Services, there remains a pressure around court fees.

Social Work

- 1.3.22 The pressure has increased by £0.059m which relates to Section 17 payments to families, transport costs and interpretation all which continues to see a high level of demand as families continue to be impacted by the cost-of-living crisis.

1.4 Public Health

1.4.1 Public Health is forecasting a (£0.250m) underspend, and improvement of (£0.250m) since the July Cabinet report.

1.4.2 Table 7: Public Health Forecast Variation

	Budget £m	Forecast Sept £m	Variance Sept £m	Variance July £m	Change since July £m
Public Health Ring Fenced Grant	(0.032)	(0.032)	0.000	0.000	0.000
<i>0-19 Children's Public Health Service*</i>	<i>0.273</i>	<i>0.273</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>
Community Safety & Resilience	0.364	0.324	(0.040)	0.000	(0.040)
Public Protection	0.902	0.692	(0.210)	0.000	(0.210)
GRAND TOTAL	1.507	1.257	(0.250)	0.000	(0.250)

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

1.4.3 There is an underspend in Public Protection of (£0.210m), an improvement of (£0.210m) since the July Cabinet report. Although there are pressures with the taxi licensing service of £0.120m as a result of the costs to run the service, coupled with reduced income due to the number of drivers and vehicles reducing before and during the pandemic and not currently seeing any signs of recovery. However, this is being mitigated by vacancies and other funding streams and underspends within Public Protection to bring the service to a (£0.210m) underspend.

1.4.4 There is an underspend of (£0.040m) within Community Safety and Resilience, an improvement of (£0.040m) since the July Cabinet report due to vacancies within the service.

1.5 Commissioning and Asset Management

1.5.1 Commissioning and Asset Management (C&AM) is showing a pressure of £5.541m as set out in Table 8, an improvement of (£0.461m) since the July Cabinet report.

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

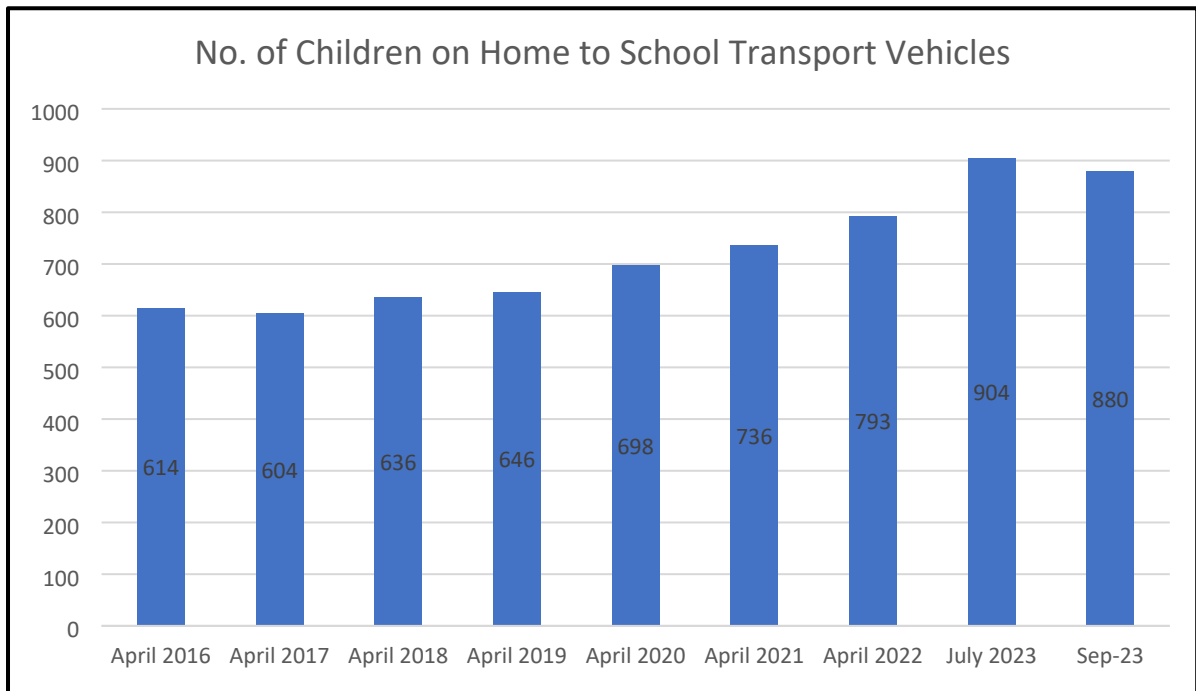
	Budget	Forecast	Variance	Variance	Change
	£m	Sept	Sept	July	since
	£m	£m	£m	£m	July
					£m
School Funding & Statutory Staff Costs	5.468	5.542	0.074	0.043	0.031
Commissioning Service	0.486	0.360	(0.126)	(0.023)	(0.103)
Facilities & Fair Access	1.040	6.917	5.877	5.935	(0.058)
Strategic Property & Investment	1.666	1.464	(0.202)	0.080	(0.282)
Property	(0.022)	(0.022)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.168	0.135	(0.033)	(0.033)	0.000
Procurement	0.099	0.050	(0.049)	0.000	(0.049)
GRAND TOTAL	8.905	14.446	5.541	6.002	(0.461)

1.5.3 The main budget issues relate to Facilities and Fair Access which is showing a forecast pressure of £5.877m (July pressure of £5.935m). The Home to School Transport position is forecasting a pressure of £2.924m which relates to the sustained increase in children with complex needs attending special schools of £1.441m and inflationary pressures of £1.483m. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant. As a result of the increase in need for home to school transport for children with additional needs, the number of children in vehicles has risen from 614 in April 2016 to 904 in July 2023 as shown in the performance data and 69.09% of the reported pressure relates to Special Schools. Work is continuing on route rationalisation using the new QRoute system as well as looking at new options about transport delivery.

1.5.4 There is a pressure on the catering service of £2.923m due to inflationary pressures of £1.497m, wages of £0.048m from the additional hours worked to cover sickness, maternity leave and deep cleaning days and the cumulative effect of no annual pay rise being allocated in the budget for additional hours worked and also management operational pressures. There are pressures on paid school meals of £0.089m and SLA income of £0.075m due to the number of schools that have left the SLA in recent years. The service is currently

reviewing all costs associated with SLA provision to mitigate the loss of income. The management and central establishment element of the catering SLA cannot now be recovered from the schools that have left the SLA which is a pressure of £0.398m. There are also pressures on income budgets due to reduced SLA and paid meals income as a result of schools leaving the catering service and pupils not returning to paid schools meals post COVID 19 pandemic of £0.695m and lost income from other catering post COVID 19 pandemic of £0.121m.

- 1.5.5 Cleaning has a pressure of £0.098m due to inflation of £0.061m and wages pressures due to additional hours worked to cover sickness, maternity leave and the cumulative effect of no annual pay rise being allocated in the budget for additional hours worked £0.037m which are wholly offset by Highpoint development profit (£0.370m) and other operational savings (£0.031m). There is also a pressure on Attendance and Placement/Access & Admissions of £0.030m due the removal of DSG funding £0.030m.
- 1.5.6 The remaining main pressures are on school funding and statutory staff costs of £0.074m due to a pressure on teachers early/ill health retirements of £0.116m due to removal of DSG funding £0.100m which is partially offset by redundancy payments savings (£0.030m) and school related premises costs savings (£0.012m). These pressures are offset by Strategic Property & Investment underspend of (£0.202m). No car parking income will be received for Quadrant resulting in a pressure of £0.101m.
- 1.5.7 There are savings in the Commissioning Service due to additional grants and contributions and vacancy savings of (£0.126m). The property forecast currently assumes that Capita will make a forecast payment at year end of £0.649m to balance actual net expenditure to budget.
- 1.5.8 54.88% of the total service pressures are due to inflation for which there has been no corresponding budget increase.
- 1.5.9 **Chart 4: Increase in Numbers of Children Accessing Home to School Transport**



1.6 Environment

1.6.1 Environment is forecasting an underspend of £0.685m, as set out in Table 9 below, an improvement of £0.544m since the July Cabinet Report.

1.6.2 Table 9: Forecast Variation in Environment

Service Areas	Budget £m	Forecast Sept £m	Variance Sept £m	Variance July £m	Change since July £m
Bereavement	(0.549)	(0.610)	(0.061)	0.005	(0.066)
Fleet Management	0.730	0.727	(0.003)	(0.033)	0.030
Head of Service Environment & Leisure	0.147	0.112	(0.035)	(0.022)	(0.013)
Library & Community Centres	6.152	6.184	0.032	0.108	(0.076)
Sport & Leisure	5.106	5.186	0.080	0.198	(0.118)
Street Environment	9.285	9.409	0.124	0.027	0.097
Waste & Refuse Management	4.345	4.311	(0.034)	(0.034)	0.000
Waste & Recycling Disposal Contracts	12.016	11.228	(0.788)	(0.390)	(0.398)
Street Lighting PFI	5.137	5.137	0.000	0.000	0.000
GRAND TOTAL	42.369	41.684	(0.685)	(0.141)	(0.544)

- 1.6.3 Bereavement is forecasting an underspend of £0.061m, partly due to increased fees and charges from December 2023.
- 1.6.4 Street Environment is forecasting a £0.124m pressure, which is a £0.097m increase on the July position and reflects previously mentioned higher than expected operational costs including essential expenditure on a new ICT system linked to management of the Council's tree stock. In addition, the higher inflationary cost of obtaining materials, equipment or supplies as well as the impact of higher diesel costs for the vehicle fleet across the service are forecast to impact against base budgets resulting in many minor cost pressure variances. Mitigations within the wider Environment service have helped to partly mitigate the pressure in Street Environment.
- 1.6.5 An underspend of (£0.003m) is now forecast in Fleet Management, a worsening of £0.030m since the July Cabinet Report. The forecast assumes the budgeted allocation £1.110m of revenue financing repayment being made linked to the Capital Vehicle Replacement Programme.

- 1.6.6 Sport & Leisure is forecasting a £0.080m cost pressure which is an improvement of £0.118m since the July Cabinet Report. The variance change reflects a less optimistic picture on income generation than previously reported mainly linked to Contours Gym members and users where an income shortfall of £0.100m is now forecast.
- 1.6.7 Libraries & Community Centres is forecasting a £0.032m pressure which is an improvement of £0.076m compared to the July Cabinet Report. The forecast includes £0.160m of mitigations arising from the £0.320m reallocation of Waste & Recycling Disposal underspends. The variance change reflects lower Employee costs forecast with vacant posts unfilled and the use of casual and seasonal employees reducing. The reported Libraries & Community Centre variance includes income shortfall pressures across all the Libraries & Customer First Centres following the removal in recovering Library Fines as well as historic unachievable income targets. The income pressures are proposed to be managed and absorbed by mitigating actions across the service (e.g. reduced discretionary spend and delaying the recruitment of vacant posts where it can) over the course of the financial year. Included within the Libraries & Community Centre forecast is a forecast assumption of £0.802m to be drawn down from Reserves.
- 1.6.8 A combined underspend of £0.822m is forecast in Waste Management and Waste & Recycling Disposal Contracts which is an improvement of £0.398m compared to the July Cabinet Report.
- 1.6.9 Of that forecast, Waste & Recycling Disposal Contracts is reporting a £0.788m underspend which reflects the ongoing underspend from 2022/23 around Kerbside/Home Recycling Disposal costs, which are forecast to be significantly lower than the base budget given the current market rate for recycled materials and subsequent lower disposal gate fee per tonne.
- 1.6.10 At the end of quarter one, 43% of waste recycled, reused and composted was collected, which is consistent compared to the same period during the previous two years.
- 1.6.11 Waste & Refuse Management is forecasting a £0.034m underspend, which can be attributed to a combined forecast overachievement on income of £0.137m across Commercial Waste & Special Collections. The forecast income

mitigates the higher than anticipated operational pressures around fleet/transport costs.

- 1.6.12 Although a nil variance is to be reported on the Street Lighting PFI Contract, the cost pressure against electricity is forecast to increase to £1.777m which, combined with the inflationary cost pressure against the Unitary Charge, requires an anticipated £2.255m Contribution from Reserves.
- 1.6.13 At the end of quarter one, carbon reduction in council service operations have decreased by 58% against the baseline year in 2010/11.

1.7 Regeneration and Economic Development

1.7.1 Regeneration and Economic Development (R&ED) is forecasting an underspend of £0.265m as shown in Table 10 below, which is an improvement of £0.265m since the July Cabinet report.

1.7.2 Table 10: Forecast Variation for Regeneration and Economic Development

Service Areas	Budget	Forecast Sept	Variance Sept	Variance July	Change since July
	£m	£m	£m	£m	£m
Culture	1.628	1.781	0.153	0.153	0.000
Business & Enterprise	0.814	0.685	(0.129)	(0.085)	(0.044)
Regeneration	0.428	0.616	0.188	0.228	(0.040)
Resources & Performance	0.363	0.453	0.090	0.077	0.013
Technical Package - Planning	0.303	0.296	(0.007)	(0.007)	0.000
Technical Package - Transport & Highways	7.847	7.287	(0.560)	(0.366)	(0.194)
GRAND TOTAL	11.383	11.118	(0.265)	0.000	(0.265)

1.7.3 Culture is forecasting a pressure of £0.153m which is no change to the July Cabinet Report. This is due to revised costings for the Mouth of Tyne Festival resulting in a total forecast pressure of £0.093m as a result of increased production costs for the event and ticket sales being below capacity. The precept to Newcastle Council for Tyne & Wear Museums & Archives has an

increased pressure of £0.032m due to increases in staffing costs. The service has seen a number of posts regraded (with pay back dated to April 2022), which has resulted in a staffing pressure of £0.100m across the service for 2023/24. Some of these pressures have been offset by the forecast income from the profits of Whitley Bay Playhouse (£0.060m).

- 1.7.4 The technical package for both Transport & Highways and Planning is forecasting an underspend of (£0.567m) which is as a result of additional staffing costs being expected to be charged into Capital and S278 works currently being undertaken across the service.
- 1.7.5 The forecast pressure within Regeneration is mainly due to an ongoing issue at the former Swans site in relation to costs and income shortfalls relating to the Centre for Innovation (CFI) building which were present during 2022/23 and are expected to continue in 2023/24. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants. There is an improvement since the July report partly due to staffing vacancies not being filled.
- 1.7.6 Resources & Performance is showing an increased pressure of £0.090m due to staffing pressures in the management team following a restructure.
- 1.7.7 Business & Enterprise is forecasting an underspend of £0.129m, which is an improvement of £0.044m since the July report. This is due to spend reductions within the Service.

1.8 Corporate Strategy

- 1.8.1 Corporate Strategy is forecasting a £0.296m pressure, an improvement of £0.031m since the July Cabinet report.

1.8.2 **Table 11: Forecast Variation Corporate Strategy**

Service Areas	Budget £m	Forecast Sept £m	Variance Sept £m	Variance July £m	Change since July £m
Children's Participation & Advocacy	0.475	0.529	0.054	0.062	(0.008)
Community & Voluntary Sector Liaison	0.367	0.367	0.000	0.000	0.000
Corporate Strategy Management	0.736	0.944	0.208	0.217	(0.009)
Elected Mayor & Executive Support	0.043	0.047	0.004	(0.001)	0.005
Marketing	0.445	0.383	(0.062)	(0.069)	0.007
Policy Performance and Research	0.250	0.342	0.092	0.118	(0.026)
GRAND TOTAL	2.316	2.612	0.296	0.327	(0.031)

- 1.8.3 Children's Participation & Advocacy is overspent by £0.054m, an improvement of £0.008m since the July Cabinet Report. This is due to the net impact of additional unfunded posts linked to Social Inclusion activities and demands which is anticipated to result in a £0.316m Employee/Staffing cost pressure being forecast, with partially mitigating income from external and internal sources identified. Approved 2023/24 revenue growth of £0.104m has been allocated and been absorbed with the staffing cost pressure. £0.080m of income/staff time recharged from the Holiday Activities Fund is included in the variance together with additional income recharges for staff time and services delivered. A restructure in the participation and social inclusion teams has resulted in a saving of £0.05m.
- 1.8.4 An overspend of £0.208m is forecast against Corporate Strategy Management which reflects a £0.107m underachievement against a cross service income target (assuming no income generation will occur). Included in the forecast variance is a £0.050m mitigation linked to the Secondment of the Director to the North East Mayoral Combined Authority. Also included within the overall forecast is a £0.082m cost pressure linked to 2 Customer Service Programme posts which aren't funded.
- 1.8.5 There is a £0.114m staff cost pressure forecast in Marketing (a result of increasing capacity within the team and the regrading of existing posts),

which is partially mitigated by reduced spend/income overachievement. Included within the Employee cost pressure, staff will receive a 'Standby' payment (on a call out rota basis) to cover Emergency Planning/unsocial call out Marketing & Public Relations activities when required is likely to be a £0.010m annual pressure in 2023/24 going forward. Following the Graphics Team transfer back in house from Equans, included in the forecast variance is a 0.100m mitigation linked to Income Recharges.

- 1.8.6 Within Policy Performance and Research, a number of staff are paid through ring-fenced budgets and through Service Level Agreements with other services or schools. Together with capacity issues over the last couple of years, plus increased hours as well as unfunded posts to meet cross service demands, a significant staffing cost pressure exists which contributes to the £0.092m adverse variance being reported. Approved 2023/24 revenue growth of £0.046m has been allocated and been absorbed within the staffing cost pressure. A reduction in staff recharge and grant income is also forecast and contributing to the adverse variance. The improvement of £0.026m since the July Cabinet report is due to vacancies not being filled and the replacement of a full time post with a part time post.
- 1.8.7 A range of key performance measures have been agreed for the service looking at important areas such as complaints and member enquiries. Future versions of this report and the performance dashboard will include updates of how the Authority is performing against each of these.

1.9 **Resources and Chief Executive Office**

- 1.9.1 This report shows the forecast position for the full Resources directorate and the Chief Executive Office, which is showing a pressure of £0.774m, which is an improvement of £0.184m since the July Cabinet Report.

1.9.2 Table 12: Forecast Variation Resources and Chief Executive

Service Areas	Budget £m	Forecast Sept £m	Variance Sept £m	Variance July £m	Change since July £m
Chief Executive	(0.100)	(0.118)	(0.018)	(0.013)	(0.005)
Finance	(0.164)	(0.100)	0.064	(0.242)	0.306
IT	2.824	2.377	(0.447)	0.000	(0.447)
People Team	0.057	0.040	(0.017)	(0.040)	0.023
Internal Audit and Risk Management	0.052	0.037	(0.015)	0.003	(0.018)
Revenues and Benefits	0.494	0.448	(0.046)	0.000	(0.046)
Director of Resources	0.167	0.198	0.031	0.031	0.000
Governance	0.175	0.174	(0.001)	0.032	(0.033)
Law and Registration	1.233	2.456	1.223	1.187	0.036
Business Package Holding Codes	0.000	0.000	0.000	0.000	0.000
GRAND TOTAL	4.738	5.512	0.774	0.958	(0.184)

1.9.3 Law & Registration is forecasting a pressure of £1.223m, an increase of £0.036m since the July Cabinet Report. While the service (Legal) has implemented a new structure to mitigate the use of Locums and reduce the cost pressures in the service, with recruitment underway, the use of Locums is still required until the structure is fully resourced. This has resulted in a forecast pressure of £0.622m on locums, which is partially offset (£0.197m) by the vacancies within the team which is a decrease of £0.043m since the last Cabinet report due to the appointment of full-time positions releasing the requirement for locums in these posts. The responsibility of legal fees for Childrens Services cases transferred into the team from 1st April 2023 and is forecasting a pressure of £0.134m, alongside a legal fees pressure of £0.086m for services delivered for other parts of the business. It is expected that this pressure will reduce once the new restructure is fully implemented. Within the new combined Newcastle & North Tyneside Coroner Service there is a £0.511m overspend to deliver the Service due to increased costs from all areas of the service (NHS, Partner Local Authority, Funeral Directors, Doctors) arising from increased activity levels which are outside of the control of the Authority, which we are working closely with Newcastle Council to monitor. Since the July Cabinet report there has also been an increase of £0.064m in the rent

and service charges the service pays for the Stagline (Registrars) Building for the current and previous year. These increases are partially offset by increased income of £0.015m within Land Charges and Legal Services.

- 1.9.4 Within Finance there is a reported pressure of £0.064m which is an increase of £0.306m since the July Cabinet report. This is due to the transfer of New Burdens funding to Revenues and Benefits of £0.185m, increased External Audit costs of £0.100m which are partially offset by an increased Government Grant of £0.040m. Increased costs of £0.214m within Income Management are continuing, these pressures are being offset by current vacancies and increased income for recharges of staffing.
- 1.9.5 Within IT there is an underspend of (£0.447m), an improvement of (£0.447m) since the July Cabinet report. This is partly due to vacancies and the realignment of the contracts within the service.
- 1.9.6 Revenues and Benefits is forecasting an underspend of (£0.046m). This is following application of new burdens grant funding and pension cap and collar income. The main pressures mitigated by these sources of funding are:
- Overpayment income recovery is forecast to under recover by £0.458m against targets due the ongoing reduction in Housing Benefit claimants caused by the ongoing move to Universal Credit (UC) which has resulted in reduced overpayments being made to claimants and as a result less are also requiring recovery, therefore, less income is being raised against the current target. The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues;
 - The overpayment income pressure is partially offset (£0.201m), by an in-year reduction in the Bad Debt Provision requirement. This is due to the overall value of Overpayment Debt reducing as a result of both the ongoing collection of the current debt and the reduction in new debt being raised, which has reduced the provision that is required against the outstanding debt (90% of overall debt).
 - The Benefits subsidy grant is showing a net underspend of £0.005m. However, the good performance overall for subsidy is masking a situation regarding lost subsidy for Housing Benefit on Bed & Breakfast Accommodation for Homeless Persons. This area is forecast to have a pressure of £0.201m for the year due to the increased demand and also the increased cost of bed and breakfast accommodation, which is above the limit subsidy can be claimed on, therefore, the Local Authority has to

fund the balance. Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.

These pressures are being offset by New Burdens Funding (£0.185m), which was previously forecast against the Finance service.

1.9.7 The proportion of council tax collected is consistent with last year at 53% at the end of September. At the end of 2022/23, collection was slightly lower than national performance. Business rates collection performance is showing significant improvement. 55.9% of business rates has been collected at the end of September. At the end of 2022/23 local performance was in line with national performance.

1.10 General Fund Housing

1.10.1 General Fund Housing is reporting a forecast £0.500m pressure, which is an improvement of (£0.151m) since the July Cabinet Report.

1.10.2 Table 13: Forecast Variation for General Fund Housing

Service Areas	Budget	Forecast Sept	Variance Sept	Variance July	Change since July
	£m	£m	£m	£m	£m
Building Control	0.108	0.057	(0.051)	0.000	(0.051)
Housing Strategy	0.535	0.535	0.000	0.000	0.000
Housing Options – General Fund	0.453	0.453	0.000	0.000	0.000
Housing Operations – General Fund	0.027	0.027	0.000	0.000	0.000
Housing Property – General Fund	1.200	1.751	0.551	0.651	(0.100)
GRAND TOTAL	2.323	2.823	0.500	0.651	(0.151)

1.10.3 The main overspend is in Housing Property – General Fund and is due to ongoing cost pressures, as seen during 2022/23, and the continuation of large jobs that are coming through the Public Buildings Repairs team, which is resulting in a £0.700m pressure in this area. The team are working to reduce

this across 2023/24, but the service is very much demand led. This pressure is partially offset by a forecast underspend of £0.050m within the General Fund side of Adaptations, through increased income for private sector and Disabled Facilities Grant work.

- 1.10.4 The other area of concern within the Housing General Fund currently is the level of spend in relation to temporary B & B and hotel accommodation. There has been a significant increase in the numbers of cases requiring temporary accommodation with over £0.500m being spent in 2022-23, of which only around £150k was recovered via benefits. In order to address the pressure in 2022-23 a significant amount of homelessness prevention grant funding was allocated to cover the shortfall. There is now an officer working group in place looking at options to try and mitigate some of these costs, but this will result in cost avoidance rather than savings as the current position is not a direct pressure. This could change of course if available grant funding streams were to reduce or disappear.
- 1.10.5 Building Control has seen an improvement of (£0.051m) since the July Cabinet report due to increased fee earning.
- 1.10.6 With regards to key performance measures in the Service the Affordable homes programme is on track against profiled target, with 2,348 homes delivered to the end of quarter 2.
- 1.10.7 Homeless presentations to the Authority remain high at the end of September 2023 (1,454 against 1,237 at the same period last year), however the proportion of priority homeless acceptances are consistent with previous years at 5%.

1.11 Central Items

- 1.11.1 Central Items is forecasting a (£5.788m) underspend which is an improvement of (£1.047m) since the July Cabinet report.

1.11.2 Table 14: Forecast Variation Central Budgets and Contingencies

Service Areas	Budget	Forecast Sept	Variance Sept	Variance July	Change since July
	£m	£m	£m	£m	£m
Corporate & Democratic Core	3.241	1.918	(1.323)	(1.323)	0.000
Other Central Items	(12.978)	(17.443)	(4.665)	(3.418)	(1.047)
GRAND TOTAL	(9.737)	(15.525)	(5.788)	(4.741)	(1.047)

1.11.3 Within Corporate and Democratic Core there is a £1.174m contribution of growth (from contingencies) to support inflationary pressures across the Authority.

1.11.4 Included in Other Central Items is a £2.115m movement as a result of Minimum Revenue Provision (MRP) savings and a £1.000m reduction in projected external interest charges primarily due to a higher than forecast cash balance and reprogramming of the 2022/23 Investment Plan. There is an allocation of £0.925m Section 31 Grant and a £0.539m contribution from the Business Rates Volatility Fund, all which contribute to the £4.665m variance and mitigate overspends.

SECTION 2 – SCHOOLS FINANCE

2.1 Update on School Budgets 2023/24

- 2.1.1 Cabinet will recall that the overall level of school balances at the end of March 2023 was (£0.382m) compared to £3.398m as at March 2022. This represented a decrease in balances of £3.780m.
- 2.1.2 Schools are in the process of completing the first set of monitoring for 2023/24 and excellent progress is being made.

2.2 National Funding Formula Consultation for 2024/25

- 2.2.1 The method for allocating funding to schools is still set by a Local Funding Formula (LFF), though DfE are considering making their National Funding Formula (NFF) mandatory in the future. For 2023/24, North Tyneside consulted with Schools Forum to adopt the NFF factors in their LFF.
- 2.2.2 On Friday 6th October the Department for Education (DfE) published revised provisional funding allocations for 2024 to 2025 for the Schools National Funding Formula (NFF). In relation to those changes the following announcement was made:-

“The department published the schools NFF for 2024 to 2025 in July. However, the department uncovered an error made by DfE officials during the initial calculations of the NFF. Specifically, there was an error processing forecast pupil numbers, which means that the overall cost of the core schools budget would be 0.62% greater than allocated. The department therefore issued new NFF allocations to correct that error while continuing to deliver, in full, the £59.6 billion core schools budget that has been promised.

The department apologises for this error. The Secretary of State has asked the Permanent Secretary to conduct a formal review of the quality assurance process surrounding the calculation of the NFF, with independent scrutiny. Improvements have already been identified to ensure similar mistakes are not repeated in the future.”

- 2.2.3 The above DfE error reduced the indicative funding previously shared with North Tyneside Schools by £1.300m.

2.2.4 For 2024/25, the Authority asked Schools Forum to consider modelling a potential option to transfer funding from Schools Block to High Needs. Guidance states that a local authority can transfer up to 0.5% with agreement from the local Schools Forum. The request was to transfer £0.751m as detailed in the DSG Management Plan, which equated to 0.48%. If Schools Forum do not agree to the transfer, a disapplication request will be considered by the DFE in-line with the DSG Management Plan.

2.3 School Deficits

2.3.1 Cabinet will recall from the previous finance updates that some individual schools expected to face significant financial challenges throughout 2023/24. During the year, the Authority and Cabinet will continue to pay particular attention to those schools.

2.3.2 There are 14 schools identified with planned deficits in 2023/24 and deficit clinics continue from those held in July and are ongoing throughout October / November.

2.3.3 Table 15: Schools in an Expected Deficit Position 2023/24

	Outturn 2022/23	Budget Plan 2023/24	Recovery Plan Updates
	£m	£m	
Benton Dene	(0.018)	0.022	Back into balance by 2024/25
Forest Hall	0.013	0.052	Confirming revised position
Greenfields	0.078	0.041	Back into balance by 2024/25
Whitehouse Primary	0.044	0.008	Requested SRMA visit
Silverdale	0.044	0.079	Requested SRMA visit
Monkseaton High	5.546	6.128	Structural review required
Coquet Park	0.051	0.157	Confirm status
Holystone	0.133	0.129	Back into balance 2025/26
Balliol Primary	0.097	0.125	Confirming revised position
Wallsend St Peter's	0.092	0.113	Requested SRMA visit

Ivy Road Primary	0.149	0.164	Deficit recovery plan in place
Longbenton High	1.697	1.510	Deficit recovery plan in place
Norham High	3.984	4.352	Requested SRMA visit
Beacon Hill	1.232	1.946	Separate review of SEN provision
Total	13.142	14.826	

2.3.4 The Education and Skills Funding Agency (ESFA) have offered further support to schools in the form of School Resource Management Advisors (SRMAs). Four of the deficit schools above who weren't part of the first year of SRMA reviews are awaiting visits. The SRMAs will work through the schools' finances and management structure to then provide a report to these schools and the Authority after the autumn term.

2.4 Schools in Financial Difficulty

2.4.1 The opening balance for de-delegated funds for Schools in Financial Difficulty funding in 2023/24 was £0.578m. This balance will be available to fund applications which have been submitted by schools and considered by Schools Forum Finance Sub-Group. Recommendations submitted by the Sub-Group for approval to Schools Forum total £0.419m.

2.4.2 The Authority has also been allocated £1.868m by the Department for Education (DfE) from its funding to support schools in financial difficulty in 2023/24. An additional £20m has been provided nationally for maintained schools and officers are currently identifying the most appropriate application of this allocation for schools in the borough.

2.4.3 The DfE are providing £20 million to local authorities who have the most significant maintained school deficits. This funding has been allocated proportionately among local authorities who have aggregated school-level deficits which represent more than 1% of their total maintained schools' income

2.5 High Needs Block

2.5.1 The forecast for the High Needs Block as at September 2023 is now an anticipated in-year pressure of £2.832m reflecting continued demand for

special school places within the Authority leading to a cumulative deficit position of £10.474m which is in-line with the DSG Management Plan. A breakdown of the in-year pressure is shown in Table 18.

2.5.2 Table 16: Breakdown of High Needs Pressure at September 2023

Provision	Budget £m	Sept 23 Forecast £m	Forecast Variance £m
Special Schools and PRU	22.388	22.697	0.309
ARPS /Mainstream Top-ups	6.065	5.880	(0.185)
NMSS/ISP	4.305	4.328	0.023
Commissioned Services / Other EOTAS	3.160	3.177	0.017
Provision for unknown requests	0.000	0.092	0.092
TOTAL	35.918	36.174	0.257
DSG High Needs Funding	(33.606)	(33.342)	0.264
In-Year Planned Deficit	2.311	2.832	0.521
2022/23 Bal B/F	10.112	9.592	(0.521)
Safety Valve Funding 23/24	(1.950)	(1.950)	0.000
Deficit C/F to 24/25	10.474	10.474	0.000

2.6 Safety Valve Intervention Programme

- 2.6.1 As previously reported, the Authority submitted the second report against the DSG Management Plan on 15th September 2023 to the Department for Education (DfE) and is on track to reach a positive in year balance on its DSG High Needs Block by the year end 2027/28, as shown in Table 17.
- 2.6.2 At the end of September, there are 2,126 Education Health and Care Plans maintained, by the authority, which is on track against the DSG management plan. The rate of EHCPs per population is showing improvement but remains higher than national rates. There are also 4,021 pupils with SEN Support, which is increasing.

2.6.3 Table 17: High Needs Block Financial Summary

Year	Balance B/F £m	High Needs Expenditure (incl. Growth & Mitigations) £m	High Needs Funding £m	Block Transfer £m	Safety Valve Funding £m	Balance C/F £m
2022/23	13.511	33.973	(30.092)	0.000	(7.800)	9.592
2023/24	9.592	36.430	(33.606)	0.000	(1.950)	10.466
2024/25	10.466	36.064	(34.614)	(0.751)	(1.950)	9.215
2025/26	9.215	36.566	(35.653)	(0.766)	(1.950)	7.412
2026/27	7.412	37.112	(36.722)	(0.781)	(1.950)	5.071
2027/28	5.071	37.429	(37.824)	(0.797)	(3.900)	(0.021)

2.7 Early Years Block update

- 2.7.1 Cabinet will recall, the Early Years block outturn for 2022/23 was a surplus of £0.337m. In the 2023 Spring Budget the DFE announced additional funding to increase the hourly funding rates for early years providers to deliver the existing early years entitlements. For 2023 to 2024 this funding will be known as the Early Years Supplementary Grant (EYSG).
- 2.7.2 In setting the local funding rates for distributing EYSG to providers, the DFE encourage local authorities to engage with early year providers about the additional funding, but local authorities will not be required to consult formally. For 2024 to 2025, the additional £288m will be allocated to local authorities through the DSG.

SECTION 3 – HOUSING REVENUE ACCOUNT

3.1 Forecast Outturn

3.1.1 The forecast set out in Table 20 below is based on the results to the end of September 2023. Currently the Housing Revenue Account (HRA) is forecasting an in-year underspend of £0.070m. Throughout the year, costs are being monitored closely across all areas with additional focus on Rent Arrears and the effect this has on bad debt provision. In addition, changes to prudent assumptions around Rental Income, Council Tax voids, Contingency and staffing vacancies are being monitored to assess the impact on the forecast position. The main areas of pressure relate to utility costs across the sheltered estate, and the forecast impact of the tabled 2023/24 pay award due to be at least at the same level as last year overall, which is greater than was budgeted for in the HRA Business Plan. The Repairs budget continues to manage the impact of the cost-of-living crisis and the impact on material and sub-contractor costs, as well as the impact of the pay award mentioned above, however, at the current time this budget is still forecast to come in on budget overall.

3.1.2 Table 18: Forecast Variance Housing Revenue Account

	Budget £m	Current Forecast £m	Variance £m
Management – Central	2.133	2.146	0.013
Management – Operations	5.528	5.710	0.182
Management – Strategy & Support	4.033	4.242	0.209
Capital Charges – Net Effect	11.074	11.074	0.000
Contingencies, Bad Debt & Transitional Protection	2.253	2.253	0.000
Contribution to Major Repairs Reserve – Depreciation	14.220	14.220	0.000
Interest on Balances	(0.075)	(0.285)	(0.210)
PFI Contracts – Net Effect	2.143	2.143	0.000
Rental Income – Dwellings, Direct Access Units, Garages	(66.978)	(67.242)	(0.264)
Rental Income – HRA Shops and Offices	(0.426)	(0.426)	0.000
Revenue Support to Capital Programme	11.609	11.609	0.000
Repairs	14.869	14.869	0.000
Total	0.383	0.313	(0.070)

3.2 Rental Income

3.2.1 Rental Income overall across all areas is currently forecast to be better than budget (£0.264m), a small improvement against an overall £67m budget. This is helped by the level of Empty Homes continuing to trend at well below 1% which increases the level of rent that is collectable. Right to Buy (RTB) levels have shown a slight reduction against recent trend levels, which is not totally surprising in the current economic climate, and this will have benefitted the forecast position slightly. The impact of Universal Credit on arrears and the bad debt provision also continues to be closely monitored.

3.3 Management Costs

3.3.1 Management Costs are currently forecast to come in £0.404m above budget, and this is due to a combination of issues, namely the 2023/24 tabled pay award being higher than the pay contingency budgeted for, and the other main pressure relates to the cost-of-living crisis and increased energy costs particularly across sheltered schemes and communal areas of apartment blocks across the rest of the housing estate. These significantly increased costs will necessitate a fundamental further review of service charges and a potential rebasing of those budgets. In addition, the Unified System project has reached contract sign-off, and the project will now move on to implementation. Should any delays occur, reprofiling of when key spend and resources will happen may be necessary, but the budgets provided should be sufficient this year to cover anticipated costs.

3.4 Bad Debt Provision and Contingency

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

3.5 Repairs

- 3.5.1 The Housing Repairs budget continues to deal with inflationary and supply pressures, mainly caused by the current economic instability being experienced across the world. Although starting to ease slowly in the domestic market (overseas prices continue to be at a premium), the current rates of inflation in material and sub-contractor prices, plus difficulty accessing certain materials and services within the supply chain continue to challenge the service.
- 3.5.2 Issues also continue in recruiting to certain trades which then places more reliance on sub-contractors and agency staff. Additional funding has been provided to cover market supplement payments and revised Craft Agreement reviewed rates of pay moving forward.
- 3.5.3 In addition to this, the Authority continues to deal with the implications of the Social Housing (Regulation) Act 2023, which arose from the Housing White Paper produced following the Grenfell Disaster, such as installing carbon monoxide detectors in all properties, and more frequent periodic electrical testing, for which some additional funding has again been provided.
- 3.5.4 The main in-year pressure, however, relates to the tabled 2023/24 pay award which will be as a minimum in line with last year's settlement, which is above the level budgeted for in pay contingency which was 3%. This means a much larger proportion of repairs contingency provision has already been committed to known spend. As the forecast currently stands, it is anticipated that the in-year pressures will be covered within overall existing budgets, but as always this will depend on a range of factors including not having extreme adverse weather conditions during the winter months.

3.6 Rent Arrears and Bad Debt Provision

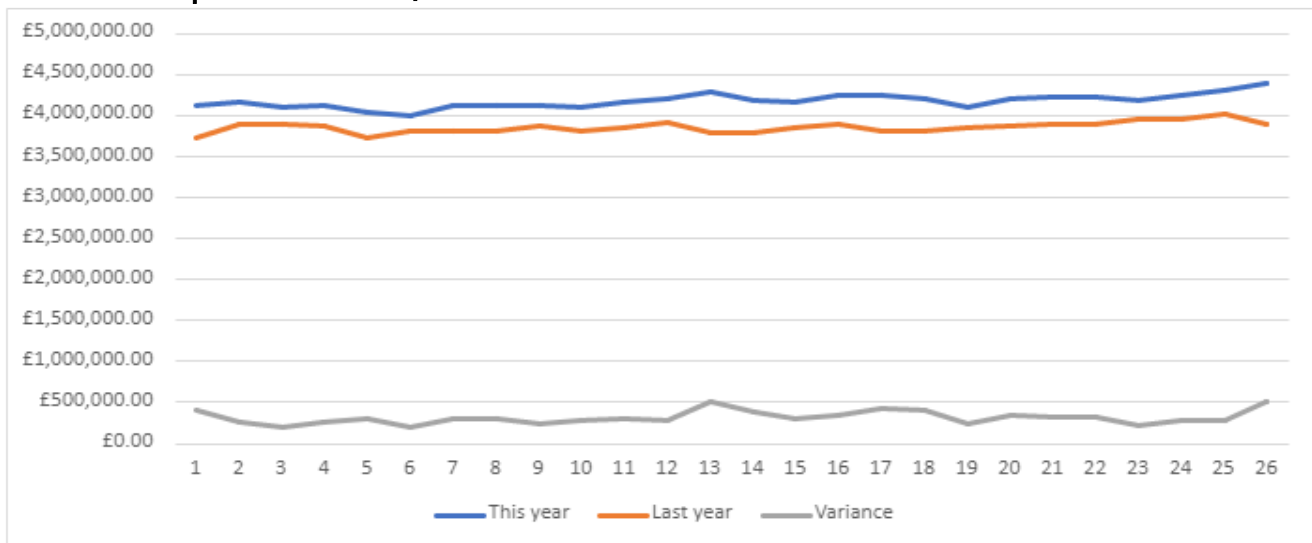
- 3.6.1 Arrears are made up of two elements:
- Current Tenant Arrears and,
 - Former Tenant Arrears

3.6.2 Table 19: Rent Arrears

Date	Current Arrears	Former Arrears	Total Arrears	Change Year on Year
	£	£	£	£
31/03/2019	2,649,474	1,726,269	4,375,743	627,000
31/03/2020	3,162,030	2,137,477	5,299,507	923,764
31/03/2021	3,498,391	2,311,655	5,810,046	510,539
31/03/2022	3,694,219	2,461,646	6,155,865	345,819
31/03/2023	3,929,813	2,370,591	6,300,404	144,539
30/09/2023(to-date)	4,391,475	2,285,348	6,676,823	376,419

- 3.6.3 Arrears continue to rise each year but significantly the pace at which they have increased over the last three years has slowed compared to the three prior years, which is encouraging, particularly given the difficulties created during the pandemic. Write Offs are partly responsible for the reduction in former arrears. The overall level of arrears is still significant at over £6.670m and has more than doubled in the last eight years.
- 3.6.4 Chart 5 below shows the value of current rent arrears in 2023/24 at the end of September 2023 compared to the same period in 2022/23. The Housing team is continually working proactively with tenants to minimise arrears. Current Rent Arrears have risen albeit gradually in the first six months of 2023/24 as compared to 2022/23, with an increase of £0.376m being seen in this period since the start of April 2023. There was an under-spend against bad debt provision in 2022/23 for the third year in a row, hence there only being a minimal increase in the budget for this year, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted provision made. This will also be impacted by the amount of debt written off. This will all help to inform the in-year monitoring position as we go but also will be pivotal in refreshing the HRA Business Plan for the 2024/25 budget round.

3.6.5 Chart 5: Current Rent Arrears in Weeks 1-26 (April-September) 2023/24 compared to 2022/23



3.6.6 Universal Credit (UC) was fully implemented for all new tenants across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. On 31 March 2023, there were 3,949 tenants of North Tyneside Homes on UC with current arrears totalling £3.210m. By the end of September 2023 this had increased to 4,415 UC cases with arrears of £3.672m, which is an increase of 466 tenants and £0.462m of arrears from the beginning of the financial year. As always, the impact of UC continues to be monitored, as significant increases in numbers on UC could also adversely affect the rate at which arrears grow. The extra pressure from increased numbers of UC cases can be seen from table 21 below, which shows the change in the proportion of the overall debit that is now cash based, rather than being covered by direct payment of Housing Benefit.

3.6.7 Table 20 – Proportion of Rent Debit met by Housing Benefit

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

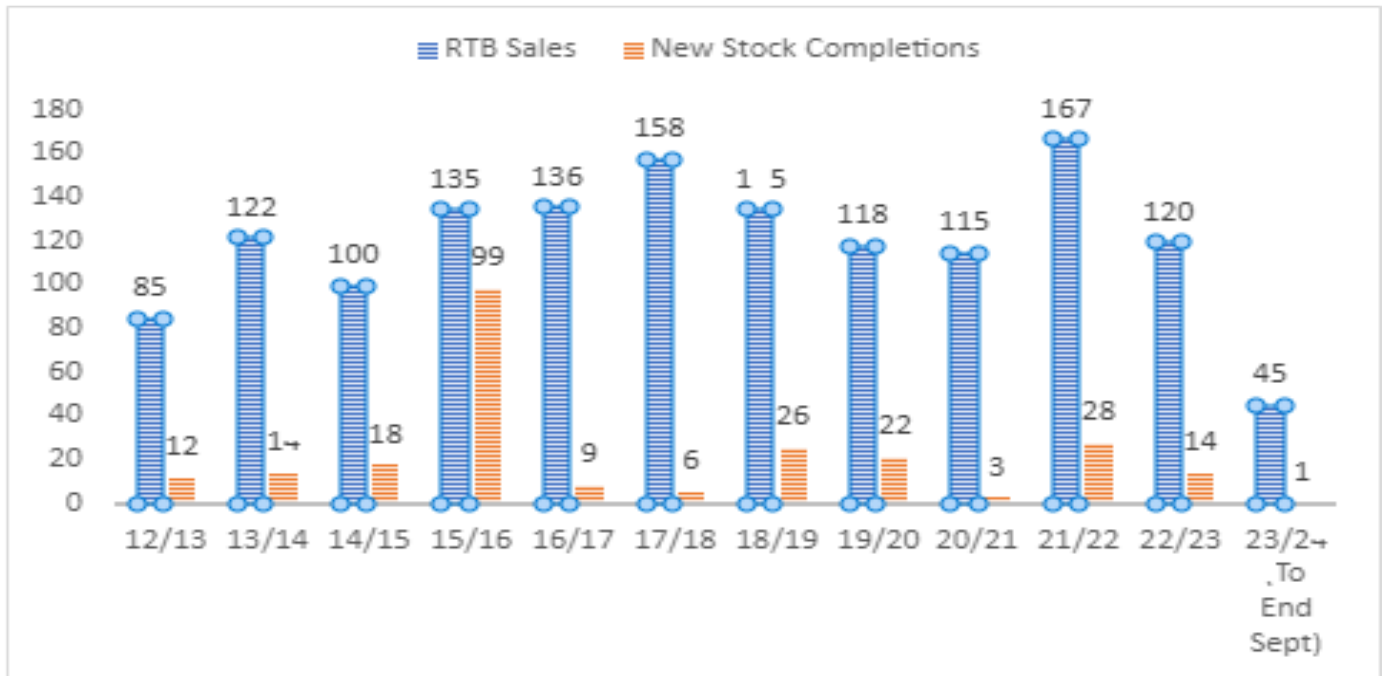
3.6.8 The main mechanism for helping to manage arrears is the Bad Debt Provision (BDP), which at the start of 2023/24 stood at £5.207m on the HRA Balance Sheet with the budget for the 2023/24 contribution at £0.772m. As alluded to above in 3.4 currently Bad Debt Provision is forecast to come in on budget,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

3.7 Right to Buy (RTB) Trends

3.7.1 The impact of RTB is critical to long-term planning for the HRA. Prior to the introduction of self-financing in 2012, average RTB sales had dropped to around 25 per annum, mainly due to the capped discount (£0.022m) which had remained static as property values had increased, making RTB less attractive financially to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £0.075m and then subsequently annual inflation was added to the maximum. Chart 8 below shows the trend in RTB sales since that time. The first six months of 2023/24 saw 45 completed RTB sales, which is slightly lower than previous years, including 2021/22 where the Authority saw the highest number of RTB sales at 167 since the changes were introduced in 2012. It is just possible that impending changes in the mortgage market may curtail sales slightly, but as always trends will need to be closely

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

3.7.2 Chart 6: Yearly RTB Sales v New Stock Additions



SECTION 4 – INVESTMENT PLAN

4.1 Review of Investment Plan

- 4.1.1 The Authority’s Investment Plan represents the capital investment in projects across all Service areas. The Investment Plan is subject to ongoing review and challenge. During July a series of challenge sessions were held with project managers and Directors to understand the latest position on delivery and associated risks. Whilst there are indications that inflationary pressures are beginning to ease, continuing challenges remain within the supply chain and costs remain at a heightened level.
- 4.1.2 The Authority continues to manage project expenditure within existing budgets where possible; reprofiling spend, undertaking value engineering or reducing scheme scoping where the impact on the project output is minimal or represent greater value for money. Any request to utilise contingencies to meet unavoidable additional costs will be reviewed on a case-by-case basis.
- 4.1.3 As detailed within the main report the Authority is currently facing significant budget pressures across the General Fund to balance the budget. An investment plan, in particular which requires borrowing or an increase in borrowing may have an impact on the revenue budget to finance borrowing.
- 4.1.4 A rising rate interest environment has an impact on the investment plan. At the Bank of England’s Monetary Policy Committee (MPC) meeting ending on 20 September 2023, the MPC voted by a majority of 5–4 to maintain Bank Rate at 5.25% further details within section 5 (Treasury Management Position) of this report.

4.2 Variations to the 2023–2028 Investment Plan

- 4.2.1 £1.606m of variations to the 2023–2028 Investment Plan have been identified as part of the ongoing monitoring of the Investment Plan, there is no reprofiling identified as part of the September monitoring. These are summarised in tables 22 and 23 below. Further details of the key changes impacting on the current financial year are provided within this section of the report. The variations relating to future years are primarily relating to the refresh of the Investment Plan and new funding awards secured by the Authority, in addition to the report to Council on 16 February 2023.

4.2.2 Table 21: 2023 – 2028 Investment Plan changes identified

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Approved Investment Plan – Council 16 February 2023	95.762	58.864	50.055	53.775	53.884	312.340
Previously Approved Reprogramming/Variations						
2022/23 Monitoring	6.273	(0.697)	0.000	0.000	0.000	5.576
2022/23 Outturn	11.572	0.000	0.000	0.000	0.000	11.572
2023/24 Monitoring	(0.880)	16.838	0.083	0.000	0.000	16.041
Approved Investment Plan	112.727	75.005	50.138	53.775	53.884	345.529
September 23 Monitoring Variations						
Variations	(1.606)	1.265	0.000	0.000	0.000	(0.341)
Reprogramming	0.000	0.000	0.000	0.000	0.000	0.000
Total Variations	(1.606)	1.265	0.000	0.000	0.000	(0.341)
Revised Investment Plan	111.121	76.270	50.138	53.775	53.884	345.188

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

2023/24 Variation	Scheme / Project
(£1.959m)	<p>DV066 Investment in North Tyneside Trading Co</p> <ul style="list-style-type: none"> Given there are no active development schemes for the trading company it is proposed to remove the allocation from the Investment Plan to fund other priorities. Future Trading Company investment proposals and projects will be subject to a new business plan and Gateway request.

£0.167m	<p>BS026 Asset Planned Maintenance</p> <ul style="list-style-type: none"> • Works required to upgrade the water supply to St Mary’s Island to be undertaken within 2023/24, utilising resources from the contingency (GEN03). • The proposed investment will also include £0.630m of works to St Mary’s Lighthouse in 2024/25.
£0.119m	<p>CO0079 Play sites</p> <ul style="list-style-type: none"> • Section 106 investment to carry out improvements to play equipment, safer surfaces and ancillaries to the existing play facilities within Richardson Dees Park. • The proposed investment will also include £0.100m in 2024/25.
£0.100m	<p>BS033 Changing Places Facilities</p> <ul style="list-style-type: none"> • Additional grant funding to install modular units at The Rising Sun Countryside Centre and Richardson Dees Park. Changing places funding is to install life-enhancing changing places facilities in public places.
£0.052m	<p>ED132 School Capital Allocation</p> <ul style="list-style-type: none"> • Following the confirmation of the grant allocation from Education Skills & Funding Agency, this approval aligns the Investment plan for 2023/24 with the grant funding allocation.
£0.052m	<p>CO102 The Parks Artificial Pitch Improvements</p> <ul style="list-style-type: none"> • Works to improve the sports pitches at The Parks Leisure Centre, including the addition of ball netting to the external sport pitches. Funded wholly from Section 106 developer contributions.
£0.030m	<p>DV084 North-West Waggonways/Parks</p> <ul style="list-style-type: none"> • The North-West Area (NW) Plan seeks to improve connectivity, enhance existing green space, and invest in local community assets. The NW Area Plan forms part of the Ambition for North Tyneside regeneration strategy Proposals for the North West include: • Improvements to Killingworth Lake Park include building on and enhancing current facilities within Killingworth Lake Park, with a new MUSA, improved parking areas, a café hub, tree management, biodiversity enhancements, entrance/gateway features, and footpath/ cycle route improvements that address residual drainage issues and connectivity. • Improvements to the (NW) Wagonways to undertake ecology enhancements. Initial proposals include new wetland woodland and grassland habitats, within the designated green space of

	<p>Weetslade Country park, along the section of the Waggonway route between Seaton burn and Weetslade Country Park carpark.</p> <ul style="list-style-type: none"> Plans for the remodelling of Keegan Park and Killingworth lake park, these are being developed in accordance with the needs of Community Protection. Environmental and ecological enhancements as set out within the green space strategy. The proposals to improve these, will be identified during the development of the Village Plans The proposed investment will include £0.535m to be delivered in 2024/25
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4.3 Capital Financing

4.3.1 The impact of the changes detailed above on capital financing is shown in table 22 below.

4.3.2 Table 22: Impact of variations on Capital financing

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Approved Investment Plan	112.727	75.005	50.138	53.775	53.884	345.529
Council Contribution	(1.959)	0.000	0.000	0.000	0.000	(1.959)
Grants and Contributions	0.353	0.635	0.000	0.000	0.000	0.988
Contribution from Reserves	0.000	0.000	0.000	0.000	0.000	0.000
HRA Grants & Contributions	0.000	0.000	0.000	0.000	0.000	0.000
HRA Major Repairs Reserve	0.000	0.000	0.000	0.000	0.000	0.000
Total Financing Variations	(1.606)	0.635	0.000	0.000	0.000	(0.971)
Revised Investment Plan	111.121	75.640	50.138	53.775	53.884	344.558

4.4 Capital Receipts – General Fund

4.4.1 There is no change to the General Fund capital receipts position from the previous report in September 2023. The balance brought forward at 1 April

2023 was £3.227m. The capital receipts requirement for 2022/23, approved by Council in February 2023, was £1.417m (2023-2028 £1.417m). To date £5.298m of capital receipts have been received in 2023/24. The receipts position is detailed in table 23 below.

4.4.2 Table 23: Capital Receipt Requirement – General Fund

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

4.5 Capital receipts – Housing Revenue Account

4.5.1 Housing Capital Receipts brought forward at 1 April 2023 were £12.961m. The housing receipts are committed against projects included in the 2023-2028 Investment Plan. The approved Capital Receipt requirement for 2023/24 was £3.941m. To date, receipts of £2.404m have been received in 2023/24. In total, subject to future pooling, this leaves a surplus balance of £11.424m to be carried forward to fund planned investment in future years.

4.5.2 Table 24: Capital Receipt Requirement - Housing Revenue Account

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Requirement reported to July 2023	3.941	2.170	2.153	1.060	1.202
Variations to be reported to Jun 2023 Cabinet	0.000	0.000	0.000	0.000	0.000
Revised Requirement	3.941	2.170	2.153	1.060	1.202
Receipts Brought Forward	(12.961)	(11.424)	(9.254)	(7.101)	(6.041)
Receipts Received 2022/23	(2.404)	0.000	0.000	0.000	0.000
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
(Surplus)/ Balance To be generated to fund future years (subject to further pooling)	(11.424)	(9.254)	(7.101)	(6.041)	(4.839)

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

4.6 Investment Plan Monitoring Position to 30 September 2023

4.6.1 Actual expenditure for 2023/24 in the General Ledger was £34.643m; 31.18% of the total revised Investment Plan at 30 September 2023.

4.6.2 Table 25: Total Investment Plan Budget & Expenditure to 30 September 2023

	2023/24 Approved Investment Plan £m	Actual Spend to 30 September 2023£m	Spend as % of revised Investment Plan %
General Fund	78.188	21.665	27.71%
Housing	34.539	12.978	37.57%
TOTAL	112.727	34.643	30.73%

SECTION 5 – TREASURY MANAGEMENT & CASH POSITION

5.1 Current Cash Position

5.1.1 The Authority's current available cash balance as at the end of September 2023 is £22.580m, with £15.000m invested externally with other UK Local Authorities or institutions. All investments are made in line with the approved Treasury Management Strategy.

5.1.2 Table 26: Investment Position as at 30 September 2023

Counterparty	Type	Amount (£m)	Maturity
DMO	Term	20.250	1 October 2023
Barclays	Call	1.238	n/a
Other LA	Fixed	10.000	09 February 2024*
Fixed Deposits	Fixed	5.000	October 2023

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

5.1.3 At its meeting ending on 2 November 2023, The Bank of England's MPC voted 6-3 that the Bank Rate should remain unchanged at 5.25%. The latest MPC projections suggest Bank rate remains at 5.25% until 2024 Q3, before tracking downwards to 4.25% by the end of 2026.

5.1.4 Twelve-month CPI inflation fell from 6.8% in July to 6.7% in both August and September. CPI inflation remains well above the 2% target. The Bank forecasts inflation fall significantly further, to around 5% by the end of the year, accounted for by lower energy, and to a lesser degree, food and core goods price inflation.

5.1.5 Table 29 below demonstrates the increase in rates both in the temporary space and longer-term PWLB rates.

5.1.6 The Authority is constantly monitors interest rates, and whether the Authority should look to lock in rates as part of managing risk. This process considers the Authority's underlying need to borrow (Capital Financing Requirement), Investment Plan priorities and commitments as well as the profile of existing loan arrangements.

5.1.7 Investment rates remain stabilised in line with the unchanged base rate, delivering return on investments and negating cost of carry.

5.1.8 **Table 27: Summary of Borrowing Levels**

<i>Temporary Space</i>		<i>PWLB**</i>	
Tenor	Level	Tenor	Level *
1 week	5.17%	2 years	5.79%
1 month	5.17%	5 years	5.44%
3 month	5.23%	10 years	5.51%
6 month	5.29%	20 years	5.90%
9 month	5.60	30 years	5.91%
12 month	5.75%	50 years	5.70%

**Please note these levels are from 17/10/2023*

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

5.1.9 Any shortfalls in cashflow are covered by in year temporary borrowing, which may be a quick and cost-effective method of cash management in the current climate. During September 2023, the authority secured £5.000m for 364 days, to cover an upcoming PWLB maturity which is due to be repaid in October 2023. To manage the cost of borrowing the loan was taken from the temporary market for a short period due to the volatility of rates, with the strategy to lock in lower interest rates in the medium term once interest rates stabilise as forecast.

5.2 Borrowing Position

5.2.1 Table 28 shows the Authority's current debt position, with total borrowing maturing in 2023/24 of £4.000m.

5.2.2 **Table 28: Current Debt Position**

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	387.443	20.000	5.000	412.443
Debt Maturing 2023/24	(4.000)	0.000	0.000	(4.000)

5.2.3 The Authority was under-borrowed to the value of £68.532m at 31 March 2023. Whilst the Authority cannot borrow to fund revenue activity, it can look to utilise reserves, unwind its under-borrowed position, and externalise borrowing.

5.2.4 The last tranche of long-term borrowing was undertaken in August 2022, the Authority took £10m of long-term PWLB loans, this was for a combination of refinancing existing debt, de-risk the Authority's under-borrowed position, as well as take advantage of relatively low long-term rates.

5.2.5 Table 29 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates remain uncertain over the next 2 years, forecasting to peak at 5.14 % for 50-year borrowing, during the current quarter, before tracking back down to lower levels from September 23 onwards.

5.2.6 Table 29: Link Interest Rate Forecasts

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

**Please note these forecasts are as at 25.09.23*

SECTION 6 – DEVELOPER CONTRIBUTIONS

6.1 Section 106 Contributions

- 6.1.1 Planning obligations under Section 106 (s106) of the Town and Country Planning Act 1990, are commonly known as s106 agreements. They are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable, and are focussed on mitigating the impact of the development on an area. S106 agreements are often called ‘developer contributions’ or ‘planning gain’ and include a range of identified categories, historically including highways, affordable housing, sport and leisure, health and play sites, amongst others.
- 6.1.2 The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority’s s106 governance and monitoring process to define what monies are available for what and where this can be allocated, and develop projects based on this information.
- 6.1.3 The s106 programme of works aims to supplement and support the wider Authority budget, to ensure a good spread of spend for all areas of the Borough and to provide flexibility and value for money.
- 6.1.4 The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority’s s106 governance and monitoring process to define what monies are available and where this can be allocated, and develop projects based on this information.
- 6.1.5 The s106 programme of works aims to mitigate the impacts of developments within the Borough, supplementing and supporting the wider strategic North Tyneside Plan.
- 6.1.6 Service areas are routinely reviewing this information and developing projects, which are then presented to Investment Programme Board (IPB) for consideration prior to securing full IPB approval. If approved the projects are then delivered.

6.1.7 The latest s106 finance spreadsheet which includes the financial information of all developer contributions, which have been received by the Authority can be found within Appendix 1 and Appendix 2.

6.1.8 **Table 30: Section 106 Spend Update**

	28 February 2023	31 July 2023	30 Sept 2023
Received to date	£20.300m	£20.342m	£20.897m
Spend to date	(£8.836m)	(£9.604m)	(£9.829m)
Committed <i>(through IPB governance)</i>	(£2.898m)	(£3.244m)	(£4.774m)
Uncommitted Balance	£8.566m	£7.494m	£6.294m

6.1.9 As at 30 September 2023, £20.897m had been received by the Authority, of which £9.829m has been expended in line with agreements. £11.067m remains as at 30 September 2023, of which £4.774m is committed. This leaves an uncommitted balance of £6.294m

6.1.10 In order to deliver projects within the allocated balance, service areas are developing and completing projects based on the legal parameters set within the wording of the planning obligations, all overseen by the Investment Programme Board (IPB) group. Significant work is ongoing with relevant officers in developing key projects and allocating the spend within all service areas.

6.2. Community Infrastructure Levy (CIL)

6.2.1 These are planning tools used to secure financial or non-financial contributions towards the provision of infrastructure to support and enable development and to mitigate the impact of development. CIL contributions now include secondary education, health and community facilities and other infrastructure developer contributions.

6.2.2 CIL continues to develop within the Authority and updates will be incorporated within this report over time as necessary. £675k of CIL monies have been received by the Authority, with no projects allocated or monies spent to date.

6.2.3 The Authority is strategically building balances in relation to CIL to facilitate investment within the Borough which will provide greatest benefit.

Fund	Project	Financing Type	Year					Total £000
			2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	
General Fund								
	BS026 Asset Planned Maintenance							
	Council Contribution		2,803	3,730	1,750	1,500	1,500	11,283
	Contribution from Reserves (Insurance)		123	0	0	0	0	123
	BS026 Asset Planned Maintenance Total		2,926	3,730	1,750	1,500	1,500	11,406
	BS030 Public Sector Decarbonisation Scheme							
	Council Contribution		54	0	0	0	0	54
	BS030 Public Sector Decarbonisation Scheme Total		54	0	0	0	0	54
	BS031 Childrens Home Capital Programme							
	Dept for Education - Childrens Home Capital Fund		35	0	0	0	0	35
	BS031 Childrens Home Capital Programme Total		35	0	0	0	0	35
	BS033 Changing Places Facilities							
	Changing Places Grant MHCLG		193	0	0	0	0	193
	BS033 Changing Places Facilities Total		193	0	0	0	0	193
	BS034 Parks Sports Centre - Security Measures							
	Council Contribution		345	0	0	0	0	345
	BS034 Parks Sports Centre - Security Measures Total		345	0	0	0	0	345
	BS035 Former Rectory St Columbas Supported Accommodation							
	Council Contribution		135	0	0	0	0	135
	Leaseholder Contribution		26	0	0	0	0	26
	BS035 Former Rectory St Columbas Supported Accommodation Total		161	0	0	0	0	161
	BS036 S106 Oxford Centre Health Facilities							
	Section 106		130	0	0	0	0	130
	BS036 S106 Oxford Centre Health Facilities Total		130	0	0	0	0	130
	BS037 S106 Forest Hall Health Facilities							
	Section 106		32	0	0	0	0	32
	BS037 S106 Forest Hall Health Facilities Total		32	0	0	0	0	32
	CO079 Playsites							
	Section 106		425	201	83	0	0	709
	CO079 Playsites Total		425	201	83	0	0	709
	CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements							
	Section 106		9	0	0	0	0	9
	CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements Total		9	0	0	0	0	9
	CO082 Sport and Leisure Facility Improvements							
	Contribution from Reserves (Leisure)		12	0	0	0	0	12
	CO082 Sport and Leisure Facility Improvements Total		12	0	0	0	0	12
	CO083 Whitley Bay Crematoria							
	Council Contribution		276	0	0	0	0	276
	CO083 Whitley Bay Crematoria Total		276	0	0	0	0	276
	CO086 North West Library Improvements							
	Section 106		48	0	0	0	0	48
	CO086 North West Library Improvements Total		48	0	0	0	0	48
	CO088 Gateways to the Boroughs							
	Council Contribution		34	0	0	0	0	34
	CO088 Gateways to the Boroughs Total		34	0	0	0	0	34
	CO089 S106 Raleigh Drive Allotment Extension							
	Section 106		25	0	0	0	0	25
	CO089 S106 Raleigh Drive Allotment Extension Total		25	0	0	0	0	25
	CO091 Neighbourhood Parks							
	Section 106		105	90	100	0	0	295
	CO091 Neighbourhood Parks Total		105	90	100	0	0	295
	CO092 Wallsend Park Bothy Toilet							
	Revenue Contribution (HLF Reserve 9841 128)		88	0	0	0	0	88
	CO092 Wallsend Park Bothy Toilet Total		88	0	0	0	0	88
	CO093 Rising Sun Country Park S106 Ecology							
	Section 106		13	0	0	0	0	13
	CO093 Rising Sun Country Park S106 Ecology Total		13	0	0	0	0	13
	CO094 Lawn Tennis - Improvements to Tennis Courts							
	LTA Grant Funding		133	0	0	0	0	133
	CO094 Lawn Tennis - Improvements to Tennis Courts Total		133	0	0	0	0	133
	CO095 S106 Willington Quay Community Garden							
	Section 106		0	0	0	0	0	0
	CO095 S106 Willington Quay Community Garden Total		0	0	0	0	0	0

Fund	Project	Financing Type	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Gene	CO096	St Peters Sports Pavilion and AGP Pitches						
		Football Foundation Grant	1,855	0	0	0	0	1,855
		Section 106	1,021	0	0	0	0	1,021
		Northumberland FA	50	0	0	0	0	50
		National FA	323	0	0	0	0	323
		Rugby Football League	50	0	0	0	0	50
		Section 106 - Not Received	276	0	0	0	0	276
		Section 106 - Future Agreement	433	0	0	0	0	433
		CO096 St Peters Sports Pavilion and AGP Pitches Total	4,008	0	0	0	0	4,008
		CO097 Forest Hall Library Improvements						
		Section 106	21	0	0	0	0	21
		Arts Council Grant	266	0	0	0	0	266
		CO097 Forest Hall Library Improvements Total	287	0	0	0	0	287
		CO098 S106 Lakeside Centre Gym Equipment						
		Section 106	50	0	0	0	0	50
		CO098 S106 Lakeside Centre Gym Equipment Total	50	0	0	0	0	50
		CO099 Rising Sun Country Park Improvements						
	Section 106	88	44	0	0	0	132	
	CO099 Rising Sun Country Park Improvements Total	88	44	0	0	0	132	
	CO100 S106 Killingworth Sidings (Ecology)							
	Section 106	12	0	0	0	0	12	
	CO100 S106 Killingworth Sidings (Ecology) Total	12	0	0	0	0	12	
	CO101 Tynemouth Gym Equipment							
	Section 106	60	0	0	0	0	60	
	CO101 Tynemouth Gym Equipment Total	60	0	0	0	0	60	
	CO102 The Parks Artificial Pitch Improvements							
	Section 106	52	0	0	0	0	52	
	CO102 The Parks Artificial Pitch Improvements Total	52	0	0	0	0	52	
	DV064 Council Property Investment							
	Council Contribution	733	0	0	0	0	733	
	Capital Receipts	1,100	0	0	0	0	1,100	
	DV064 Council Property Investment Total	1,833	0	0	0	0	1,833	
	DV066 Investment in North Tyneside Trading Co							
	Council Contribution	1,500	3,000	3,000	3,000	2,000	12,500	
	Section 106	1,328	0	0	0	0	1,328	
	DV066 Investment in North Tyneside Trading Co Total	2,828	3,000	3,000	3,000	2,000	13,828	
	DV071 Section 106 Contributions to Set Up Health Facilities							
	Section 106	0	0	0	0	0	0	
	DV071 Section 106 Contributions to Set Up Health Facilities Total	0	0	0	0	0	0	
	DV073 Ambition for North Tyneside							
	Council Contribution	151	3,376	0	0	0	3,527	
	Capital Receipts	317	0	0	0	0	317	
	Historic England - Heritage Action Zone	0	0	0	0	0	0	
	Revenue Contribution (08252)	444	0	0	0	0	444	
	Revenue Contribution (08252 Reserve)	576	0	0	0	0	576	
	DV073 Ambition for North Tyneside Total	1,488	3,376	0	0	0	4,864	
	DV074 North Shields Heritage Action Zone (Ambition)							
	Council Contribution	87	0	0	0	0	87	
	Historic England - Heritage Action Zone	88	0	0	0	0	88	
	DV074 North Shields Heritage Action Zone (Ambition) Total	175	0	0	0	0	175	
	DV077 Tyne Brand Development Site							
	North of Tyne Combined Authority - Brownfield Housing Fund	4,046	190	0	0	0	4,236	
	DV077 Tyne Brand Development Site Total	4,046	190	0	0	0	4,236	
	DV079 Howard Street The Exchange							
	Notca Cultural & Creative Zone Funding	3	0	0	0	0	3	
	DV079 Howard Street The Exchange Total	3	0	0	0	0	3	
	DV080 Segedunum Roman Museum MEND							
	Council Contribution	150	0	0	0	0	150	
	Revenue Contribution (08252)	56	0	0	0	0	56	
	Arts Council Grant (MEND)	419	0	0	0	0	419	
	Revenue Contribution (08252 Reserve)	50	0	0	0	0	50	
	DV080 Segedunum Roman Museum MEND Total	675	0	0	0	0	675	
	DV081 North Shields Cultural Quarter							
	Revenue Contribution (08252)	120	0	0	0	0	120	
	Notca Cultural & Creative Zone Funding	166	250	0	0	0	416	
	DV081 North Shields Cultural Quarter Total	286	250	0	0	0	536	
	DV082 Wallsend Town & High Street Programme							
	Wallsend Town & High Street Fund (Notca)	1,240	600	0	0	0	1,840	
	DV082 Wallsend Town & High Street Programme Total	1,240	600	0	0	0	1,840	
	DV083 The Globe Gallery and Business Centre							
	Notca Cultural & Creative Zone Funding	300	0	0	0	0	300	
	DV083 The Globe Gallery and Business Centre Total	300	0	0	0	0	300	
	DV084 North West Waggonways/Parks							
	Section 106	30	535	0	0	0	565	
	DV084 North West Waggonways/Parks Total	30	535	0	0	0	565	
	ED075 Devolved Formula Capital							
	Education Funding Agency (Devolved)	1,568	1,610	610	610	610	5,008	
	ED075 Devolved Formula Capital Total	1,568	1,610	610	610	610	5,008	

			2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Fund	Project	Financing Type						
GENE	ED120	Basic Need						
		Education Funding Agency (Basic Need)	0	0	0	0	0	0
		ED120 Basic Need Total	0	0	0	0	0	0
		ED132 School Capital Allocation						
		Section 106	179	0	0	0	0	179
		Education Funding Agency (SCA)	4,788	3,868	3,868	3,868	3,868	20,260
		ED132 School Capital Allocation Total	4,967	3,868	3,868	3,868	3,868	20,439
		ED190 High Needs Provision Capital Allocation						
		Education Funding Agency (Basic Need)	2,236	0	0	0	0	2,236
		Education Funding Agency (High Needs)	1,743	1,000	0	0	0	2,743
		Education Funding Agency (DSG Safety Valve Grant)	475	4,206	0	0	0	4,681
		ED190 High Needs Provision Capital Allocation Total	4,454	5,206	0	0	0	9,660
		EV034 Local Transport Plan						
		Council Contribution	758	0	0	0	0	758
		Dept for Transport LTP ITA	842	958	958	958	2,000	5,716
		Dept for Transport LTP Maint	1,566	1,566	2,000	2,000	958	8,090
		Section 106	236	0	0	0	0	236
		Public Transport Funding	28	28	28	28	28	140
		Dft Pothole Funding	150	0	0	0	0	150
		EV034 Local Transport Plan Total	3,580	2,552	2,986	2,986	2,986	15,090
		EV055 Surface Water Improvements						
		Environment Agency Grant	675	0	0	0	0	675
		EV055 Surface Water Improvements Total	675	0	0	0	0	675
		EV056 Additional Highways Maintenance						
		Council Contribution	2,000	2,000	2,000	2,000	2,000	10,000
		Dft Pothole Funding	1,604	1,253	0	0	0	2,857
		EV056 Additional Highways Maintenance Total	3,604	3,253	2,000	2,000	2,000	12,857
		EV069 Vehicle Replacement						
		Council Contribution	1,499	1,676	1,123	3,000	1,500	8,798
		EV069 Vehicle Replacement Total	1,499	1,676	1,123	3,000	1,500	8,798
		EV076 Operational Depot Accommodation Review						
		Council Contribution	31	0	0	0	0	31
		ERDF	243	0	0	0	0	243
		EV076 Operational Depot Accommodation Review Total	274	0	0	0	0	274
		EV083 Street Lighting LED						
		Council Contribution	1,486	2,101	0	0	0	3,587
		EV083 Street Lighting LED Total	1,486	2,101	0	0	0	3,587
		EV091 Other Initiatives Climate Change						
		Council Contribution	1,114	750	1,000	1,000	1,000	4,864
		EV091 Other Initiatives Climate Change Total	1,114	750	1,000	1,000	1,000	4,864
		EV094 Transforming Cities Fund - NT02 North Shields Transport Hub						
		Council Contribution	1,376	0	0	0	0	1,376
		Transforming Cities Fund	9,782	0	0	0	0	9,782
		DLUHC	1,060	0	0	0	0	1,060
		EV094 Transforming Cities Fund - NT02 North Shields Transport Hub Total	12,218	0	0	0	0	12,218
		EV095 Active Travel Fund 1 & 2 Rake Lane						
		Dept for Transport Active Travel Fund Tranche2	59	0	0	0	0	59
		EV095 Active Travel Fund 1 & 2 Rake Lane Total	59	0	0	0	0	59
		EV096 Highway Maintenance Challenge Fund - Tanners Bank						
		Dept for Transport - Highway Maintenance Challenge Fund	334	250	0	0	0	584
		EV096 Highway Maintenance Challenge Fund - Tanners Bank Total	334	250	0	0	0	584
		EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway Homes)						
		Section 106	896	0	0	0	0	896
		EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway)	896	0	0	0	0	896
		EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority						
		Transforming Cities Fund	1,575	0	0	0	0	1,575
		EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority Total	1,575	0	0	0	0	1,575
		EV099 Transforming Cities Fund - NT10 Links to Metro						
		Dept for Transport LTP ITA	391	0	0	0	0	391
		Transforming Cities Fund	3,375	0	0	0	0	3,375
		EV099 Transforming Cities Fund - NT10 Links to Metro Total	3,766	0	0	0	0	3,766
		EV100 Active Travel 3 - Permanent Seafront Scheme						
		Dept for Transport Active Travel Fund Tranche 3	2,940	6,734	0	0	0	9,674
		Sustran	1,000	0	0	0	0	1,000
		EV100 Active Travel 3 - Permanent Seafront Scheme Total	3,940	6,734	0	0	0	10,674
		EV101 Transforming Cities Fund – Intelligent Transport Systems						
		Transforming Cities Fund	97	0	0	0	0	97
		EV101 Transforming Cities Fund – Intelligent Transport Systems Total	97	0	0	0	0	97
		EV102 On Street Residential Charging Scheme						
		Dept for Transport LTP ITA	116	0	0	0	0	116
		Govt Grant - Office for Zero Emission Vehicles'	117	0	0	0	0	117
		EV102 On Street Residential Charging Scheme Total	233	0	0	0	0	233
		EV103 S106 Nexus Schemes						
		Section 106	94	0	0	0	0	94
		EV103 S106 Nexus Schemes Total	94	0	0	0	0	94
		GEN03 Contingencies						
		Council Contribution	1,849	1,370	1,000	1,000	1,000	6,219
		GEN03 Contingencies Total	1,849	1,370	1,000	1,000	1,000	6,219

			2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Fund	Project	Financing Type						
General Fund								
	GEN12 Local Infrastructure							
	Council Contribution		147	100	100	100	100	547
	GEN12 Local Infrastructure Total		147	100	100	100	100	547
	GEN13 Project Management							
	Council Contribution		100	100	100	100	100	500
	GEN13 Project Management Total		100	100	100	100	100	500
	HS004 Disabled Facilities Grant							
	Better Care Fund		2,578	1,869	0	0	0	4,447
	HS004 Disabled Facilities Grant Total		2,578	1,869	0	0	0	4,447
	HS051 Private Sector Empty Homes							
	Council Contribution		228	205	206	0	0	639
	Homes & Communities Grant		32	0	0	0	0	32
	HS051 Private Sector Empty Homes Total		260	205	206	0	0	671
	HS053 Green Homes Local Authority Delivery							
	Green Homes Grant (LAD2) - Dept for BEIS		20	0	0	0	0	20
	Green Homes Grant (LAD3) - Dept for BEIS		862	0	0	0	0	862
	HS053 Green Homes Local Authority Delivery Total		882	0	0	0	0	882
	HS055 Home Upgrade Grant							
	Home Upgrade Grant (Govt)		311	310	0	0	0	621
	HS055 Home Upgrade Grant Total		311	310	0	0	0	621
	IT020 ICT Strategy							
	Council Contribution		1,517	1,000	1,250	1,250	1,250	6,267
	IT020 ICT Strategy Total		1,517	1,000	1,250	1,250	1,250	6,267
General Fund Total			76,582	44,970	19,176	20,414	17,914	179,056
HRA								
	HS015 Refurbishment / Decent Homes Improvements							
	See HRA Financing		25,484	24,861	25,535	26,620	28,715	131,215
	HS015 Refurbishment / Decent Homes Improvements Total		25,484	24,861	25,535	26,620	28,715	131,215
	HS017 Disabled Adaptations							
	See HRA Financing		1,633	1,599	1,315	1,328	1,341	7,216
	HS017 Disabled Adaptations Total		1,633	1,599	1,315	1,328	1,341	7,216
	HS039 ICT Infrastructure Works							
	See HRA Financing		1,111	210	112	113	114	1,660
	HS039 ICT Infrastructure Works Total		1,111	210	112	113	114	1,660
	HS044 HRA New Build							
	See HRA Financing		6,311	4,000	4,000	3,500	4,000	21,811
	HS044 HRA New Build Total		6,311	4,000	4,000	3,500	4,000	21,811
	HS054 HRA Vehicle Replacement Programme							
	See HRA Financing		0	0	0	1,800	1,800	3,600
	HS054 HRA Vehicle Replacement Programme Total		0	0	0	1,800	1,800	3,600
HRA Total			34,539	30,670	30,962	33,361	35,970	165,502
Total £000			111,121	75,640	50,138	53,775	53,884	344,558

Fund	Category	Year					Total £000
		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28	
General Fund							
	Council Contribution	18,373	19,408	11,529	12,950	10,450	72,710
	Council Contribution - Capital Receipts	1,417	0	0	0	0	1,417
	Grants & Contributions	55,323	25,562	7,647	7,464	7,464	103,460
	Revenue Contribution	620	0	0	0	0	620
	Contribution from Reserves	849	0	0	0	0	849
General Fund Total		76,582	44,970	19,176	20,414	17,914	179,056
HRA Financing							
	HRA Capital Receipts	3,941	2,170	2,153	1,060	1,202	10,526
	HRA Revenue Contribution	11,589	13,592	14,137	16,259	16,557	72,134
	HRA MRR	17,544	14,167	14,592	14,112	17,411	77,826
	HRA Grants & Contributions	1,050	611	0	0	0	1,661
	HRA Contribution from Reserves	415	130	80	1,930	800	3,355
HRA Financing Total		34,539	30,670	30,962	33,361	35,970	165,502
Total£000		111,121	75,640	50,138	53,775	53,884	344,558

Appendix 1 - Section 106 Spend & Commitments Summary (30 Sept 2023)

	Received	Spent / Draw	Balance	Committed	Uncommitted
Sports Facilities	-2,199,507	1,587,833	-611,675	0	-611,675
Travel Provisions	-1,547,476	554,931	-992,545	-397,638	-594,907
Highway Works	-1,700,303	288,633	-1,411,670	-258,858	-1,152,812
Allotments	-216,307	51,826	-164,481	-22,514	-141,968
Cultural Facilities/Works	-28,000	0	-28,000	0	-28,000
Parks	-1,377,056	588,961	-788,096	-708,142	-79,953
Healthcare/ Facilities	-1,419,011	400,898	-1,018,113	0	-1,018,113
Employment Initiatives	-120,762	22,456	-98,306	-31,153	-67,153
Playsites	-1,171,911	574,877	-597,034	-218,532	-378,502
Education	-8,435,679	4,184,614	-4,251,066	-3,016,709	-1,234,356
Affordable Housing	-1,264,673	1,264,673	0	0	0
Coastal Mitigation	-78,408	0	-78,408	0	-78,408
Ecology	-1,213,286	309,061	-904,225	-108,542	-795,683
Air Quality Monitoring	-11,507	0	-11,507	-11,507	0
Public Rights of Way	-48,979	0	-48,979	0	-48,979
Community Facilities	-63,865	0	-63,865	0	-63,865
Total	-20,896,732	9,828,763	-11,067,970	-4,773,595	-6,294,375

Appendix 2 - Section 106 Spend & Commitments breakdown (30 Sept 2023)

Key:	
IPB approved / committed spend	GREEN
End dates due 2023	AMBER
Past end date	RED
Over 1 year to commit spend	CLEAR
Funding Drawn	Blue

Sports Facilities						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-198,705	198,705	0	0	0	18.10.2021
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-585,361	403,538	-181,823	0	-181,823	10.12.2025
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-96,924	96,924	0	0	0	08.12.2022
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-429,216	429,216	0	0	0	01.07.2024
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-50,026	50,026	0	0	0	29.07.2024
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-74,217	74,217	0	0	0	07.01.2024
16/01598/S106 - Weetslade Ward (S0103) - Land at Former East Wideopen Farmhouse - Bellway - 16/00848/FUL	-2,748	2,748	0	0	0	03.07.2024
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - Persimmon and Leech Homes - 16/01885/FUL	-136,193	136,193	0	0	0	01.08.2027
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-111,966	60,072	-51,894	0	-51,894	04.10.2027
21/00801/S106 - Valley Ward (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL	-165,000	0	-165,000	0	-165,000	01.12.2027
23/00495/S106 - Northumberland Ward (S0144) - Centurion Park, Rheydt Ave Wallsend - Bellway Homes - 22/01122/FUL	-349,151	136,193	-212,958	0	-212,958	
Total	-2,199,507	1,587,833	-611,675	0	-611,675	

Travel Provisions						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
02/03264/S106 - Chirton Ward (S0008) - Land Parcels West of First Avenue and North of Second Avenue Off Narvik Way, Tyne Tunnel Trading Estate, North Shields - UK Land Estates (Partnership) Ltd - 02/00566/FUL	-7,500	7,500	0	0	0	Was being held in 2015 for completion of Tyne Tunnel 2 - Record is on CD
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-197,400	148,974	-48,426	-48,426	0	03.04.2024
12/01166/S106 - Collingwood Ward (S0066) - North Tyneside General Hospital - Northumbria Healthcare NHS Foundation Trust - 11/00765/OUT	-6,766	-42,530	-49,296	0	-49,296	01.10.2023
13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL	-414,264	414,264	0	0	0	26.06.2023
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL	-26,723	26,723	0	0	0	30.10.2023
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-145,871	0	-145,871	-145,871	0	24.07.2024
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-545,349	0	-545,349	0	-545,349	29.07.2024
19/00262/S106 - Longbenton Ward (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-203,341	0	-203,341	-203,341	0	06.09.2026
22/00498/S106 - Chirton Ward (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL	-262	0	-262	0	-262	12.12.2023
Total	-1,547,476	554,931	-992,545	-397,638	-594,907	

Highway Works						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
09/01790/S106 - Killingworth Ward (S0053) - Unit 12 Wesley Way Benton Square Industrial Estate Benton - Harrison Properties Ltd - 09/00480/FUL	-20,858	0	-20,858	-20,858	0	No expiry date
11/01867/S106 & 11/0786/S106 - Wallsend Ward (S0041) - SPORTS GROUND KINGS ROAD SOUTH WALLSEND - NTC & BELLWAY HOMES-ISOS - 11/01345/FUL	-85,000	0	-85,000	-85,000	0	14.07.2021
11/01867/S106 & 11/0786/S106 - Wallsend Ward (S0041) - SPORTS GROUND KINGS ROAD SOUTH WALLSEND - NTC & BELLWAY HOMES-ISOS - 11/01345/FUL	-20,000	0	-20,000	0	-20,000	14.07.2021
12/01166/S106 - Collingwood Ward (S0066) - North Tyneside General Hospital - Northumbria Healthcare NHS Foundation Trust - 11/00765/OUT	-283,133	283,133	0	0	0	03.08.2017
13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey - 11/01307/OUT	-153,000	0	-153,000	-153,000	0	11.06.2020
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-5,500	5,500	0	0	0	15.02.2024
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-538,957	0	-538,957	0	-538,957	17.05.2026
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-174,397	0	-174,397	0	-174,397	07.01.2026
				0	0	MISCODING
20/01427/S106 - Chirton Ward (S0128) - West Chirton Industrial Estate South - Miller Homes - 14/01018/OUT	-373,020	0	-373,020	0	-373,020	27.09.2028
19/00262/S106 - Longbenton Ward (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-46,438	0	-46,438	0	-46,438	06.09.2026
Total	-1,700,303	288,633	-1,411,670	-258,858	-1,152,812	

Allotments						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
10/00793/S106 - Battle Hill Ward (S0030) - Former Battle Hill Library, Community Centre And Customer Service Centre And, 1-22 The Parade, Wallsend - Keepmoat Homes - 09/03195/FUL	-2,700	0	-2,700	-2,700	0	2011 - look to remove?
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-43,726	43,726	0	0	0	01.04.2020
13/00947/S106 - Weetslade Ward (S0064) - Land at East Wideopen Farm - Bellway Homes - 13/00198/FUL	-8,100	8,100	0	0	0	20.06.2022
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-2,700	0	-2,700	-2,700	0	18.09.2024
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-37,144	0	-37,144	0	-37,144	07.12.2025
13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL	-2,755	0	-2,755	0	-2,755	18.09.2024
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-2,700	0	-2,700	-2,700	0	08.12.2022
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-5,400	0	-5,400	-5,400	0	03.03.2022
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-61,954	0	-61,954	0	-61,954	16.11.2023
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-9,014	0	-9,014	-9,014	0	22.06.2022
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-5,573	0	-5,573	0	-5,573	22.06.2023
21/00082/S106 - Northumberland Ward (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-3,751	0	-3,751	0	-3,751	16.12.2028
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - Persimmon and Leech Homes - 16/01885/FUL	-17,244	0	-17,244	0	-17,244	01.08.2027
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-5,793	0	-5,793	0	-5,793	04.10.2027
21/00801/S106 - Valley Ward (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL	-2,700	0	-2,700	0	-2,700	01.12.2027
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-5,055	0	-5,055	0	-5,055	04.10.2027
Total	-216,307	51,826	-164,481	-22,514	-141,968	

Cultural Facilities/Works						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
10/00793/S106 - Battle Hill Ward (S0030) - Former Battle Hill Library, Community Centre And Customer Service Centre And, 1-22 The Parade, Wallsend - Keepmoat Homes - 09/03195/FUL	-5,000	0	-5,000	0	-5,000	06.06.2016
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-5,000	0	-5,000	0	-5,000	01.05.2020
15/00496/S106 - Collingwood Ward (S0090) - Travelodge Hotel, Wallsend - Crown Estates - 14/01698/FUL	-3,000	0	-3,000	0	-3,000	19.09.2021
16/00274/S106 - Camperdown Ward (S0098) - Land at Former Chan Buildings, Stephenson Industrial Estate - Lidl UK - 15/01708/FUL	-15,000	0	-15,000	0	-15,000	22.06.2023
Total	-28,000	0	-28,000	0	-28,000	

Parks						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
10/02253/S106 - Chirton Ward (S0032) - Land At Former Meadowell Primary SchoolWantage AvenueNorth Shields - Ben Bailey Homes - 10/01274/FUL	-9,160	0	-9,160	-9,160	0	No expiry date
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-13,012	13,012	0	0	0	16.07.2020
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-296,279	0	-296,279	-296,279	0	07.12.2025
13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL	-8,414	2,733	-5,681	0	-5,681	18.09.2024
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-31,638	31,637	-1	0	-1	08.12.2022
14/01744/S106 - Howdon Ward (S0093) - St Marks Church, Wallsend - Marine Buildings Ltd - 13/01655/FUL	-3,251	0	-3,251	0	-3,251	21.07.2022
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-617,782	401,119	-216,663	-216,663	0	17.05.2026
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-58,166	0	-58,166	-58,166	0	22.06.2022
15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - Bellway - 15/00406/FUL	-8,960	8,960	0	0	0	15.03.2023
16/01571/S106 - Cullercoats Ward (S0102) - 16 John Street, Cullercoats - Bellway - 16/00193/FUL	-540	0	-540	0	-540	06.12.2021
14/01905/S106 - Wallsend Ward (S0123) - Wallsend Community Centre 196A and 196 Vine Street - A & J Keith Ltd - 14/01348/FUL	-3,363	0	-3,363	0	-3,363	22.06.2023
17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL	-3,636	0	-3,636	0	-3,636	26.10.2025
21/00082/S106 - Northumberland Ward (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-19,433	0	-19,433	0	-19,433	18.07.2029
16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL	-21,958	0	-21,958	-21,958	0	20.10.2022
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-44,048	0	-44,048	0	-44,048	14.10.2027
19/00262/S106 - Longbenton Ward (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-67,232	0	-67,232	-67,232	0	06.09.2026
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - Persimmon and Leech Homes - 16/01885/FUL	-131,500	131,500	0	0	0	01.08.2027
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-38,684	0	-38,684	-38,684	0	04.10.2027
23/00804/S106 - Camperdown Ward (S0143) - Avant Homes Development Site, Killingworth Way - Avant Homes - 16/01889/FUL	0	0	0	0	0	
Total	-1,377,056	588,961	-788,096	-708,142	-79,953	

Healthcare/ Facilities						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
11/00170/S106 - Riverside Ward (S0034) - John Lilley And GillieClive StreetNorth Shields - AWC Property Ltd - 10/01326/FUL	-5,808	5,808	0	0	0	17.12.2017
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-23,599	23,599	0	0	0	01.05.2020
11/01188/S106 - Tynemouth Ward (S0038) - Land To The Rear OfLinskill ParkPreston AvenueNorth Shields - Gentoo - 11/00748/FUL	-6,776	0	-6,776	0	-6,776	17.01.2018
11/01967/S106 - Riverside Ward (S0043) - Site of Unit 1, Howdon Green Industrial Estate, Norman Terrace - Bellway Homes - 11/01346/FUL	-6,776	6,776	0	0	0	23.03.2018
12/01234/S106 - St Mary's Ward (S0046) - Glebe School Site - Charles Church Ltd - 12/00896/FUL	-6,776	0	-6,776	0	-6,776	19.09.2019
13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey - 11/01307/OUT	-31,918	0	-31,918	0	-31,918	No date found
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01930/FUL	-401,027	0	-401,027	0	-401,027	01.06.2026
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-311,277	0	-311,277	0	-311,277	07.12.2025
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-398,412	264,393	-134,019	0	-134,019	01.07.2024
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-68,404	68,404	0	0	0	22.06.2022
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitcroft Road, West Moor - Bellway - 16/01316/FUL	-56,404	0	-56,404	0	-56,404	03.01.2028
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - Persimmon and Leech Homes - 16/01885/FUL	-101,833	0	-101,833	0	-101,833	01.08.2027
11/02420/S106 - Chirton Ward (S0085) - Kendal Building, Waterville Road, North Shields - Pyecrest Developments - 11/02074/OUT	0	31,918	31,918	0	31,918	
Total	-1,419,011	400,898	-1,018,113	0	-1,018,113	

Employment Initiatives						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
16/00274/S106 - Camperdown Ward (S0098) - Land at Former Chan Buildings, Stephenson Industrial Estate - Bellway - 15/01708/FUL	-14,800	14,800	0	0	0	22.06.2023
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-17,608	7,656	-9,952	-9,952		16.01.2029
21/00082/S106 - Northumberland Ward (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-55,752	0	-55,752	-3,617	-52,135	15.12.2026
21/00449/S106 - Tynemouth Ward (S0130) - Tanners Banks - Ovington Boats - 20/01044/FUL	-2,584	0	-2,584	-2,584	0	15.12.2026
22/00498/S106 - Chirton Ward (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL	-15,000	0	-15,000	-15,000	0	30.09.2027
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-15,018	0	-15,018	0	-15,018	04.10.2027
	0	0	0		0	
					0	
Total	-120,762	22,456	-98,306	-31,153	-67,153	

Playsites						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
12/01234/S106 - St Mary's Ward (S0046) - Glebe School Site - Charles Church Ltd - 12/00896/FUL	-2,306	2,306	0	0	0	10.07.2020
13/01064/S106 - Valley Ward (S0050) - St Edmunds Building Station Road Backworth - Bett Homes - 13/00622/FUL	-1,082	1,082	0	0	0	30.01.2019
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-19,961	19,961	0	0	0	16.07.2020
13/01737/S106 - Killingworth Ward (S0061) - Land North of Forest Gate, Palmersville - Avant Homes - 13/01412/FUL	-43,981	43,981	0	0	0	01.01.2023
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-294,454	71,500	-222,954	0	-222,954	08.11.2023
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-23,425	23,425	0	0	0	03.03.2022
14/01904/S106 - Longbenton Ward (S0095) - Former St Stephen's School, Longbenton - Diocese of Hexham - 14/01490/FUL	-27,839	27,839	0	0	0	25.10.2023
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-218,532	0	-218,532	-218,532	0	16.11.2023
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-252,435	252,435	0	0	0	26.01.2026
15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - Bellway - 15/00406/FUL	-8,287	8,287	0	0	0	22.06.2023
16/00188/S106 - Weetslade Ward (S0101) - Dudley People's Centre - Tantallon Homes - 15/00949/FUL	-8,498	8,484	-14	0	-14	22.06.2023
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-55,636	55,636	0	0	0	07.01.2026
14/01905/S106 - Wallsend Ward (S0123) - Wallsend Community Centre 196A and 196 Vine Street - A & J Keith Ltd - 14/01348/FUL	-4,987	4,987	0	0	0	01.12.2024
16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL	-32,554	32,554	0	0	0	06.07.2023
12/00415/S106 - Preston Ward (S0073) - Cleveland Adult Training Centre - Bellway - 11/02423/FUL	-7,469	0	-7,469		-7,469	
19/00262/S106 - Longbenton Ward (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-91,747	0	-91,747	0	-91,747	06.09.2026
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-56,318	0	-56,318	0	-56,318	04.10.2027
21/00801/S106 - Valley Ward (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL	-22,400	22,400	0		0	01.12.2027
Total	-1,171,911	574,877	-597,034	-218,532	-378,502	

Education						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL	-3,187,125	1,706,232	-1,480,893	-1,480,893	0	Primary - 20.03.2029, Secondary 23.09.2031
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-20,790	0	-20,790	0	-20,790	16.07.2020
13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey - 11/01307/OUT	-68,082	0	-68,082	-68,082	0	No date available
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01930/FUL	-2,187,978	2,122,978	-65,000	-65,000	0	30.10.2023
13/01737/S106 - Killingworth Ward (S0061) - Land North of Forest Gate, Palmersville - Avant Homes - 13/01412/FUL	-57,000	50,000	-7,000	-7,000	0	01.01.2023
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-308,674	0	-308,674	0	-308,674	26.06.2024
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-32,400	0	-32,400	0	-32,400	03.03.2022
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-433,782	0	-433,782	0	-433,782	03.12.2023
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-760,470	0	-760,470	-760,470	0	06.12.2023
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-796,764	249,000	-547,764	-547,764	0	26.01.2026
17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL	-73,339	0	-73,339	0	-73,339	26.10.2025
14/01905/S106 - Wallsend Ward (S0123) - Wallsend Community Centre 196A and 196 Vine Street - A & J Keith Ltd - 14/01348/FUL	-26,231	0	-26,231	0	-26,231	01.12.2024
21/00082/S106 - Northumberland Ward (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-55,326	0	-55,326	0	-55,326	16.12.2028
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-225,862	0	-225,862	0	-225,862	17.12.2027
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-44,356	56,404	12,048	0	12,048	03.01.2028
21/00801/S106 - Valley Ward (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL	-87,500	0	-87,500	-87,500	0	01.12.2027
23/00495/S106 - Northumberland Ward (S0144) - Centurion Park, Rheydt Ave Wallsend - Bellway Homes - 22/01122/FUL	-32,500	0	-32,500	0	-32,500	17.12.2027
23/00804/S106 - Camperdown Ward (S0143) - Avant Homes Development Site, Killingworth Way - Avant Homes - 16/01889/FUL	-37,500	0	-37,500	0	-37,500	03.01.2028
Total	-8,435,679	4,184,614	-4,251,066	-3,016,709	-1,234,356	

Affordable Housing						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL	-107,560	107,560	0	0	0	26.10.2025
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-1,157,113	1,157,113	0	0	0	03.01.2028
Total	-1,264,673	1,264,673	0	0	0	

Coastal Mitigation						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
19/00058/S106 - Whitley Bay Ward (S0122) - 26-32 South Parade, Whitley bay - Avant - 17/01777/FUL	-7,200	0	-7,200	0	-7,200	29.03.2029
21/00082/S106 - Northumberland Ward (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-5,462	0	-5,462	0	-5,462	05.01.2029
19/00652/S106 - Tynemouth Ward (S0132) - 30 - 37 Clive Street, North Shields, Tyne And Wear - UKQ Clive Street LLP - 19/00436/FUL	-10,000	0	-10,000	0	-10,000	No expiry date
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-27,113	0	-27,113	0	-27,113	04.10.2027
21/00811/S106 - Benton Ward (S0139) - 2 Eastern Villas, Springfield Park, Forest Hall - Modobloc Ltd - 22/01307/FUL	-1,812	0	-1,812	0	-1,812	No expiry date
21/00811/S106 - Valley Ward (S0134) - Hotspur North Backworth - Acland One Ltd - 21/08110/FUL	-2,359	0	-2,359	0	-2,359	No expiry date
21/00801/S106 - Valley Ward (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL	-5,681	0	-5,681	0	-5,681	01.12.2027
22/01553/S106 - Whitley Bay Ward (S0140) - 20/24 South Parade, Whitley Bay - Mr Kautman - 19/01232/FUL	-3,370	0	-3,370	0	-3,370	10 years to deliver
22/01571/S106 - Wallsend Ward (S0141) - 1 Chestnut Street, Wallsend - Sweeney Miller LLP - 22/01571/FUL	-1,208	0	-1,208	0	-1,208	No expiry date
20/01876/S106 - Collingwood Ward (S0142) - Unit 3 Cobalt Business Park - ASM 4 Ltd - 20/018761/FUL	-12,240	0	-12,240	0	-12,240	No expiry date
23/00804/S106 - Camperdown Ward (S0143) - Avant Homes Development Site, Killingworth Way - Avant Homes - 16/01889/FUL	-1,963	0	-1,963	0	-1,963	
Total	-78,408	0	-78,408	0	-78,408	

Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
00/02134/S106 - Collingwood Ward (S0056) - Plot 6, Cobalt Business Park, Silver Fox Way, Wallsend - Highbridge - 00/01360/FUL	-21,410	8,149	-13,261	0	-13,261	No expiry date
06/01520/S106 - Tynemouth Ward (S0027) - Former Irvin Buildings, Union Quay, North Shields - Leftbank Developments (Hanover Square) Ltd - 05/03255/FUL	-6,000	0	-6,000	-6,000	0	No expiry date
10/02253/S106 - Chirton Ward (S0032) - Land At Former Meadowell Primary SchoolWantage AvenueNorth Shields - Ben Bailey Homes - 10/01274/FUL	-3,900	0	-3,900	0	-3,900	No expiry date
11/01755/S106 - Killingworth Ward (S0039) - Land To The North OfAmberley Community Primary SchoolEast BaileyKillingworth (now Greenacres) - Persimmon - 10/02655/FUL	-19,886	0	-19,886	-19,886	0	17.01.2018
11/01967/S106 - Riverside Ward (S0043) - Site of Unit 1, Howdon Green Industrial Estate, Norman Terrace - Bellway Homes - 11/01346/FUL	-1,365	0	-1,365	0	-1,365	24.03.2018
13/00947/S106 - Weetslade Ward (S0064) - Land at East Wideopen Farm - Bellway Homes - 13/00198/FUL	-11,016	0	-11,016	-11,016	0	20.06.2022
13/01571/S106 & 14/00473/S106 - Camperdown Ward (S0059) - Former Norgas House Site, Northumbrian Way - Barratts - 13/00691/FUL	-20,815	0	-20,815	0	-20,815	04.11.2020
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01930/FUL	-313,787	0	-313,787	0	-313,787	24.10.2023
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-29,646	12,000	-17,646	0	-17,646	06.12.2023
13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL	-3,582	1,435	-2,147	-2,147	0	18.09.2024
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-13,348	13,348	0	0	0	08.12.2022
14/01744/S106 - Howdon Ward (S0093) - St Marks Church, Wallsend - Marine Buildings Ltd - 13/01655/FUL	-1,384	0	-1,384	0	-1,384	21.07.2022
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-71,009	0	-71,009	0	-71,009	26.01.2026
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-7,571	0	-7,571	0	-7,571	07.01.2026
16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL	-18,737	0	-18,737	-18,737	0	06.07.2023
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-2,588	0	-2,588	-2,588	0	25.10.2023
17/01202/S106 - Chirton Ward (S0108) - Land Adjacent to Vroom Car Retail Park, Orion Way - Northumberland Estates Ltd - 17/00531/FUL	-2,857	0	-2,857	0	-2,857	08.06.2023
14/01905/S106 - Wallsend Ward (S0123) - Wallsend Community Centre 196A and 196 Vine Street - A & J Keith Ltd - 14/01348/FUL	-1,432	0	-1,432	0	-1,432	22.06.2023
21/00082/S106 - Northumberland Ward (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-7,054	0	-7,054	0	-7,054	16.12.2028
20/00033/S106 - Longbenton Ward (S0127) - Land East Of, Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	0	0	0	0	0	06.09.2026
19/00262/S106 - Longbenton Ward (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-41,668	0	-41,668	-41,668	0	06.09.2026
21/00801/S106 - Valley Ward (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL	-6,000	0	-6,000	0	-6,000	04.10.2027
20/01140/S106 - Collingwood Ward (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-15,689	0	-15,689	0	-15,689	11.10.2027
22/00498/S106 - Chirton Ward (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL	-19,821	0	-19,821	0	-19,821	15.03.2023
15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - Bellway - 15/00406/FUL	-3,724	2,403	-1,321	0	-1,321	16.07.2020
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-11,310	0	-11,310	-6,500	-4,810	06.12.2023
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-71,500	71,500	0	0	0	03.03.2022
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-206,728	200,226	-6,502	0	-6,502	No expiry date
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-3,000	0	-3,000	0	-3,000	No expiry date
23/00804/S106 - Camperdown Ward (S0143) - Avant Homes Development Site, Killingworth Way - Avant Homes - 16/01889/FUL	-2,535	0	-2,535	0	-2,535	
23/00495/S106 - Northumberland Ward (S0144) - Centurion Park, Rheydt Ave Wallsend - Bellway Homes - 22/01122/FUL	-41,925	0	-41,925	0	-41,925	
Total	-1,213,286	309,061	-904,225	-108,542	-795,683	

Air Quality Monitoring						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL	-11,507	0	-11,507	-11,507	0	20.04.2023
Total	-11,507	0	-11,507	-11,507	0	
Public Rights of Way						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
19/00262/S106 - Longbenton Ward (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-48,979	0	-48,979		-48,979	06.09.2026
Total	-48,979	0	-48,979	0	-48,979	
Community Facilities						
Development	Received	Spent / Draw	Balance	Committed	Uncommitted	End Date
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - Persimmon and Leech Homes - 16/01885/FUL	-63,865	0	-63,865	0	-63,865	01.08.2027
Total	-63,865	0	-63,865	0	-63,865	
Section 106 Totals						
	-20,896,732	9,828,763	-11,067,970	-4,773,595	-6,294,375	

Prudential Indicators

Appendix 3

Mid-year update – September 2023



North
Tyneside
Council

1.0 Prudential Indicators

- 1.0 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2023, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2023. The Director of Resources reports that no difficulties are envisaged for the current or future years in complying with these indicators.
- 1.1 The prudential indicators are designed to support and record local decision making in a manner that is publicly accountable. They are not designed to be used as indicators of comparative performance. As a result of local circumstances, local authorities will have widely different debt positions at the start of the prudential system, and the differences are likely to change over time as the result of exercising local choices
- 1.2 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.
- 1.3 The Treasury Management Strategy Statement, (TMSS), for 2023/24 was approved by this Council on 16 February 2023.
- 1.4 There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

2.0 Prudential Indicators for Limits and Boundaries.

- 2.1 Table 1 shows the revised estimates for the Authorised Limits, Operational Boundaries and the movement in Capital Financing Limits (CFR).
- 2.2 The authorised limit is set to establish the outer boundary of the Authority's borrowing based on a realistic assessment of the risks. It is not a limit designed to be brought into consideration during the routine financial management of the Authority – the operational boundary serves this purpose. The authorised limit is not a limit up to which the Authority will expect to borrow up to. However, it does represent a limit beyond which a local authority must not borrow until prudential indicators are reviewed or amended.

Table 1

Prudential Indicator 2023/24	Approved 2023/24 £m	Revised Prudential Indicator 2023/24 £m
Authorised Limit	1,235.00	1,235.00
Operational Boundary	735.00	735.00
Capital Financing Limit (CFR)	607.085	605.932

3.0 Prudential Indicators for Capital Expenditure

- 3.1 The Prudential Code requires the formal estimate of capital expenditure to be carried out when the prudential indicators are produced for future years (MTFP) and revised for the current year. This will be compared with the actual capital expenditure recorded according to the Prudential Code.
- 3.2 Table 2 shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget in February 2023.

Table 2

Prudential Indicator 2023/24 - Capital Investment Programme	Approved 2023/24 £m	Revised Prudential Indicator 2023/24 £m
General Fund	61.809	76.582
Housing Revenue Account (HRA)	33.953	34.539
Total	95.762	111.121

4.0 Changes to the Financing of the Capital Programme

4.1 Table 3 below draws together the main strategy elements of the capital expenditure plans, highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table (council contribution) increases the underlying indebtedness of the Authority by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Table 3

Prudential Indicator 2023/24 - Financing of the Capital Programme	Approved 2023/24 £m	Revised Prudential Indicator 2023/24 £m
Council Contribution	17.384	18.373
Grants and Contributions	43.875	55.323
Revenue Contribution	0.550	0.620
Capital Receipts	0.000	1.417
Contribution from Reserves	0.000	0.849
General Fund Total	61.809	76.582
Capital Receipts	3.280	3.941
Revenue Contribution	11.589	11.589
Major Repairs Reserve	18.219	17.544
Grants and Contributions	0.450	1.050
Contributions from Reserves	0.415	0.415
Housing Revenue Account (HRA) Total	33.953	34.539
Total	95.762	111.121

5.0 Capital Financing Requirement (CFR)

- 5.1 The CFR measures a vital component of the Authority's capital strategy: the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose, although this borrowing is unlikely to need to actually take place externally, given the generally positive net cash flow position of local authorities.
- 5.2 The table 4 below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, Operational Boundary.

Table 4

Prudential Indicator 2023/24 - Capital Financing Requirement	Approved 2023/24 £m	Revised Prudential Indicator 2023/24 £m
CFR – General Fund	278.881	280.251
CFR – Housing Revenue Account	227.740	224.709
CFR – Private Finance Initiatives (PFI)	100.464	100.971
Total CFR	607.085	605.931
Net Movement in CFR <i>(1 April 2023 vs 31 March 2024)</i>	1.880	7.068
Operational Boundary for External Debt		
Borrowing	550.000	550.000
Other Long-term Liabilities*	185.000	185.000
Total	735.000	735.000
Authorised Limit for External Debt		
Borrowing	1,000.00	1,000.00
Other Long-term Liabilities*	235.000	235.000
Total	1,235.00	1,235.00

*Other long-term liabilities within the operational boundary and authorised limit for external debt include a provision for the future on-boarding of IFRS16 'Leasing' requirements.

6.0 Financing Ratio's

- 6.1 Estimates for net revenue stream for approved and forecast for the year is based on the Authority's estimates of the amounts to be met from government grants and local taxpayers. The net revenue stream is then compared against the financing costs of the Authority to provide a ratio demonstrating the proportion of financing costs to net revenue stream.
- 6.2 The prudential borrowing indicator demonstrates the proportion of prudential borrowing finance costs the net revenue stream;

Table 5

Prudential Indicator 2023/24 - Financing Costs Ratios	Approved 2023/24 %	Revised Prudential Indicator 2023/24 %
Ratio of financing costs to net revenue stream		
General Fund	11.42	10.91
Housing Revenue Account (HRA)	25.73	25.30
Ratio of financing costs for Prudential Borrowing to net revenue stream		
General Fund	6.30	6.24

7.0 Projected Minimum Revenue Provision

- 7.1 The capital finance regulations and associated statutory guidance place a duty on the Authority to charge to the revenue account a minimum revenue provision (MRP) that is deemed to be prudent.
- 7.2 An underpinning principle of the Local Authority financial system is that all capital expenditure must be financed either from capital receipts, capital grants (or other contributions) or revenue income. The broad aim of prudent provision is to require the Authority to put aside revenue over time to cover the CFR. In doing so, the Authority should align the period over which MRP is charged to one that is commensurate with the period over which their capital expenditure provides benefits.

Table 6

General Fund Minimum Revenue Charge (MRP) £m		Budget 23/24	Revised Estimate 23/24
Investment Plan	Supported Borrowing	3.104	3.104
	Unsupported Borrowing – Asset Life Method	5.689	5.096
Leases / PFI	Annuity Calculation	2.963	3.143
Loans	Annuity Calculation	0.000	0.000
Voluntary Provision	General Fund	0.000	0.000
Total Projected MRP Charge		11.756	11.343

- 7.3 The current regulations do not require MRP to be made on housing assets, the rationale for this is that assets held in the Housing Revenue Account are self-financing. Instead, the Housing Revenue Account is required to make a charge to their Major Repairs Reserve, to maintain the functionality of housing assets. The Authority does this with a charge equivalent to depreciation against the Major Repairs Reserves (MRR).
- 7.4 The Housing Revenue Account make a provision for the interest regarding the current PFI contract for sheltered accommodation, as well as a 'voluntary provision' to repay debt.

Table 7

Housing Revenue Account Minimum Revenue Charge (MRP) £m		Budget 23/24	Revised Estimate 23/24
Leases / PFI	Annuity Calculation	1.776	1.776
Voluntary Provision	Housing Revenue Account	3.500	3.397
Total Projected MRP Charge		5.276	5.173

8.0 Borrowing maturity structure limits.

- 8.1 The Authority manages fixed rate borrowing structure by setting limits on upper and lower parameters in which maturities can occur. The below limits ensure the maturity structure manages risk sufficiently to forward plan future borrowing maturities.

Table 8

Maturity structure of fixed rate borrowing during 2023/24	Upper limit	Lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	25%
20 years and within 30 years	100%	25%
30 years and within 40 years	100%	25%
40 years and within 50 years	100%	25%

9.0 Liability Benchmark

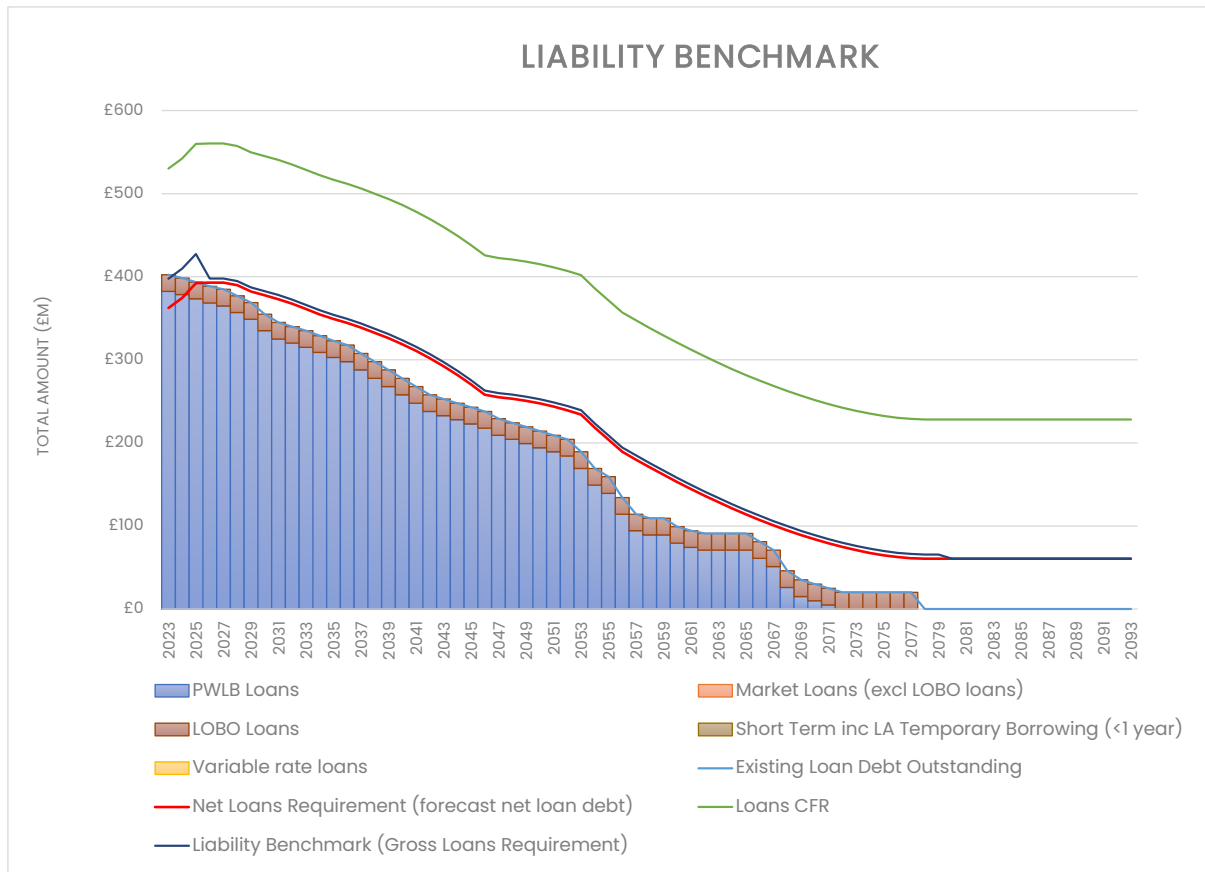
9.1 The Authority estimates and measures the liability benchmark for the full debt maturity profile of the Authority. The benchmark (Chart 1) maps the existing debt maturity profile and how minimum revenue provision (MRP) and other cash flows impact on the future debt requirement. The liability benchmark is not a single measure but presents as a chart of four balances as follows:

- Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
- Loans CFR: calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP, taking account of approved prudential borrowing.
- Net loans requirement: the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- Liability benchmark (or gross loans requirement) equals net loans requirement plus short-term liquidity allowance.

9.2 The benchmark is to be analysed as follows; where actual loans are less than the benchmark indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which may result in excess cash requiring investment.

9.3 The Benchmark for North Tyneside Council demonstrates a long-term 'under borrowed' position. This aligns with the current strategy to minimise long-term external borrowing costs by using 'internal borrowing'.

Chart 1



Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2023/24



Date: October 2023

Owner: Strategic Finance

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Foreword

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management stipulates that the Chief Finance Officer should set out in advance the Treasury Management Strategy for the forthcoming financial year, and subsequently report the treasury management activities during that year.
- 1.2 The primary requirements of the Code are as follows:
 - (a) forecast the likely activity for the forthcoming year (in the Annual Treasury Management Strategy Report);
 - (b) a mid-year review report; and,
 - (c) review actual activity for the preceding year, including a summary of performance.
- 1.3 This section of the document contains the required mid-year review report for 2023/24. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
 - An economic update for the first six months of 2023/24;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy for 2023/24;
 - A review of the Authority's investment portfolio for 2023/24;
 - A review of the Authority's borrowing strategy for 2023/24; and,
 - A review of compliance with Treasury and Prudential Limits for 2023/24 (detailed in Reference to appendix 2).

Economic Performance and Outlook Summary

- 2.1 Economic performance continues to be driven by volatile energy prices, cost of living crisis and the conflict in Ukraine with signs of economic activity losing momentum. The Bank rate continues to rise by a further 50bps over the last quarter. At its latest meeting on the 2nd November 2023, the MPC voted to leave the rate unchanged at 5.25%. CPI inflation declined from 6.8% in July to 6.7% in both August and September, the lowest rate since February 2022. The biggest positive surprise was the

drop in core CPI inflation, which declined from 6.9% to 6.2%

- 2.2 Inflation still remains the key topic over the MTFP, UK consumer prices, as measured by the Consumer Prices Index (CPI), were 6.7% higher in September 2023 than a year before, unchanged from August, which was the lowest rate since February 2022. This was a little higher than expected, with economists forecasting a small decline to 6.6%.
- 2.3 There are signs that energy prices continue to impact economic activity. Between June and July 2023, gas prices fell at record rates of 25.2%. This was largely because of the lowering of the Office of Gas and Electricity Markets (Ofgem) price cap in that month.
- 2.4 UK food and non-alcoholic drink prices were 12.1% higher in September 2023 compared to the previous year, based on the CPI measure of inflation. This continued the decline from the recent peak of 19.1% in March 2023, which was the highest rate of increase in food prices since 1977. Over the two years from September 2021 to September 2023 food prices rose by 28.4%. It previously took over 13 years, from April 2008 to September 2021, for average food prices to rise by the same amount.

Interest Rate Forecast

- 3.1 Link Asset services currently forecast Bank of England base rate to remain at 5.25% for the remainder of the financial year.

Table 1: Link Asset Services BoE base rate forecast

Month	Dec-23	Dec-24	Dec-25
BBR Rate	5.25%	4.50%	2.75%

- 3.2 The latest forecast on 25th September 2023 sets out a view that both short and long-dated interest rates will remain at a constant elevated level for a little while, as the Bank of England seeks prove their higher for longer narrative whilst still trying to reach their 2% inflation target.

As indicated in table 1, a stabilised Bank Rate at 5.25% shows throughout 2023 until Q1 of 2024, before a gradual reduction to 4.50% in Q3 2024 and then further reducing to 2.75% in 2025.

- 3.3 The MPC will continue to monitor closely indications of persistent inflationary pressures and resilience in the economy as a whole, including the tightness of labour market conditions and the behaviour of wage growth and services price inflation. Monetary policy will need to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, in line with the Committee's remit. Further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures.

Bond Yields and Increase in the cost of borrowing from the PWLB

- 4.1 Throughout 2022/23, Short, medium and long-dated gilts remained elevated as inflation impacted on markets. Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%.
- 4.2 Our Treasury advisors, Link, forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and they forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.
- 4.3 July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5th April but rose to 5.45% on 28th September.

- 4.4 For local authorities, this means that investment interest, both short and long dated, will remain elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.
- 4.5 The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth.
- 4.6 Like the US Fed, the Bank of England wants the markets to believe in the “higher for longer” narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- 4.7 The Authority has previously borrowed only from the PWLB as its main source of long-term funding; the changing market means the Authority should consider alternative sources of borrowing as necessary. At the current time, this area is still currently developing. The market has seen financial institutions entering the long-term borrowing market and make borrowing products available; however, this remains suitable for larger capital drawdowns in and around £50m+. Therefore, whilst this has limited appeal to North Tyneside Council, we continue to watch this space for future developments.

Balance of Risk to the UK

- 5.1 The overall balance of risks to economic growth in the UK is now to the downside, due to increases in inflation, labour and supply shortages, UK / EU trade arrangements and Geopolitical risks.

- 5.2 There is a balance of upside risks; if the Bank of England is too slow in its pace and strength of increases in Bank Rate, which allows inflationary pressures to build up too strongly and for a longer period within the UK economy, this could necessitate an even more rapid series of increases in Bank Rate faster than we currently expect.

Annual Investment Strategy

- 6.1 The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 16 February 2023. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.
- 6.2 The 16 February 2023 Council approved TMSS sets out the Council's investment priorities as being:
- Security of capital;
 - Liquidity; and
 - Yield.
- 6.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions.
- 6.4 The approved limits within the Annual Investment Strategy were exceeded for 1 day on the 26th of May 2023 and for 1 day on the 23rd of August 2023. This was due to an under investment on this day following unexpected cash inflows after treasury activities has been undertaken. This led to balances in excess of approved exposures.
- 6.5 During the six months of the financial year, Treasury Management activities continue to manage the surplus cash balance whilst minimising the Authority's requirements to borrow.

Table 2: Investment performance as at 30 September 2023

Investments	30/09/2023 £m	Average rate of Return %	Interest Earned period to 30/09/2023
Debt Management Office	20.250	4.66%	£121,393
Other Local Authority	10.000	3.97%	£93,493
Bank Deposits	5.000	5.09%	£163,784
Cash at Bank	1.264	0.00%	£0

Borrowing

- 7.1 The Authority's total capital financing requirement (CFR) including PFI for 2023/24 is £605.931m. The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The summary table provided below provides the borrowing position as at 30 September 2023. Total external debt including PFI is £510.332.
- 7.2 In August 2022, the Authority drew down £10.000m of PWLB long term loans. This was to part fund a PWLB maturity, de-risk our borrowing position as well as take advantage of low interest rates at the time.

Table 3: Total External Debt 30 September 2023

Principal £m	
External Borrowing	
382.443	Public Works Loan Board (PWLB)
20.000	Lender Option Borrower Option (LOBO)
5.000	Other Local Authorities
407.443	Total
Other External Debt	
102.889	PFI & Finance Lease (as at 01 Apr 23)
510.332	Total External Debt
Split of External Borrowing	
240.701	Housing Revenue Account
166.742	General Fund
407.443	Total

- 7.3 Following introduction of self-financing for the Housing Revenue Account, from 1 April 2012, loans were split between General Fund and Housing. However, decisions on borrowing for both General Fund and Housing will continue to be made within the overall Treasury Management Strategy and will be reported jointly.
- 7.4 The difference between the CFR and external borrowing is known as internal borrowing. The level of internal borrowing is determined within the Treasury Management Strategy, by a number of factors including market conditions for investments and the level of the Authority's reserves and balances.
- 7.5 The Authority's borrowing strategy continues to focus on minimising the borrowing cost of carry and is doing so by use of internal borrowing. This may pose a risk in the future when the Authority is required to materialise this by a way of external borrowing.

Debt Rescheduling

- 8.1 Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

Compliance with Treasury and Prudential Limits

- 9.1 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2023, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2023/24. All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.

North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: 2024–2028 Financial Planning and Budget Process – Cabinet’s Initial Budget Proposals

Portfolio(s):	Elected Mayor	Cabinet Member(s):	Dame Norma Redfearn DBE
	Deputy Mayor		Councillor Carl Johnson
	Finance and Resources		Councillor Anthony McMullen
	Housing		Cllr John Harrison
Report from Service Area:	Senior Leadership Team		
Responsible Officer:	Jon Ritchie, Director of Resources (Chief Finance Officer)	Tel: (0191) 643 5701	
	Jackie Laughton, Assistant Chief Executive	Tel: (0191) 643 5724	
Wards affected:	All		

PART 1

1.1 Executive Summary:

- 1.1.1 This report represents a key milestone in the development of the 2024/25 Budget and 2024–2028 Medium–Term Financial Plan (MTFP) as it sets out Cabinet’s initial Budget proposals for the next financial year and beyond. The report also includes the Authority’s approach to budget engagement and the Budget Engagement Strategy. The Our North Tyneside Plan remains the

delivery focus for the Mayor and Cabinet, and the Budget is driven by the Authority's key priorities that make up the Plan – a thriving, secure, family friendly, caring and green North Tyneside. Despite the economic challenges facing the country and the local government sector, the Authority continues to be ambitious to ensure anyone who needs support can access it, to continue to help the most vulnerable members of the community and to continue investment in all parts of the Borough.

- 1.1.2 Local government finance continues to be challenging. However, the Mayor and Cabinet have worked with the Senior Leadership Team over a number of years to maintain a degree of financial stability. Global issues associated with war in Ukraine combined with economic fragility and uncertainty post-pandemic and post-Brexit have manifested themselves locally. These have resulted in much higher than forecast levels of inflation, supply chain disruption and significant labour market pressures. The Mayor, Cabinet and Elected Members have seen each of these have an impact across the Authority's financial planning, as can be seen from the September 2023 Performance and Financial report (to be discussed at this Cabinet meeting) where the current General Fund pressure forecast to the end of March 2023 is in the region of £9.648m.
- 1.1.3 Since May, the Senior Leadership Team has been focused on delivering a programme of activity to tackle the current in-year pressure and to balance the Medium-Term Financial Plan over the next 4 years to 2027/28. This approach has focused on those projects identified as requiring maximum innovation and involving significant financial values. This is not purely a financial exercise; the programme of activity needs to be understandable and relatable for the wider organisation, Mayor, Elected Members, and the taxpayers and businesses of North Tyneside.
- 1.1.4 Unlike recent previous years, as part of the 2023/24 financial settlement, the government produced a policy statement on the 2024/25 financial envelope outlining the likely size of a number of key funding streams. Whilst this gives an indication of funding levels for 2024/25, uncertainty remains around some other key funding sources and how the impact of inflation will feed through into the Provisional Local Government Finance Settlement (expected mid to late-December). The Autumn Statement is planned for 22 November 2023, but this is after the date of publication of this report. Whilst the most up to date information has been used in the production of Cabinet's Budget proposals, the level of uncertainty does make financial planning difficult and requires the Authority to be flexible and adaptable as it considers setting the 2024/25 Budget and the MTFP for 2024/25 to 2027/28.

1.2 Recommendation(s):

It is recommended that Cabinet:

- a) agree the key principles being adopted in preparing the Medium-Term Financial Plan, which is the Annex to this report, for the Authority, subject to an annual review;
- b) note performance of the Authority against the Our North Tyneside Plan outcomes;
- c) consider and agree the initial Budget proposals in relation to the 2024/25 General Fund Revenue Budget (Section 1.6 of this report) and Dedicated Schools Grant (Section 1.9 of this report), including the assessment in relation to the current year's Budget monitoring information;
- d) consider and agree the proposed 2024-2029 Draft Investment Plan (Section 1.8 of this report), which has been developed in accordance with the Capital Strategy (Appendix B(v) of this report), including initial prudential indicators for 2024-2029 in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Framework and a proposed Minimum Revenue Provision (MRP) policy in line with capital finance regulations (Appendix B(ii) & B (iii) of this report);
- e) note that all schemes within the 2024-2029 Investment Plan will be kept under corporate review by the Investment Programme Board;
- f) consider and agree the initial proposals in relation to the Treasury Management Statement, Annual Investment Strategy for 2024/25 and Treasury Management Practices (Appendix C & D of this report);
- g) note the formal Reserves and Balances Policy for the Authority, subject to review at least annually (Appendix H of this report);
- h) note the Provisional Statement by the Chief Finance Officer (Section 11 of the Annex to this report);
- i) consider and agree the 2024/25 rent policy for housing; and consider and agree the initial Budget proposals in relation to the 2024-2028 Housing Revenue Account budget, and associated Business Plan,

including an assessment in relation to the current year's budget monitoring information (2023/24) (Section 1.7 of this report);

- j) note the proposed 7.7% rent increase from April 2024 (subject to any potential rent "cap" being implemented following further Government announcements) (Section 1.7 of this report);
- k) note that as agreed as part of the budget-setting process for 2024/05 a review of services charges has been undertaken which will require consultation with tenants prior to implementation, full details of which can be found in (Section 1.7 of this report);
- l) note the initial proposals in relation to garage rents for 2024/25 as per (Section 1.7 of this report);
- m) note the Governments proposed changes to all housing stock-owning local authorities in relation to retaining additional capital receipts for new build schemes, full details of which can be found in Section 8.4.14 of the Annex to this report;
- n) authorise the Director of Resources, in consultation with the Director of Commissioning and Asset Management, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, to undertake resource allocations to schools for 2024/25 in line with the school funding arrangements set out in the report (Section 1.9 of this report); and
- o) authorise the Elected Mayor, in conjunction with the Cabinet Member for Finance and Resources, Deputy Mayor and other Cabinet Members, to work with the Senior Leadership Team to continue their joint review of these initial Budget proposals.

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

- 1.4.1 The Budget and Policy Framework Procedure Rules are set out in Part 4.7 of the Authority's Constitution. The Budget is guided by paragraph 4.7.3, covering the process for the preparation, consideration and final approval of the Authority's

Council Tax requirement and Council Tax level. The statutory and constitutional requirements for preparing, considering, and approving these issues drive the timetable for the financial planning and Council Tax-setting process of the Authority.

1.4.2 The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This in turn provides assurance that is considered as part of preparing the Annual Governance Statement each year.

1.4.3 The Budget proposals will also be presented to the Overview and Scrutiny Co-ordination and Finance Committee (OSC&FC) during the Budget-setting process. The priorities in the 2021-2025 Our North Tyneside Plan provide the strategic framework within which Budget resources are allocated.

1.5 Information:

1.5.1 Background

1.5.2 Understanding the context in which any budget is set is critical, but this is even more relevant now. In many ways, 2024/25 represents the first post-covid budget, with the temporary funding to support local authorities through the pandemic now ended and activity levels stabilising towards the "new normal". However, at the same time, wider economic factors have come into play, manifesting themselves in the cost-of-living crisis for our residents, business and the wider public sector.

1.5.3 Local authorities across the country have experienced significant financial uncertainty for many years, but since 2018 there have been several local authorities who have issued notices under section 114 of the Local Government Finance Act 1988 (section 114 Notice) which is effectively a notice confirming that an authority is unable to meet its expected financial obligations. The reasons for the section 114 notices issued to date vary between each affected authority, but the current funding levels in the sector mean financial resilience has been weakened and some authorities have struggled to meet increased levels of demand within their current financial and operational arrangements.

1.5.4 The national and international economic position must also be recognised. As well as the increased levels of older people generally, there is a change to the proportion of over-50 year olds in work, reducing the levels of those who are economically active. Despite innovation and changing business processes, productivity in the economy has been weak in the past 10-15 years,

undoubtedly impacted by the events such as the global banking crisis and the pandemic. More recently, rapidly rising inflation and the consequential increase in interest rates, following a prolonged period of historically low rates, are impacting on growth in the economy. However, there remain areas of economic resilience, with continued level of capital investment in many sectors.

1.5.5 Locally, this presents the Authority with challenges, which also change at pace. Since the budget for 2023/24 was set on 16 February this year, increased demand and changing levels of risk have impacted on activity and budgets. This is covered in detail in the latest Performance and Finance report (also on the agenda for this meeting), but include:

- Increased levels of vulnerable children, including those accessing high needs support;
- National pressures on the cost of external provision for both children's and adult social care;
- Increasing food inflation and reducing numbers of schools buying services from the Authority, linked in part to academisation;
- Continued inflationary pressures, impacting on general costs but also contractual uplifts, for example waste and PFI schemes; and
- Recruitment and retention challenges, especially in certain shortage areas such as social care and lawyers.

1.5.6 In response to this, the Authority has continued to evolve and enhance its reporting mechanisms. 2023/24 has seen a new approach to the bi-monthly reporting to Cabinet and OSC&FC. This has focused more on service activity levels that drive the finances, rather than just the financial impacts, giving a much more informed and balanced set of reports to Members. It is also driving the revised approach to the MTFP set out in this report.

1.5.7 Despite these challenges, Cabinet is preparing its budget and MTFP proposals from a position of strength. The bi-monthly Performance and Finance reports set out some of the key achievements in year, demonstrating the support the Authority gives to its residents, business and visitors. The achievements set out in those reports, and summarised in this section, are not exhaustive but include:

- 58% reduction in carbon emissions across Authority service operations, ensuring that the Authority is on track against its commitment to become carbon net-zero by 2030;

- The ambition to deliver 5,000 Affordable Homes is progressing well with 2,348 homes delivered at the end of quarter two;
- The Ambition for North Tyneside Programme is progressing with regeneration projects in all four areas of the borough;
- Almost £12m has been invested in delivering planned improvement works to maintain homes to the decent homes standard including kitchen and bathroom replacements, roof replacements, redecoration works, fencing replacements, heating replacement works;
- Almost £9m of improvement works have been delivered including integrated transport improvements including the North Shields Transport Hub which was opened on the 2 September 2023.
- Work continues to progress on the resurfacing programme, flood alleviation measures and on major highways improvement schemes such as the Seafront Sustainable Cycle Route, Stephenson Street junction upgrade and the next phase of the Routes to Metro Project; and
- Council Tax and Business Rates collection remains strong and compares well with national performance, ensuring that the Authority has the resources required to deliver essential services.

1.5.8 However, the regular monitoring reports also highlight the on-going financial challenge. Without further intervention, there is a current forecast overspend of £9.648m this financial year which, without further improvement, would require some use of strategic reserves. Whilst this is the intended reason for holding reserves, their usage cannot continue indefinitely. In response to this, Cabinet continues to focus on a realistic programme of replenishment of reserves over the period of the MTFP.

1.5.9 In light of these challenges facing the sector, prioritising service levels and budgets is critical, which need to focus on the vulnerable and those impacted most by the cost of living crisis.

1.5.10 However, this planning continues to be undertaken with deep levels of uncertainty facing the Authority. Whilst the 2023/24 finance settlement gave an indication of the 2024/25 funding for some items through a policy statement, it is far from complete and the allocations between councils is not confirmed.

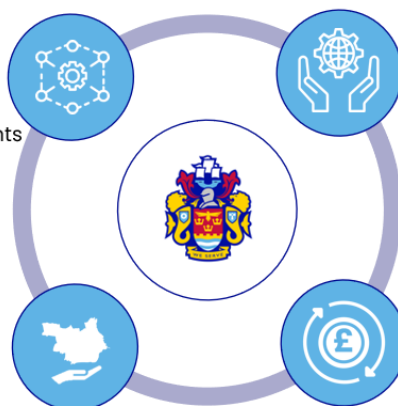
1.5.11 The Autumn Statement will take place on 22 November 2023, which is after the publication of this report. Whilst that will provide further information which will feed into the budget scrutiny process, the date of the provisional finance settlement (which will give further detail on the allocation of funding to

individual councils) is not yet confirmed, but, is unlikely to be before mid-December 2023 (it was not released until 19 December last year).

1.5.12 As a response to this, the Authority has developed a high-level Financial Strategy which set the overarching principles and considerations for medium-term financial planning within North Tyneside. The diagram below sets out the components of the Strategy and each of the themes is covered in more detail within the MTFP, which is appended to this report.

Strategic Alignment

- Driven by Our North Tyneside Plan
- 4-year balanced position (MTFP)
- Align revenue and capital plans
- Consider whole life costs of decisions
- Maximise direct service delivery to residents



Governance

- Evidence led and benefit measurement
- Deliver value for money in everything we do
- Maximise social value
- Lawful decision making

Resilience

- Ensure sufficiency of reserves & balances
- Address key risks without impacting on Our North Tyneside Plan delivery

Sustainability

- Set a sustainable Council Tax in line with Government assumptions
- Generate income to support service delivery
- Maximising external funding
- Balanced treasury management

1.6 General Fund Medium-Term Financial Plan

1.6.1 This section provides a summary of the MTFP which has been appended to this report and which includes full details of the approach taken for Budget-setting for 2024/25.

1.6.2 The final 2023/24 settlement included funding allocations for 2023/24 and the policy direction for 2024/25. The MTFP, as set out to Council in February 2023, identified that the Authority, in common with other upper tier local authorities, needed to address a material budget shortfall in 2024/25 and beyond. However, there remains some uncertainty about the level of funding for 2024/25 and the potential for additional pressures to emerge during the budget setting process.

1.6.3 At the Council meeting in February 2023, the MTFP for 2024/25 to 2026/27 set out a funding gap of £35.110m over the 4-year period, with a gap of £7.575m for 2024/25. The gap in the February Council report for 2024/25 included the future years impact of the 2023/24 increase in Council Tax (2.99%) and Adult Social Care Precept (2%), which were agreed at that meeting.

- 1.6.4 The Revenue Budget Outturn for 2022/23 was reported to the Cabinet in June 2023, and represented a net overspend on the cost of services of £6.081m. The Strategic Reserve was utilised to fund that overspend, reducing the remaining balance to £6.345m. The September 2023 Performance and Financial Management Report, which is also presented to Cabinet at this meeting, shows that without mitigation and management actions, the forecast pressure to the end of March 2023 is expected to be in the region of £9.648m.
- 1.6.5 Before looking at the new and emerging pressures since the Budget was set, Cabinet should note that the robust approach to financial planning in North Tyneside served its intended purpose. Had new pressures not arisen, many of which are outside the control of the Authority, budget monitoring analysis shows that by updating the assumptions included in February 2023, the residual MTFP gap for 2023/24 would have reduced from £7.575m to £2.265m. This would have been a manageable gap to address in the current budget round. Table 1 below summarises the impact of the revised assumptions which gives the starting gap for 2024/25's budget calculations.

Table 1: Revised initial budget net gap following updated assumptions

	£m
Gap as at February 2023 Council	7.575
Inflationary	0.678
Service	0.968
Organisation-wide	(6.956)
Net Gap following updates to assumptions	2.265

- 1.6.6 As part of the Authority's revised approach to setting a balanced budget for 2024/25 and a 4-year MTFP for 2024-2028, thirteen project areas have been established to tackle the highest pressures facing the Authority and to explore areas of opportunity to be more efficient or maximise resources. Since May, the Senior Leadership Team has been working to develop those projects with regular updates being received by members of Cabinet at Lead Member Briefings. The development of those follows the approach that was initially established with Childrens Social Care, which has been used as a blueprint for project development which form part of Cabinet's initial Budget proposals. This approach is also being incorporated into the in-year Performance and Finance reports to Cabinet and OSC&FC, recognising that service activity is driving the financial position of the Authority.
- 1.6.7 Following initial assessments of each project area, the anticipated net impact is an additional pressure of £12.209m increasing the gap for 2024/25. Full details of all the projects are included within section 6 of the MTFP appended to

this report, however table 2 below provides an overview of the position by project where there is a financial impact.

Table 2: Projects Estimated Financial Impact on 2024/25

Project Ref		£m
P04	Inclusive Education / SEND	1.291
P05	Ambition for Education	0.151
P06	Home to School Transport	1.500
P07	Handling Childrens Finance	5.452
P08	Climate and Waste	(0.700)
P09	Great Landlord and Specialist Housing	(0.220)
P10	Health and Social Care (Public Health and Adults)	3.424
P11	Financial Management	0.248
P13	Services to Schools	1.063
	Total Estimated Financial Impact for 2024/25	12.209

1.6.8 Taking into account the position after the review of assumptions, summarised in table 1, and the impact of the initial assessments of the projects above, the estimated revised gap for 2024/25 prior to any assumptions regarding additional government grants, collection fund adjustments or increases to Council Tax is £14.474m, as is shown in table 3a below.

Table 3a: Revised Gap prior to additional funding estimates

	£m
Net Gap for 2024/25 (from table 1)	2.265
Estimated financial impact of Projects (from table 2)	12.209
2024/25 Revised Gap	14.474

Options to reduce the General Fund gap for 2024/25

1.6.9 As the Budget plans have developed recently, further consideration has been given to potential changes to government grant funding, in particular funding elements that are influenced by the Consumer Prices Index (CPI). Initial estimates are that further funding of £4.942m could be received, which would also support the revised gap as described above. Table 3b below shows the impact of the estimated additional funding for 2024/25.

Table 3b: Revised Gap including additional funding estimates

	£m
Net Gap for 2024/25 (from table 1)	2.265
Estimated financial impact of Projects (from table 2)	12.209
Additional Government Funding assumptions	(4.942)
2024/25 Revised Gap	9.532

- 1.6.10 For 2023/24 and 2024/25 the Government announced that the referendum limit for increases to Council Tax would be up to 5%, which will form the basis of the Government's assumption for calculating individual councils' Core Spending Power. The MTFP approved by full Council in February 2023 included a 2.99% general increase in Council Tax and a 2% Adult Social Care Precept for 2023/24 but did not make any assumptions for future years. Cabinet will be aware that the general move towards raising income locally places additional burden on those residents not in receipt of Local Council Tax Support, either as part of the statutory scheme or the additional support put in place locally. The National Audit Office has calculated that between 2010/11 and 2020/21, Council Tax in North Tyneside rose by 15.8% in real terms (using 2019/20 prices). Whilst this remains a major concern, the Authority must reflect the Government's assumptions in its financial planning.
- 1.6.11 Whilst no proposal about Council Tax and/or the Adult Social Care Precept are being made in this report, it is useful to set out what this would mean for the Authority for illustrative purposes. Should Cabinet consider the increases in Council Tax, based on current tax base estimates, this would raise approximately £5.865m of additional funding for next year (made up of £3.513m general Council Tax (2.99%) and £2.352m from the Adult Social Care Precept (2%)). The precise final level of any change in Council Tax will be confirmed in February 2024 following a decision by full Council.
- 1.6.12 Cabinet will be aware of the statutory and additional local support that is in place in North Tyneside to assist residents with their Council Tax bills. In summary, it is proposed to retain the current level of support through both the statutory Local Council Tax Support Scheme, which gives up to 85% discount for eligible working age claimants (eligible pensionable age claimants can claim up to 100% of their bill). In addition, there is a local scheme where up to £150 per eligible working age claimant is available, at a cost of £1.5m annually. For a working age couple in a Band A property, this would see their annual bill

reduced to £61 per annum (£8 for a single person). Further detail is included in section 5.6 of the Annex.

- 1.6.13 Table 4 below summarises the revised gap for illustrative purposes taking these factors into consideration, especially recognising that any Council Tax increase proposals will follow in January and February reports to Cabinet and Council. The revised gap reflects the on-going uncertainty noted earlier in this report, especially around central government funding levels.

Table 4: Revised Gap following illustrative impact of increase in Council Tax

	£m
Revised Gap Table 3	9.532
2.99% Council Tax	(3.513)
2.00% Adult Social Care Precept	(2.352)
2024/25 Revised Gap	3.667

- 1.6.14 The Mayor and Cabinet have already made decisions in previous years which result in savings during the MTFP period, which are already included in the MTFP gap calculations used in this report. These are summarised in Table 5 below for ease of reference.

Table 5: 2024-2026 Efficiency Programme as at February 2023

Efficiency Programme	2024/25 £m	2025/26 £m
Digital, Data & Customer – ICT SIMS	(0.018)	(0.060)
Digital, Data & Customer – Data & Analytics	(0.090)	(0.025)
Commissioning, Procurement & Commercial – Supply Chain	(0.100)	(0.100)
Total Prior Year Budget Proposals	(0.208)	(0.185)

- 1.6.15 Work will continue before January 2024 to update the revised gap to take account of the Provisional Settlement (expected in December) along with any wider Government announcements, including the impact of policy initiatives. In particular, the residual gap around adult social care (ASC) is hoped to narrow based on the realignment of the Market Sustainability and Fair Cost of Care funding into the ASC Market Sustainability and Improvement Fund. This will also take into account the latest returns to Government on the business rates position, which will not be known until January 2024. However, in the absence of any detailed information, no attempt has been made to quantify

this and the full extent of the social care growth already in the MTFP assumptions has been left unchanged. In the event of the residual gap remaining after the Provisional Settlement updates are incorporated, the Authority will need to consider further usage of reserves or the application of capital receipt flexibilities, as set out elsewhere in this report.

2024–2028 General Fund Medium–Term Financial Plan Estimates

- 1.6.16 The Authority is prudently planning on the basis that it will receive additional inflationary uplifts in Revenue Support Grants (RSG), Business Rates Top Up grants and additional social care grant in 2024/25. From 2025/26 it is likely that the Authority will only receive CPI uplifts in RSG, Business Rates and Top Up grants i.e., no increase in core grant funding are included. This prudent estimate for future years is in line with announcements by the Chancellor of the Exchequer in the March 2023 Budget that across the three years 2025/26 to 2027/28 the public sector would only receive a 1% real terms funding increase with Health, Education and Defence expected to receive additional protection. This position will be closely monitored as Budget–setting progresses and during the lead in time for publication of the Autumn Statement which is expected on 22 November 2023.
- 1.6.17 As in previous years, the MTFP has been reviewed and assumptions for the next 4–years have been updated to consider the impact of inflation and demand led pressures across all of the Authority’s services. Full details of the impact of the revised assumptions are included within the Annex to this report. The summary position is included in table 6 below.
- 1.6.18 The revised assumptions have increased the overall funding gap or level of savings required to £46.3m by the end of the current MTFP in 2027/28 (assuming a balanced budget in 2024/25). However, there continues to be a high level of uncertainty on the 4–year planning horizon. Due to this as in 2023/24 a simplified approach has been taken at this stage to set out the 4–year MTFP period.

Table 6: General Fund MTFP Summary

	2025/26 £m	2026/27 £m	2027/28 £m
Estimated growth required	10.552	13.026	5.953
Estimated financial impact of Projects	4.195	4.824	8.465
Existing efficiency programme	(0.185)	0.000	0.000
Government Funding assumptions	(1.060)	2.244	(1.691)
In-year gap	13.502	20.094	12.727
Cumulative gap (assumes 2024/25 is balanced)	13.502	33.596	46.323

1.6.19 The ongoing uncertainty is continuing to make financial planning extremely challenging and requires the Authority to be flexible and adaptable to the changing financial landscape. As Budget-setting progresses officers will continue to monitor economic and market updates, and where necessary will apply these to any assumptions currently estimated within the Authority's MTFP.

Review of General Fund Reserves

1.6.20 The Authority maintains a level of reserves to plan for and manage financial risk. As Cabinet will already be aware, it is important to remember that reserves can only be used once, and that they are maintained to provide a degree of financial resilience and flexibility for the Borough.

1.6.21 Reserves balances have fallen from 2022/23 primarily due to the overspend of £6.081m and the use of the Strategic Reserve to balance the General Fund in that financial year. The Authority continues to have planned use of earmarked reserves, and this will continue in the current financial year and across the MTFP. Cabinet will be aware that this unplanned use of reserves meant that the Strategic Reserve balance is now below the £10m minimum as set out in the Reserves and Balances policy. The MTFP set by full Council last year included plans to replenish the Strategic Reserve to a level above that in the Policy. However, due to additional pressures identified earlier in this report the initial review undertaken by management set out to defer the replenishment of the Strategic Reserve into 2025/26 and the remainder of the MTFP. General Fund reserves balances are forecast to fall to £37.349m by the end of 2027/28. This assumes no utilisation of the Strategic Reserves to underwrite revenue budget pressures over the MTFP.

1.6.22 The Authority bought forward General Fund reserves balances of £59.596m into 2023/24, based on the latest forecast of planned usage, it is anticipated £18.271m will be drawn down in 2023/24 to support service delivery. This would result in a 2024/25 balance bought forward for reserves of £41.325m. The planned usage does not incorporate the potential requirement of the strategic reserves to support the revenue budget pressure being forecast of £9.648m for 2023/24 as reported in the Financial Management report elsewhere on this agenda.

1.6.23 Whilst there is still a significant level of uncertainty, the Authority will continue to deliver best practice as would be expected. That means there is a refreshed 4-year MTFP for both the General Fund and HRA, alongside a 5-year Capital Investment Programme. Those financial plans have been based on a benchmarked set of assumptions which have included information from HM Treasury, the Office of National Statistics, and the Office for Budget Responsibility, CIPFA, dialogue with the Society of Municipal Treasurers, as well as the local Treasurers across the "LA7" and Association of North East Councils (ANEC) areas. The prudent use of reserves forms a vital part of this financial planning.

1.7 Housing Revenue Account

1.7.1 Financial Planning for the Housing Revenue Account (HRA), as with the General Fund, is driven by the Our North Tyneside Plan vision and priorities. The HRA will set a budget and updated four-year, MTFP supported by the updated 30-year HRA Business Plan, which will be agreed at the Cabinet meeting on 29 January 2024.

1.7.2 The Authority, in line with most Local Authority Registered Providers, follows the Government's social housing rent policy. In recent years, the increase has been calculated at the CPI rate, as at September, plus 1%. This led to a 4.1% rent increase for 2022/23. However, for 2023/24, due to the cost of living crisis and the high rates of inflation in September 2022, which stood at 10.1%, this would have led to an 11.1% increase. Following consultation, the Government capped the maximum rent increase for 2023/24 at 7%. As part of the proposals, the Government also reserved the right to apply the cap for 2024/25. In response to the level of rent being set, Cabinet will recall that a £3m fund was created to support a range of tenancy sustainment measures over the 3-year period from 2023/24.

1.7.3 At September 2023, the CPI rate of inflation was 6.7%, so applying the standard policy would lead to a rent increase of 7.7%. As with last year, a range of

scenarios have initially been modelled within the 30-year HRA Business Plan and outlined in table 7 below, pending any definitive announcements from Government. The default position for 2024/25 is based on a 7.7% increase, with scenarios setting out the implications of reduced “caps” from that point in terms of the savings that would be required to balance the plan in each circumstance.

- 1.7.4 The HRA continues to face a range of cost and supply pressures. Some of the main pressures are:
- Uncertainty over pay awards, for 2023/24 and future years;
 - The outcome of the Craft Workers pay review;
 - The implications of Grenfell Disaster which culminated in the passing of the Building Safety Act in 2022, placing additional responsibilities on Landlords e.g. ensuring carbon monoxide detectors in all properties, and increased level of electrical inspection;
 - Supply chain difficulties sourcing certain materials and services, which adds to cost pressures and uncertainty; and
 - Increased sub-contractor costs as they face many of the same issues in their supply chains and resourcing plans.
- 1.7.5 All of these issues have been factored into the HRA Business Plan, along with the current assumptions on the proposed rent increase, with the aim of ensuring that the 30-year HRA Business Plan can be balanced, whilst still meeting all the Mayor and Cabinet’s key objectives. These include maintaining the existing stock, meeting increased Affordable Homes ambitions and taking steps to continue to respond to the Authority’s Climate Change Emergency plans, by funding increased sustainability measures. In addition, where possible, continuing to address the decarbonisation agenda as part of the Authority’s Carbon Net-Zero 2030 Action Plan.
- 1.7.6 As stated above table 7 provides some indicative figures of the potential impact of a cap being imposed. This shows the amount of savings that would be required at each level starting with the balanced plan at 7.7%, and working backwards towards the long-term Government target assumption that annual rent increases would average out at 3%.

Table 7 – Housing Revenue Account 2024–2054 – Potential Impact of Different Rent Increase scenarios on HRA Business Plan linked to implementation of a “Cap”

Rent Increase	Available Resource – Revenue & Capital £bn	Required Resource – Revenue & Capital £bn	Current Funding Gap – Revenue & Capital £bn
7.7%	5.331	5.331	0
7%	5.310	5.330	0.020
5%	5.251	5.330	0.079
3%	5.192	5.329	0.137
0%	5.104	5.328	0.224

1.7.7 As can be seen from the above table the implementation of a cap would potentially lead to significant gaps in funding. If a cap was to be imposed, the Authority would need to find savings within the HRA Business Plan to close the gap. At that point there a range of options that would have to be explored to help balance the HRA and provide resources to move towards meeting Cabinet and tenants’ ambitions. These would involve the following areas:

- a) An ongoing review of bad debt provisions and the associated assumptions;
- b) A review of levels of in-year contingency provided within both the Management and Repairs budgets;
- c) Review of the approach to debt management within the Treasury Management Strategy for the HRA;
- d) Analysing any Government announcement on rent policy to assess potential impact;
- e) Balancing the needs of the existing stock whilst ensuring that the HRA continues to provide funding for a new build programme to assist towards meeting Cabinet’s Affordable Housing ambitions;
- f) Ensure that the Authority has the resources available to continue supporting a programme of training and development through Apprenticeships and the Working Roots scheme;
- g) Identifying resources specifically to respond to the Authority’s declaration of a Climate Change Emergency, by undertaking sustainability measures within the housing stock that will reduce the Authority’s carbon footprint and help move towards net carbon zero status in line with the Authority’s Carbon Net-Zero 2030 Action Plan.
- ‘h) The Business Plan also assumes that the results of the service charge review as described in Section 8 of the Annex are fully implemented from 1

April 2024, following an appropriate period of consultation with affected tenants, and that an agreed budget for transitional protection for those tenants is also put in place.

- 1.7.8 As part of the 2023/24 budget setting process, Cabinet agreed that a review of service charges would be undertaken to inform the 2024/25 budget and ensure that the proposed charges reflected the cost of delivering the relevant services. For the majority of services, the result of the review was that increasing service charges for 2024/25 in line with the proposed rent increase (7.7%) is considered to be appropriate.
- 1.7.9 However, there were some specific exceptions to this where additional increases are required in order to meet the costs of service delivery, specifically relating to the North Tyneside Living schemes. Details of these are set out in section 8.4 of the Annex, including details of the elements that are eligible for benefit support. For those elements that are to be paid by existing tenants, transitional relief is being put in place to limit increases in 2024/25 to the level of overall rent increase (i.e. 7.7% under current assumptions).

1.8 2024–2029 Draft Investment Plan

- 1.8.1 The Authority's capital expenditure plans are captured within the Investment Plan which is developed in accordance with the Capital Investment Strategy. Effective capital investment plays an important role in the delivery of the Authority's strategic objectives. The Investment Plan captures a range of planned improvements within the Borough, helping to shape the delivery of the Authority's services as well as undertaking regeneration and placemaking activity and encouraging economic and housing growth.
- 1.8.2 The existing 2023–2028 Investment Plan totalling £312.34m was approved by full Council on 16 February 2023. The delivery of projects within the plan and progress to date is subject to ongoing review and challenge by Investment Programme Board (IPB) and has been reported to Cabinet as part of the bi-monthly Performance and Financial Management reports.
- 1.8.3 As part of the MTFP process, the existing plan has been reviewed to ensure this remains affordable and sustainable, challenging existing commitments as well as exploring opportunities for additional investment.
- 1.8.4 At this stage, a schedule of the individual projects included within the draft Investment Plan is attached as Appendix B(ii), with all schemes subject to the

Authority's Gateway process. The overall proposed investment is summarised in the table below:

Table 8: Summary of the Draft Investment Plan 2024–2029

Spend	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
General Fund	55.350	20.976	20.914	18.414	14.664	130.318
Housing	36.762	36.097	39.148	38.798	38.435	189.240
Total	92.112	57.073	60.062	57.212	53.099	319.558

1.8.5 In addition to the agreed 2023–2028 Investment Plan, emerging proposals for the 2024–2029 Investment Plan for consideration as part of the Budget-setting process are set out below:

- The implementation and upgrade of the Authority's Enterprise Resource Planning (ERP) system to replace the current BMS (£4m);
- Investment at the Killingworth depot, providing additional accommodation to facilitate the relocation of the Adult Loan Equipment Service (£2.8m);
- Improvements in the Authority's non-operational portfolio, improving accommodation standards, energy efficiency measures and enhancing its performance (£2.75m);
- Structural improvements works to Royal Quays Marina barrage (£1.65m);
- Investment in additional ICT infrastructure, including the delivery of upgrades to the Wide Area Network (WAN) to enhance security and connectivity (£0.95m);
- A new year 5 (2028/29) has also been added to reflect rolling programme projects such as Asset Planned Maintenance, ICT infrastructure refresh, investment in the Authority's schools and highways infrastructure.

1.8.6 In addition to the above, the Authority has also identified a range of opportunities to utilise the additional flexibility to apply capital receipts to help fund the costs associated with service transformation that would ordinarily be met from revenue resources. The Authority is considering options to invest in 2024/25 in projects to help deliver ongoing revenue savings and address any residual budget gap for 2024/25 once the Finance Settlement is confirmed. Further details can be found in the Authority's proposed Flexible Use of Capital Receipts Strategy in Appendix B(vi).

1.8.7 Cabinet will be aware that as part of the proposals for the North East Mayoral Combined Authority (NEMCA), a regional submission has been made for parts of the region to become an Investment Zone. In North Tyneside, this would include parts of the riverside area, including land at the Port of Tyne. These sites, along with other river locations in South Tyneside and Newcastle, would be known as a Growth Site, which could receive additional Investment Zone funding. Whilst there are no specific projects included within the draft Investment Plan at present, if the Investment Zone bid is successful, it could result in additional funding being allocated to the borough.

1.9 Dedicated Schools Grant (DSG)

1.9.1 Cabinet will be aware that school funding is a matter for the Department for Education (DfE), either by direct funding agreements with academy trusts or delegated by local authorities to maintained schools where budget management is the delegated responsibility of each governing body. As in previous years, Cabinet will need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2024/25. The formula will apply directly to maintained schools for the financial year, and for academies it will form the basis for their funding, distributed by the Education, Skills and Funding Agency (ESFA), for the year starting 1 September 2024. The local formula must comply with statutory guidance, but within these confines the final decision on the formula rests with the Authority after consultation with schools and the Schools Forum.

Table 9: Indicative Dedicated Schools Grant funding allocation 2024/25

	Schools Block £m	CSS Block £m	Early Years Block £m	High Needs Block £m	Total Indicative DSG 2024/25 £m
Indicative DSG Settlement	155.305	1.554	15.294	34.747	206.900

1.9.2 The Authority's DSG Management Plan, agreed in advance with parents and carers, children and young people, and partners from across education, health, and care, was submitted in February 2023. Without further action, the High Needs block cumulative deficit was forecast to be in the region of £19.500m by 2027/28. The Authority's submission was successful and the DfE agreed financial support to the Authority of £19.500m over a 5-year period, with the first payment of £7.800m paid at the end of the financial year 2022/23. In subsequent financial years, subject to compliance with the conditions set in the agreement, the DfE will release the remainder of the £19.500m.

- 1.9.3 North Tyneside Council is on track to reach a positive in year balance on its DSG High Needs Block by the year-end 2027/28. The Authority's DSG management plan forecast a 2023/24 year-end pressure of £10.474m. The outturn position for 2022/23 was healthier than forecast, however, the Authority was in active discussion at that time with its maintained special schools regarding pupil numbers and funding. These discussions are now concluded and reflected in the revised position.
- 1.9.4 The Authority's current forecast shows that we remain on target to achieve the 2023/24 year-end position detailed within our DSG management plan, with a forecast pressure of £10.473m, ie a small improvement against the plan. The DfE announced that in June 2023, the Authority will receive in capital funding £4.681m and officers are working on detailed plans for this investment.
- 1.9.5 The Authority remains confident that governance arrangements in place provide the necessary political rigour and oversight of its Lead Members, and support and scrutiny by its Chief Executive and Senior Leadership Team. The wider SEND partnership remains locked into the deliverables set out in the DSG management plan, incorporated into the partnership's SEND improvement plan.
- 1.9.6 The Authority's Safety Valve communication and engagement plan, and its wider strategic SEND Engagement Strategy, continue to provide a clear basis upon which leaders across the Authority share information, consult and co-produce with children and young people, parents and carers, and the wider workforce.
- 1.9.7 A key risk for the Authority is that the statutory override to ring-fence DSG deficits from councils' wider financial position in statutory accounts is due to end after the accounts for the financial year 2025/26. After this point, unless the statutory override is extended, authorities will need to demonstrate their ability to cover DSG deficits from their available reserves. Due to the level of the deficit on the High Needs block of the DSG it is imperative that the Authority's DSG Management Plan meets the ESFA's requirements to ensure the historic deficit can be supported by funding that is available.

1.10 General Fund Initial Budget Proposals and next steps

- 1.10.1 Cabinet's initial Budget proposals are based upon available information and judgements at the time of the writing of this report. As noted throughout this report, there are several assumptions and judgements built into the figures presented that are outside the control of the Authority and need to be finalised.

1.10.2 These initial Budget proposals are subject to further review and consultation before they can be confirmed. The information to be assessed and finalised includes:

- The overall impact of the Autumn Statement due to be announced on 22 November 2023;
- The Provisional and Final Local Government Finance Settlement announcements for 2024/25, including capital announcements and specific grants, including the DSG;
- Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority Precepts (due February 2024);
- Levies, including the North of Tyne element of the Newcastle upon Tyne, North Tyneside, and Northumberland Combined Authority Transport Levy (due February 2024);
- Tyne and Wear Joint Service Budgets (due January/February 2024); and
- Consideration of the impact of the economic climate on the residents of the Borough and Council Taxpayers.

1.10.3 Therefore, as some external announcements are still to be received, it is recommended that Cabinet authorises the Elected Mayor, in conjunction with the Cabinet Member for Finance and Resources, Deputy Mayor and other Cabinet Members, to work with the Senior Leadership Team to continue their joint review of these proposals.

Equality and Diversity Considerations

1.10.4 The Authority has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by equality legislation are considered prior to any decision being made. The Authority will continually monitor the effect of its Budget-setting process and decision-making by using equality impact assessments.

1.10.5 Full Equality Impact Assessments will be undertaken for each of the projects included within the initial Budget proposals in order for Cabinet to

consider, before reaching its final decision. These will also be available for other aspects of budget engagement throughout the engagement process. An Equality Impact Assessment has also been carried out on the Budget Engagement Strategy.

2023/24 Financial Planning and Budget process – Timetable of Key Decision Milestones

1.10.6 Key aspects of the 2023/24 Financial Planning and Budget process timetable are set out at Appendix G to this report, highlighting key decision milestones in the process. The Elected Mayor and Cabinet are responsible for formulating the Authority's Budget. The Cabinet Member for Finance and Resources, in close consultation with the Elected Mayor, has been nominated as the lead Cabinet Member for the overarching 2024–2028 Financial Planning and Budget process. The Director of Resources will be the project sponsor.

The Budget Engagement Strategy

- 1.10.7 The Authority is committed to being an organisation that works better for residents and to ensure that it listens and cares. This commitment includes giving residents and other key stakeholders an opportunity to be involved in the Financial Planning and Budget process.
- 1.10.8 The Authority is also committed to being an organisation that works better for residents and to ensure that it listens and cares. This commitment includes giving residents and other key stakeholders an opportunity to be involved in the Financial Planning and Budget process.
- 1.10.9 The aim of the Budget Engagement Strategy is to reach different sectors of the population through an approach that encompasses engagement with residents as a whole and customers/users of services as well as particular groups of people, including those with protected characteristics. The approach also ensures reach with particular interest groups such council housing tenants. The Budget Engagement Strategy also ensures targeted activity with specific external and internal stakeholder groups. Full details of the Budget Engagement Strategy are set out at Appendix F to this report.

1.11 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet can agree the recommendations set out in paragraph 1.2 of this report.

Option 2

Cabinet does not agree to the recommendations in paragraph 1.2 of this report and suggest that further / different options are considered by the Senior Leadership Team and be reported back to Cabinet for its further consideration.

Option 1 is the recommended option.

1.12 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Due to external information still to be received, Cabinet is not able to finalise its proposed Council Tax level for 2024/25 in relation to the General Fund. This report will form the basis of Budget engagement and scrutiny over the next two months, but further work will inevitably be required before final decisions are made on the Budgets for next year, hence the authorisation recommendation referred to in section 1.10 above.

1.13 Appendices:

Annex	2024-2028 Medium-Term Financial Plan – Cabinet’s Initial Budget Proposals
Appendix A	2021-2025 Our North Tyneside Plan
Appendix B(i)	2024-2028 MTFP Project Summaries
Appendix B(ii)	2024/2029 Investment Plan Summary
Appendix B(iii)	2024-2029 Housing Investment Plan
Appendix B(iv)	Prudential Indicators 2024-2029
Appendix B(v)	Capital Investment Strategy
Appendix B(vi)	Flexible Use of Capital Receipts Strategy

Appendix C	2024/25 Treasury Management Statement, Annual Investment Strategy and Credit Criteria
Appendix D	Treasury Management Practices (TMPs) 2024/25
Appendix E(i)	HRA Business Plan 2024-2028
Appendix E(ii)	HRA Financial Plan, Reserves and Contingency Movement 2024-2028
Appendix F	Budget Engagement Strategy 2024/25
Appendix G	2024/25 Financial Planning and Budget Timetable of Key Future Decision Milestones
Appendix H	Draft Reserves and Balances Policy 2024/25
Appendix J	Glossary of Terms

1.14 Contact officers:

Jon Ritchie, Finance Service
Tel No 643 5701

David Dunford, Finance Service
Tel No 643 7027

David Mason, Finance Service
Tel No 643 5727

Jane Cross, Finance Service
Tel No 643 3166

Amar Hassan, Finance Service
Tel No 643 5747

Darrell Campbell, Finance Service
Tel No 643 7052

Jacqueline Laughton, Corporate Strategy
Tel No 643 7070

1.15 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) 2023/24 Financial Management Report to 30 September 2023 – Cabinet 27 November 2023:

[2023/24 Financial Management Report to 30 September 2023](#)

- (2) Autumn Statement 2022

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1118417/CCSI022065440-001_SECURE_HMT_Autumn_Statement_November_2022_Web_accessible__1_.pdf

- (3) Local government finance policy statement 2023/24 to 2024/25

<https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25/local-government-finance-policy-statement-2023-24-to-2024-25>

- (4) Spring Budget 2023

<https://www.gov.uk/government/publications/spring-budget-2023/spring-budget-2023-html>

- (5) Final Local Government Finance Settlement 2023/24

<https://researchbriefings.files.parliament.uk/documents/CBP-9721/CBP-9721.pdf>

- (6) Equality Impact Assessment

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

- 2.1.1 The financial implications arising from this report are appraised as part of the decisions made about what will be included in the Authority's Financial Plan, incorporating the 2024/25 Budget-setting process. Decisions on the Budget in relation to the General Fund, Housing Revenue Account, Dedicated Schools Grant, Investment Plan, Treasury Management Statement and Annual Investment Strategy need to be made within the overall context of the resources available to this Authority and within the legal framework for setting budgets. The Authority will need to closely examine the links with its key funding partners and their proposed financial plans, including an assessment of the impact of any grant fall-out over the proposed four-year resource planning period.
- 2.1.2 The report highlights that at this stage a further £3.667m of savings are required to balance the 2024/25 Budget, and over the MTFP period further savings of £46.3m are required. The assumptions leading to these forecasts are likely to change when the provisional Local Government Financial Settlement is announced. It is currently unclear if a 1-year or 3-year settlement is to be expected.
- 2.1.3 Cabinet and Council need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the four-year Medium-Term Financial Plan for 2024-2028, as issued in guidance from the Chartered Institute of Public Finance & Accountancy (CIPFA) in July 2014. A provisional statement to Cabinet by the Chief Finance Officer is included in the Annex to this report.

2.2 Legal

- 2.2.1 This report, setting out the 2024-2028 Financial Planning and Budget; Initial Cabinet Proposals, has been prepared in compliance with the Authority's Budget & Policy Framework Procedure Rules contained in the Authority's Constitution. As stated in the body of the report, once approved by Cabinet the initial proposals will be submitted to the Overview, Scrutiny and Policy Development Committee as part of the Budget-setting process. The outcome of that Committee's review will be reported to Cabinet in February 2024 so that the review can be considered by Cabinet prior to the proposals for 2024-2028 Financial Planning and the 2024/25 Budget being submitted to full Council for Approval.

2.2.2 In accordance with legislative requirements and the Authority's Budget and Policy Framework process, the approval of the Authority's Budget is a matter for full Council.

2.3 Consultation/community engagement

2.3.1 Each Cabinet Member has been consulted on the individual proposals put forward in this report, with regular discussions held between the Senior Leadership Team, the Elected Mayor and Cabinet.

External Consultation/Engagement

2.3.2 The Authority is committed to being an organisation that works better for residents and to ensure that it listens and cares. This commitment includes giving residents and other key stakeholders an opportunity to be involved in the Financial Planning and Budget process as outlined in the Budget Engagement Strategy.

2.3.3 The Authority's overall approach to engagement ensures that the public have opportunities to have their say throughout the year, through a series of different methods, including engaging with the Elected Mayor, Cabinet and ward members and through activities such as the Big Community Conversation and State of the Area Conference.

2.3.4 In all its engagement activity, the Authority is committed to ensuring that residents with protected characteristics, as set out in the 2010 Equality Act, can participate. In line with this an Equality Impact Assessment has been undertaken on the 2024/25 Budget Engagement Strategy and this is available on request.

2.4 Human rights

2.4.1 All actions and spending plans contained within the Budget are fully compliant with national and international human rights law. For example, Article 10 of the European Convention on Human Rights provides for a qualified right to freedom of expression, including the freedom to 'hold opinions and to receive and impart information and ideas without interference by public authority'. Article 8 of the Convention states that everyone has the qualified right to respect for private and family life and their home.

2.5 Equalities and diversity

2.5.1 In undertaking the Budget-setting process the Authority's aim will always be to secure compliance with its responsibilities under the Equality Act 2010 and the Public Sector Equality Duty under that Act.

2.5.2 To achieve this an Equality Impact Assessment (EIA) has been carried out on the Budget Engagement process. The aim is to remove or minimize any disadvantage for people wishing to take part in the engagement programme. Specific proposals on how services will seek to meet budgetary requirements will be subject to EIAs (Equality Impact Assessment), which will be informed by the findings of the Budget Engagement. A cumulative impact assessment of all of these will also be undertaken prior to Cabinet in January 2024 and will be made available to both Cabinet and full Council.

2.6 Risk management

Individual projects within the Financial Plan and Budget are subject to full risk reviews. For larger projects, individual project risk registers are / will be established as part of the Authority's agreed approach to project management. Risks will be entered into the appropriate operational, strategic, corporate or project risk register(s) and will be subject to ongoing management to reduce the likelihood and impact of each risk.

2.7 Crime and disorder

The Authority has in place a range of services that promote the reduction of crime and disorder within the Borough and are funded through the annual Budget and are included in the Medium-Term Financial Plan. Under the 1998 Crime and Disorder Act, local authorities have a statutory duty to work with partners on the reduction of crime and disorder.

2.8 Environment and sustainability

The Our North Tyneside Plan states that "We will reduce the carbon footprint of our operations and will work with partners to reduce the Borough's carbon footprint." A number of the proposals will contribute to this including those to reduce the Authority's energy consumption. The environmental and sustainability aspects of individual proposals will be assessed in detail as and when agreed and implemented to ensure these support the Authority's targets under the Carbon Net-Zero 2030 Action Plan.

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

2024–2028 Medium–Term Financial Plan

General Fund Revenue Budget, Housing Revenue
Account Budget, Dedicated Schools Grant,
Investment Plan and Treasury Management



North
Tyneside
Council

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1. Introduction

- 1.1.1. In setting the Budget for the upcoming and future financial years it is crucial that the resource allocations align with the overall vision and strategic priorities of the Elected Mayor and Cabinet. Medium-term financial planning is fundamental to ensure that the Authority makes decisions by focussing on strategic priorities and has a clear financial vision and direction for the medium term.
- 1.1.2. The Authority is legally required to set a balanced Budget for the General Fund for 2024/25 to meet statutory duties and provide services such as social care and environmental services. For the Housing Revenue Account (HRA), the Council Taxpayer cannot subsidise those living in social housing and the rents and service charges paid by the tenants cannot be used to fund unrelated Council services. It is also unlawful for an authority to budget for a deficit in its HRA or use HRA reserves for General Fund expenditure.
- 1.1.3. The duties and responsibilities imposed on local authorities through the Local Government Act 2003 are covered in sections 12 and 13, which covers the financial risks, risk assessment and actions necessary to mitigate against the risks posed within the Budget proposals. The Act requires Members and officers to consider the Chief Finance Officer's report on the robustness of the Budget and the adequacy of the Authority's financial reserves.
- 1.1.4. The Authority's 2023/24 Budget and Medium-Term Financial Plan (MTFP) were agreed in February 2023. Since then, continued high interest rates and inflation have caused a significant impact leading to a cost-of-living crisis which has seen a real term reduction in living standards for families throughout the Borough and the country. Whilst falling, inflation (measured using the consumer price index (CPI)) is still significantly above the Bank of England's target of 2%, at 6.7% (September 2023 data). This continues to have a significant impact on the cost of delivering essential services and there remains uncertainty about how this will feed into critical factors such as government funding levels and pay awards, both to the sector and the Authority's supply chain.
- 1.1.5. A number of pressures within the Authority's budget are driven by Central Government decisions, including elements of pay and price market

pressures which are linked to the National Living Wage, social care reform, and pressures relating to assumed reductions in funding.

- 1.1.6 Despite the level of uncertainty, reviewing the MTFP remains essential to ensuring the Authority's medium-term financial sustainability. The Authority will have to make very difficult choices in the years ahead about which services to prioritise. This may mean revisiting the expectations of residents to protect services for the most vulnerable, or by considering different delivery methods in the medium-term. The opportunity to work with partners and neighbouring authorities remains to maintain and improve outcomes against a backdrop of reducing public spending. However, these difficult budget challenges should be viewed from the context of several years of strong performance, with support for residents, businesses and visitors in the Borough, which is framed through Our North Tyneside Plan.

2. Our North Tyneside Plan 2021–2025

2.1.1 The Our North Tyneside Plan 2021–2025 was agreed by Full Council in September 2021 and is structured around the five themes of:

- thriving
- family- friendly
- caring
- secure
- green

2.1.2 The Our North Tyneside Plan 2021–2025 sets out the overall vision and policy priorities of the Elected Mayor and Cabinet, which sets the framework for everything the Council does. The Our North Tyneside Plan 2021–2025 was developed in partnership with the North Tyneside Strategic Partnership.

2.1.3 In line with the MTFP, the Our North Tyneside Plan 2021–2025 is set across a four-year period. The MTFP is refreshed on an annual basis as part of the budget setting process.

2.1.4 Set out below are the high level ambitions under each of the Our North Tyneside Plan 2021–2025 themes:-

A thriving North Tyneside
<ul style="list-style-type: none"> • We will regenerate the high streets of North Shields and Wallsend, and in addition to the Master Plan for North Shields, we will bring forward Master Plans for Wallsend and Whitley Bay town centre areas. We will also bring investment and improvements to the North West area of the borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents; • We will bring more good quality jobs to North Tyneside – by helping local businesses to sustain and grow, making it attractive for new businesses to set up or relocate in the borough; • We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job; • We will keep our libraries and leisure centres open as part of a vibrant range of cultural and sporting activities to support the health and wellbeing of our residents;

- We will continue to be the destination of choice for visitors through the promotion of North Tyneside’s award-winning parks, beaches, festivals and seasonal activities;
- We will reduce the number of derelict properties across the borough; and
- We will review how the council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.

A family-friendly North Tyneside

- We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic;
- We will provide outstanding children’s social care services, events and facilities so North Tyneside is a great place for family life; and
- We will ensure all children are ready for school and that schools have an inclusive approach so that all of our children and young people have the best start in life.

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic;
- We will work with the care provision sector to improve the working conditions of care workers;
- People will be cared for, protected and supported if they become vulnerable, including if they become homeless;
- We will support local community groups, carers and young carers and the essential work they do; and
- We will work to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making.

A secure North Tyneside

- Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour;
- We will invest an additional £2m per year on fixing our roads and pavements;

- We will maintain the Council Tax support scheme that cuts bills for thousands of low-income households across North Tyneside;
- We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty; and
- We will provide 5000 affordable homes.

A green North Tyneside

- We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes;
- Council environmental hit squads will crack down on littering;
- We will secure funding to help low-income households to install low-carbon heating;
- We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast; and
- 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.

As part of the Council's Performance Management Framework, progress of the priorities in the plan are assessed against a set of outcome measures and reported to Cabinet, Overview & Scrutiny Co-ordination & Finance Committee (OSC&FC) and the North Tyneside Strategic Partnership on an annual basis. This is supplemented by bi-monthly Performance and Financial Management Reports providing an overview of both service delivery and performance and budget position across the authority.

Some highlights of the Our North Tyneside Plan are:-

- Delivery of the Affordable Homes Programme is on track with 2,348 affordable homes delivered as at quarter 2 2023/24. A 10-year Delivery Plan was agreed by Cabinet in February 2022. The number of long-term vacant dwellings is currently at its lowest level in seven years.
- In September 2023, Cabinet approved the refreshed Carbon Net-Zero 2030 Action Plan including over 150 actions to decarbonise the Authority's operations and the Borough as a whole. Carbon reduction in council service operations have reduced by 58% as of quarter 2 2023/24

compared to the baseline year in 2010/11. And the borough carbon footprint has reduced by 45% between 2005 and 2021.

- £8m funding has been secured from the Green Homes Grant Local Delivery Scheme to install low carbon heating, energy efficiency measures and renewable energy systems in homes with low-household incomes. To date over 800 measures have been installed in 700 homes so far.
- In North Shields, the new £12.994m Transport Hub and Town Square funded through the Transforming Cities Fund, the North of Tyne Combined Authority (NTCA) and North Tyneside Council opened on 2nd September 2023. Planning permission has been granted for new family homes at the former Unicorn House Site and works are due to commence later in 2023. £1.7 in grant funding has been secured from the NTCA to develop a Cultural and Creative Zone and work has commenced on the new Riverside Embankment Walkway to connect the town centre and Fish Quay.
- In Whitley Bay, improvement works to the Northern Promenade were completed and a further £6.5m funding from the Active Travel Fund has been secured as part of £10m of investment to provide a continuous segregated walking and cycling route between St Mary's Lighthouse and Tynemouth. NTCA has approved £0.135m of funding to undertake a feasibility study to explore options to develop a Metro extension to Cobalt Business Park and the potential for a rail extension from Northumberland Park.
- In Wallsend, in May 2023 Cabinet approved the draft Masterplan for Wallsend comprising of fourteen priority projects to improve the town centre public realm, housing, as well as opportunities for residents to access high quality jobs and benefit from inclusive growth. £0.499m Museum Estate and Development Fund (MEND) funding has been secured for a range of improvements at Segedunum Roman Fort and Museum. Funding has been secured from the NTCA to fund project activity in and around Wallsend High Street including £1.28m capital grant for public realm and active travel work and £0.066m grant for revenue activity including events which will help drive footfall, shop front grants, business support and resource to be based within the town centre to support businesses to start-up and grow.

- In the North West of the borough, £0.075m of feasibility funding has been secured from NTCA for Northumberland Line Economic Corridor priorities. This includes funding to re-design, scope and map a visitor/ heritage trail using the existing waggonways and heritage assets. Killingworth Lake concept plans have been developed and officers are now working to identify eligible funding streams to progress the proposals. Work is continuing with partners to secure investment and encourage more and better jobs to be delivered at Indigo Park.
- Beaches and warden managed parks in the borough continue to be recognised nationally for their high standards. Three beaches have retained their Blue Flags and Seaside Awards and eight parks were awarded Green Flag Awards.
- In response to residents feeling increasingly concerned about community safety issues, a multi-agency North Tyneside Anti-Social Behaviour Task Force has been established to develop and deliver a shared plan to tackle anti-social behaviour as a partnership making a difference for residents, communities, visitors and businesses. The trend of anti-social behaviour reported to Northumbria Police has decreased to the lowest level in four years in North Tyneside.
- Support is delivered to low-income households across the borough through the Council Tax Support Scheme and Hardship Support Scheme. As well as a number of initiatives including the Holiday Activities and Food Programme, Household Support Fund and Poverty Intervention Fund to address health and socio-economic inequalities.
- The education offer in the borough is strong compared to national and regional comparators, however an area of focus remains to close the gap between disadvantaged and non-disadvantaged pupils, which has widened in North Tyneside, as it has regionally and nationally, following the COVID-19 pandemic.
- We are continuing to meet the social care needs of our residents and have seen an increase in demand for social care. Many residents are presenting with more complex needs as a legacy of Covid restrictions. Our Carepoint Team is integrated with the NHS and has staff based at all

local acute hospitals. This team has been key in ensuring that our hospitals have maintained bed availability over the winter and that A&E services have not been overwhelmed. Our Reablement Service continues to be one of the highest performing in the country supporting our residents to regain skills and the confidence to return home after a stay in hospital.

3. Borough Profile

3.1 Overview

3.1.1 North Tyneside is located on the North-East coast of England and is bounded by Newcastle upon Tyne to the west, the North Sea on the east, the River Tyne to the south, and Northumberland to the north.

3.1.2 The most recent annual residents survey from 2021 showed that overall, 4 in 5 residents believe North Tyneside to be a good place to live. Whitley Bay¹ has been named as the best place to live in the North-East and one of the best places to live in Britain after Tynemouth was named the previous year. The reasons given were the beautiful coastline and thoughtful regeneration that have helped Whitley Bay start to catch up with Tynemouth.

3.1.3 The quality of the local environment is a clear driver of local area satisfaction and a priority for many residents in making somewhere a good place to live. Three beaches in North Tyneside are among a group of only 57 beaches across the country to win both a Blue Flag and Seaside Award. King Edwards Bay, Tynemouth Longsands and Whitley Bay have achieved the Blue Flag standard every year since 1994. Eight of the warden managed parks in North Tyneside have retained their Green Flag Awards, international benchmark of quality.

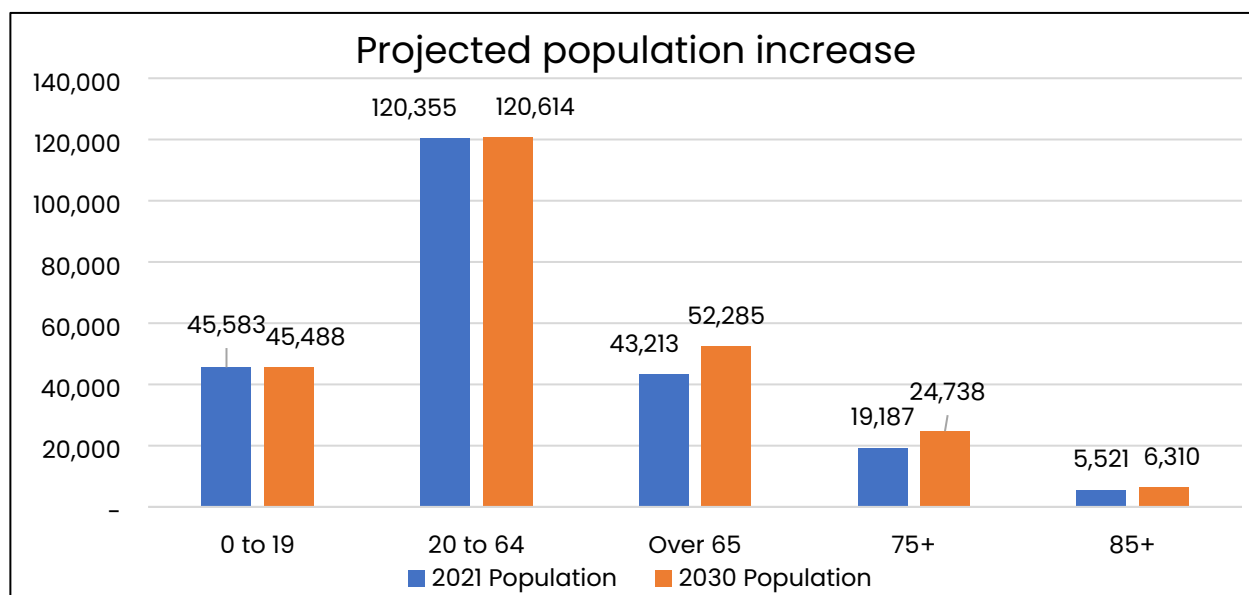
3.1.4 In the 2021 annual residents survey, the issues residents have identified as most needing to be improved and of high importance were road and pavement repairs, the level of anti-social behaviour and clean streets. Road and pavement repairs are the issue perceived to be most in need of improvement. Over the last four years, residents have expressed increasing concern around anti-social behaviour and crime across the borough.

3.2 Population

Working Age Groups	Female	Male	Total Population
0-15 (Children)	17,982	19,353	37,335
16-64 Working Age)	66,027	62,576	128,603
65+ (Retired)	23,699	19,514	43,213
Total	107,708	101,443	209,151

¹ Sunday Times 2023

3.2.1 North Tyneside has a population of 209,151² and the population is projected to grow by 4.4% overall by 2030. The proportion residents of over the age of 65 is projected to increase by over 20%, over 75's by 29%, and over 85's by 14% and fewer children.



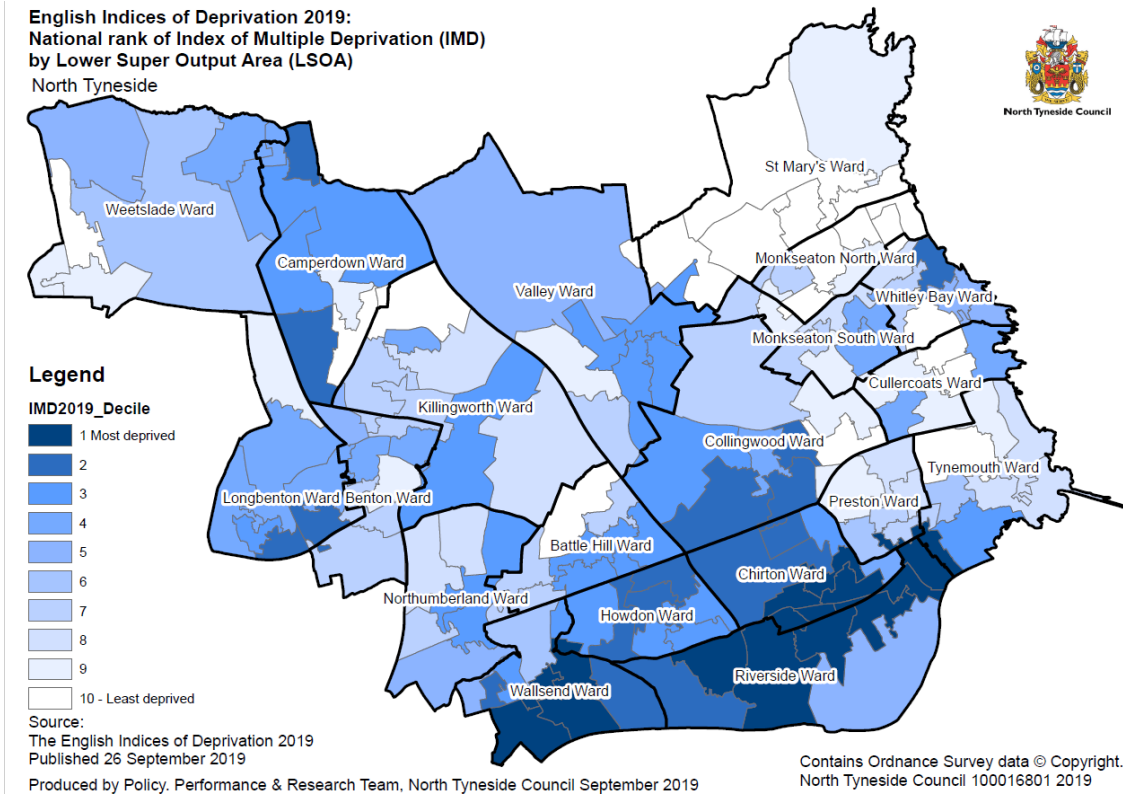
3.2.2 North Tyneside has a relatively small black, Asian and other ethnic minority community population, which accounts for 5.1%³ of the overall population. A further 2.4% of residents are from white minority backgrounds.

3.3 Deprivation

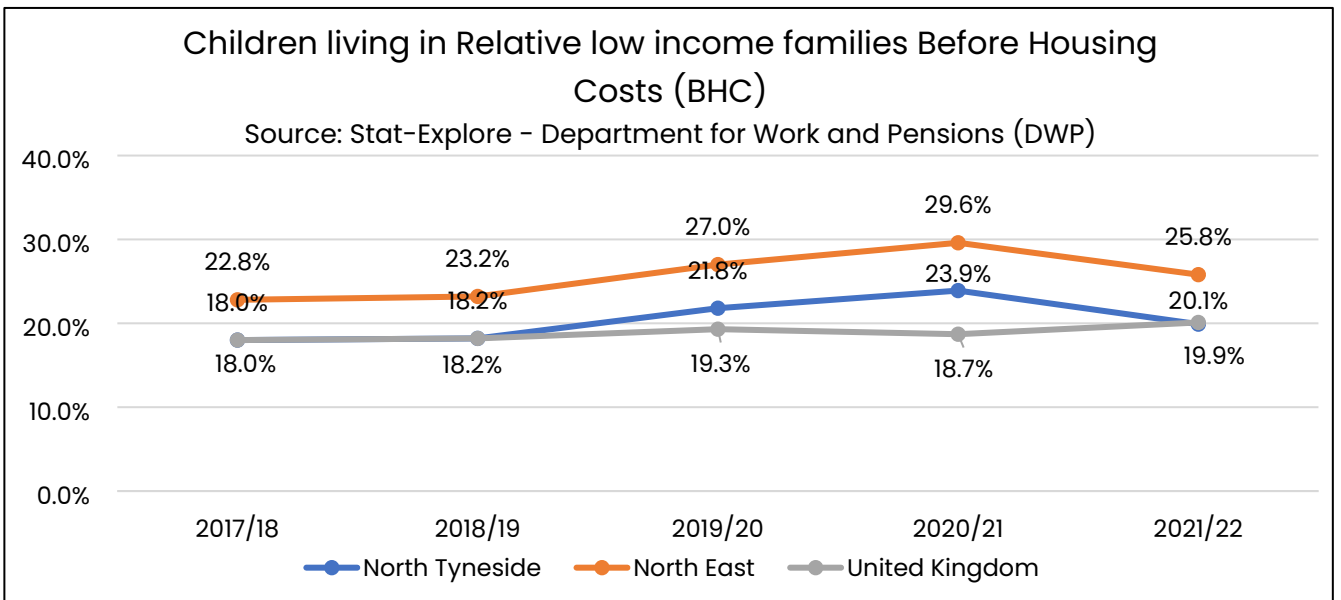
3.3 North Tyneside is one of the least deprived areas in the North-East and deprivation has reduced compared to the rest of England, however some areas continue to experience persistently relatively high levels of deprivation. Just over 20% of these areas in North Tyneside are ranked as being in the most deprived 20% in England. These areas of deprivation are associated poorer health outcomes, lower participation and attainment in education post 16 years old.

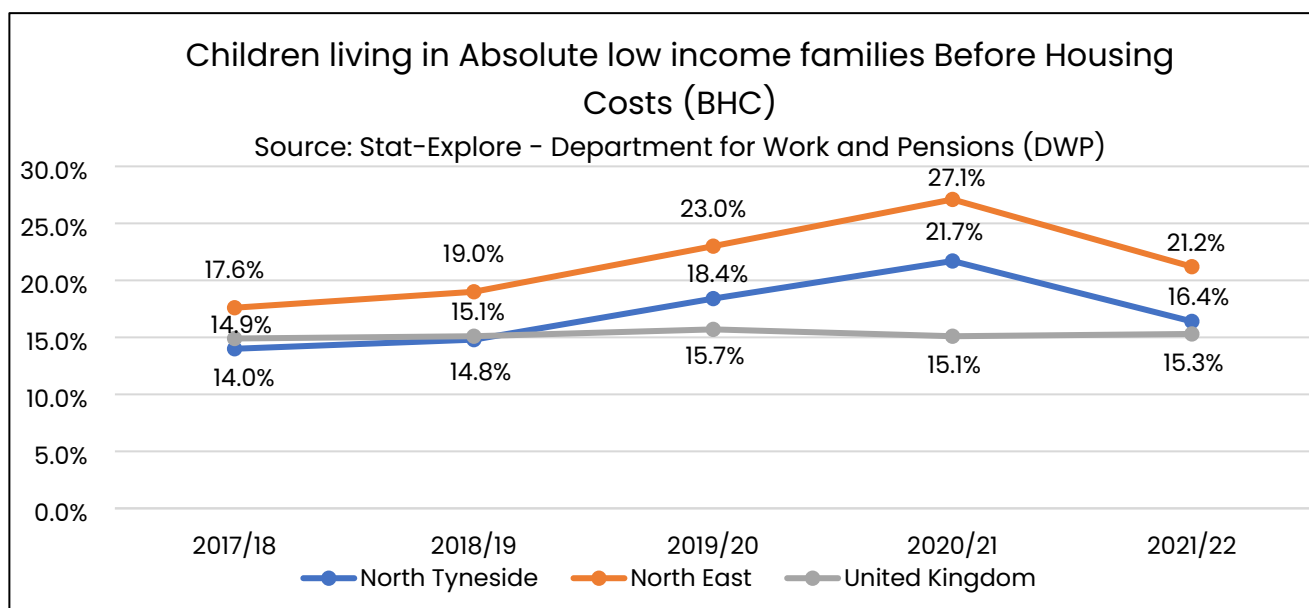
² ONS 2021 mid-year population estimate

³ ONS 2021 mid-year population estimate



3.4 Children in Low-Income Families





3.4.1 There are two measures of Children living in low income families:-

- Relative low income; defined as a family in low income Before Housing Costs (BHC) in the reference year. A family must have claimed Child Benefit and at least one other household benefit (Universal Credit, tax credits or Housing Benefit) at any point in the year to be classed as low income in these statistics.
- Absolute low income; defined as a family in low income Before Housing Costs (BHC) in the reference year in comparison with incomes in financial year ending 2011. A family must have claimed Child Benefit and at least one other household benefit (Universal Credit, tax credits or Housing Benefits) at any point in the year to be classed as low income in these statistics.

3.4.2 In North Tyneside, the proportion of children living in low-income families is comparable to the proportion in the United Kingdom and lower than in the North East. There are 7,424 children in North Tyneside living in relative low-income families and 6,121 living in absolute low-income families.

3.4.3 Chirton, Riverside, Howdon, Battle Hill, Camperdown and Collingwood wards are having significantly higher proportion of children living in low-income families than across the borough.

3.5 Income and Employment

- 3.5.1 In the 12 months to June 2023, 96,000⁴ North Tyneside residents (73.4%) were estimated to be in employment, fairly consistent with the same period last year at 96,300 in June 2022. The proportion of residents in employment is higher than the North East (71.2%), but lower than the UK (75.6%).
- 3.5.2 As of August 2023, there were 4,395 residents (3.4%) claiming out of work benefits⁵, lower than the North East (4.1%) and UK (3.7%). At the start of the COVID-19 pandemic in 2020/21 there was a significant increase in the number of residents claiming out of work benefits. It peaked in May 2020 at 8,310 residents (6.5%) and has gradually decreased.
- 3.5.3 In 2022, the resident median full-time weekly earnings in North Tyneside increased to £619, higher than the North East (£580), but lower than England (£646).

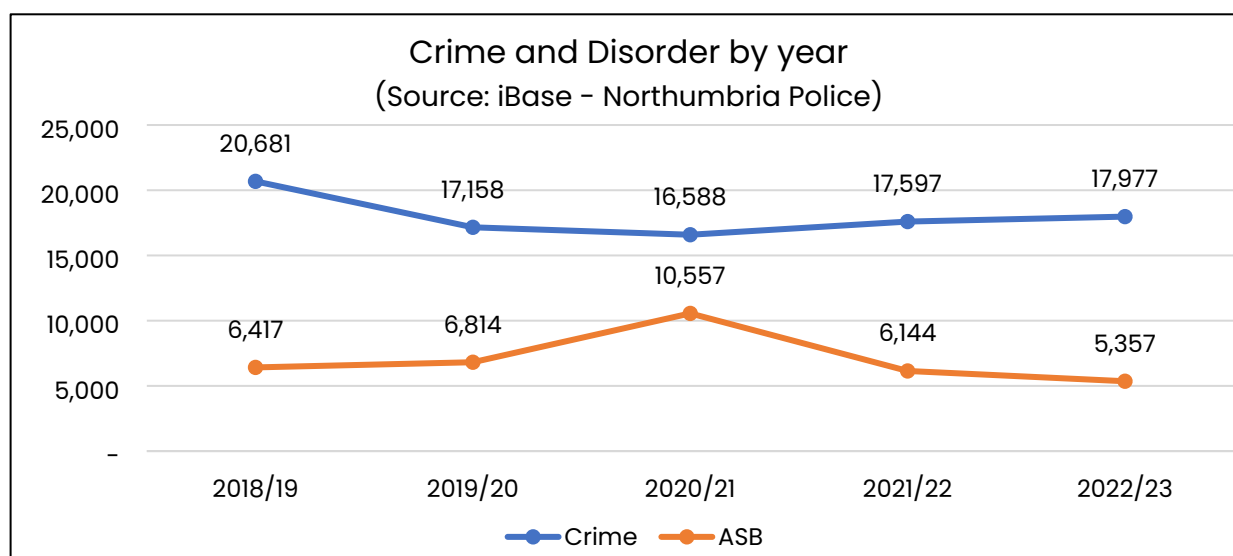
3.6 Local Economy

- 3.6.1 North Tyneside has a proud industrial heritage and, like many parts of the North East, was a centre of heavy industry. This included the Swan Hunter shipyard in Wallsend and the exporting of coal. Today most of the heavy industry has ceased but the borough has seen, through a strong approach to regeneration, a diverse economy develop, comprising of traditional manufacturing and engineering industries as well as a mix of exciting new sectors including digital, health and life sciences and renewable energy. As an example, North Tyneside is home to two significant Business Parks, with Cobalt Business Park being one of the largest UK business parks.
- 3.6.2 There are 5,360 enterprises that operate within the borough, which has grown every year since 2011. This has been supported by the Council's award-winning Business Factory, which helps start-up businesses in the borough. Small and Medium Sized Enterprises with high growth potential are supported by the Business Factory's Aspire Programme.

⁴ Nomis – North Tyneside Labour Market Profile

⁵ Nomis – North Tyneside Labour Market Profile

3.7 Crime and Disorder



3.7.1 In North Tyneside during 2022/23, there were 17,977 recorded crimes at a rate of 85.95 incidents per 1,000 population, which is significantly lower than the rates in the Northumbria Police area (98.57), Most Similar Home Office Group (101.05) and England (97.61). The most common types of crimes recorded are violence without injury, stalking and harassment, violence with injury and public order offences.

3.7.2 In North Tyneside during 2022/23, there were 5,357 recorded Anti-Social Behaviour incidents at a rate of 25.61 incidents per 1,000 population, lower than the Northumbria Police area rate (28.97). Most common types of ASB recorded are rowdy/inconsiderate behaviour, neighbourly disputes, youth related and motorcycle disorder.

3.8 Health

3.8.1 Average life expectancy at birth in North Tyneside over the last decade for both males and females has stalled, which is consistent to the trend across England. For males it is currently 78.3 years which is higher than the average for the North East (second best in the region after Northumberland), but is significantly lower (1.1 years) than that for England. For females is currently 82.2 years. This is better than the North East average (second best in the region after Northumberland) but is 0.9 years lower than the average for England.

3.8.2 Life expectancy is closely related to the overall level of deprivation in an area. People living in more affluent areas live significantly longer than people living in deprived areas. In deprived areas in North Tyneside Men live 11.4 years less and women 9.9 years less. There is a social gradient to health. Men and women in our most deprived areas, on average spend 14.5 less years in good health compared their counterparts in our least deprived communities.

3.9 Adult Social Care

3.9.1 Adult Social Care receives a high level of demand. Between April–September 2023, there were 7,960 contacts into Gateway, an 11% increase when compared with the same period last year.

3.9.2 As of September 2023, the rate of requests for service per 100k population was 426, a 3% increase compared to the same period last year.

3.9.3 As of September 2023 the authority had:-

- 907 home care clients receiving 42,933 hours of home care services per month. The number of homecare clients increased by 14% compared to the same period last year and an increase of 18% of home care hours delivered.
- 838 clients in residential care, a decrease of 11% compared to the previous year.
- 299 clients in nursing care, a 34% increase compared to the previous year

3.9.4 The number of long-term admissions to nursing care and residential have stabilised in the last 12 months, whereas the number of short-term admissions have decreased significantly by 36% as a result of fewer clients waiting for homecare services to be put in place or care packages increased at home.

3.10 Children's Services

3.10.1 Children's Services continues to receive a high level of demand. Between April–September 2023 there have been: -

- 6,402 contacts, a 14% increase compared to the same period last year
- 1,092 referrals, a 3% increase compared to the same period last year

- 1,056 Single Assessments completed, a 13% increase compared to the same period last year.

3.10.2 As of September 2023 there were: -

- 385 Children in Care (of those 25 children with unaccompanied asylum seekers), which 7.5% increase compared to the same period last year and higher than the core 330 Children in Care budgeted for in the 2023/24 Budget
- 1,617 Children in Need, a 6.6% decrease compared to the same period last year and the number of Children in Need is decreasing month on month to close the gap on the 1,600 Children in Need budgeted for in the 2023/24 Budget.
- 170 children subject to a Child Protection Plan, a 12% decrease compared to the same period last year

3.11 Housing

3.11.1 Across North Tyneside there are 100,611 homes. Of these; 63,633 are owner occupied; 20,916 are social rent (including council and housing association) and 16,062 are privately rented.

3.11.2 As of June 2022, the median house price paid for homes in North Tyneside was £170,000, which was a £15,000 reduction since June 2021.

3.11.3 The number of homeless presentations and priority acceptances are increasing. Presentations by 18% and priority acceptances by 23%. Between April and September 2023, North Tyneside Council's Housing Options Team dealt with 1,454 homeless presentations, of which 323 residents were accepted as priority homeless.

3.12 Education

3.12.1 Around 9 in 10 young people attend a school that is ranked as Good or Outstanding by Ofsted. In 2022/23:-

- 96% of primary schools in North Tyneside were rated as Good or Outstanding by Ofsted, compared to 89% in England.

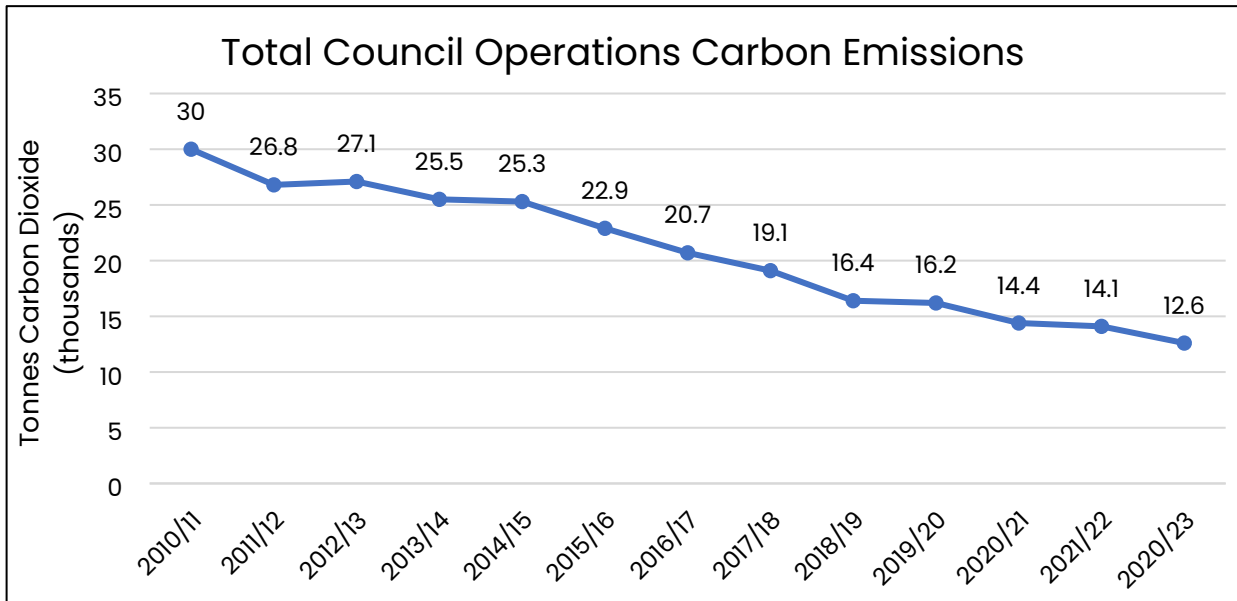
- 88% of secondary schools in North Tyneside were rated as Good or Outstanding by Ofsted, compared to 80% in England.

3.12.2 In 2022/23⁶:-

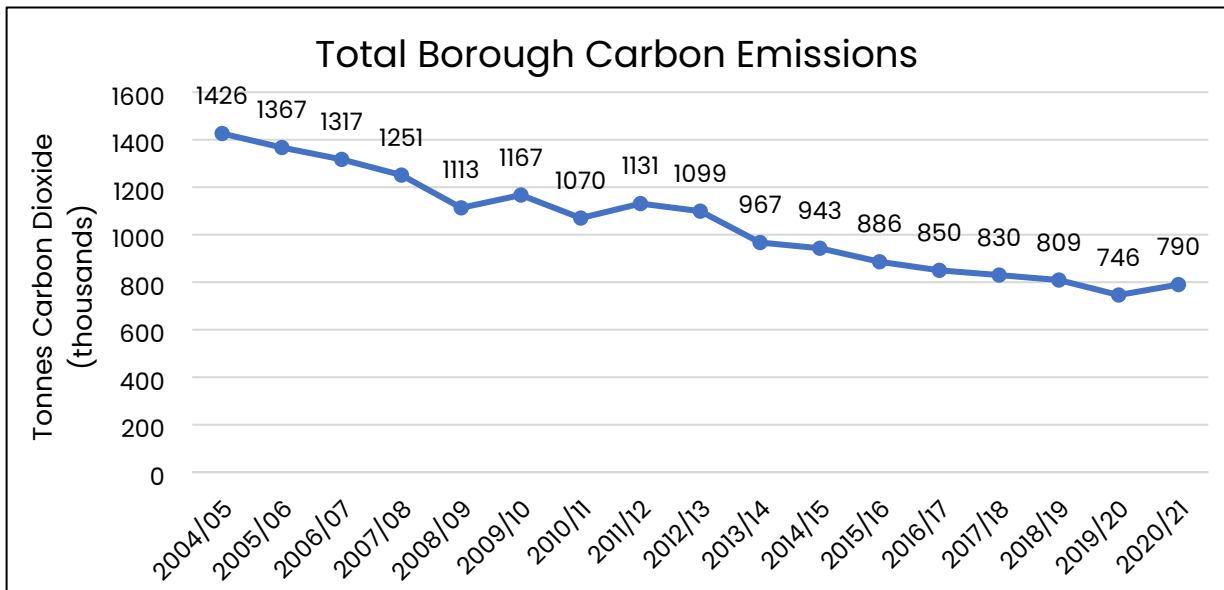
- 66.3% pupils achieved a “good level of development”
- KS1 – 57.3% pupils achieved the expected standard in Reading, Writing and Maths.
 - 70.2% pupils reached the expected standing in reading, compared to 68.4% in the North East and 68% in England.
 - 61.3% pupils reached the expected standing in writing, compared to 60.9% in the North East and 60% in England.
 - 72.6% pupils reached the expected standard in maths, compared to 70.6% in the North East and 70% in England.
- KS 2 –
 - 76% pupils reached the expected standard in reading, compared to 74% in the North East and 73% in England.
 - 73% pupils reached the expected standard in writing, compared to 73% in the North East and 71% in England.
 - 73% pupils reached the expected standard in maths, compared to 73% in the North East and 73% in England.
- KS4 – The Government publishes data on the percentage of pupils achieving a 9-5 pass and a 9-4 pass in English and Mathematics. In North Tyneside in 2022, 48% of entrants achieved a strong 9-5 pass, compared with 46% in England. 69% of pupils attained a ‘pass’ (Grades 9-4), compared with 64% in England.
- Level 3 – A levels are among a group of regulated qualifications which are classified as Level 3. These also include Applied General Qualifications such as BTECs and Applied A levels. In North Tyneside, pupils taking Academic Qualifications achieved an average grade of B, in line with national. Those taking Applied General Qualifications achieved an average grade of Distinction +, higher than the national average of Distinction.
- Employment, Education and Training – As of March 2023, 92% young people aged 16 and 17 years old were recorded in Education and Training. This compared to 92.3% across England. This is a decrease for North Tyneside of 1.5% since March 2022.

3.13 Climate

⁶ Provision data – local data to be validated by DfE for 2022/23



3.13.1 Compared to the baseline year in 2010/11, the council’s carbon emissions have decreased by 58%. This is largely attributable to reductions in electricity, heating and fleet emissions.



3.13.2 Compared to the baseline year in 2004/05, the borough’s carbon emissions have decreased by 45%. This is largely attributable to a 72% reduction in electricity emissions.

4. Financial Strategy

- 4.1 Financial planning sits at the heart of strong and robust public financial management. The ability to look strategically beyond the current financial year is a crucial process to support the Authority's overall resilience and longer-term financial sustainability whilst providing the framework against which the Budget should be produced.
- 4.2 Given the economic uncertainty both globally and nationally and the widespread pressures on public spending arising from growth in demand and inflationary pressures, it is more important than ever that the Authority has a thorough understanding of the financial outlook and that it is planning effectively for the future. The Medium-Term Financial Plan (MTFP) brings together all known factors affecting the Authority's financial position and its financial sustainability into one place. This should balance the financial implications of objectives, ambitions, and policies against the constraint in resources.
- 4.3 The Chartered Institute of Public Finance & Accountancy (CIPFA) state that a good MTFP should provide a clear and concise view of future sustainability and the decisions that need to be made to address any gaps in long-term financing. It forms the pivotal link to translate the organisation's ambitions and constraints into deliverable options for the future. The key to the effectiveness of the MTFP is the ability to give a clear and understandable message to decision makers on the actions that are needed to ensure long-term financial sustainability. It must be owned by the wider organisation, especially the Senior Leadership Team and Cabinet.
- 4.4 Key objectives of the MTFP
- a) To ensure that effective financial planning and management contributes to the Authority achieving its priorities;
 - b) To direct resources to the Authority's priorities;
 - c) To analyse performance to assess whether resources are being used effectively; and
 - d) To ensure that the Authority's financial standing is robust, stable and sustainable and to ensure a fully sustainable budget.
- 4.5 The Authority has also developed a high-level Financial Strategy which sets the overarching principles and considerations for medium-term financial

planning within North Tyneside. There are 4 key themes that make up the proposed Financial Strategy, these are:-

- Strategic Alignment
- Governance
- Resilience
- Sustainability

The following provides an overview of what is considered under each theme:

Strategic Alignment

- 4.6 The Financial Strategy is driven by the Authority's strategic priorities which are set out in the Our North Tyneside Plan 2021-2025. Financial resources need to be aligned to ensure the Mayor and Cabinet can continue to deliver the promises made to the communities and businesses across the Borough. This needs to be balanced within the overall resources available over the medium-term and there needs to be a strong link to financial planning and ensuring that the Authority can deliver a balanced budget over the 4-year MTFP.
- 4.7 In addition to aligning resources to the ONTP, there needs to be a consistent link and alignment between the Authority's revenue and capital plans and how that supports operational delivery. Only by maximising both revenue and capital resources can the Authority continue to meet the demands and needs of Service users. For example, building capacity is a key element to managing pressures within children's and adult social care to future proof the Authority from continued external market pressures across the sector.
- 4.8 Where capital investment is involved, including invest to save proposals, there needs to be clear consideration of the whole life costs of any decision to move to implementation and this needs to be based on sound financial assumptions so that the MTFP accurately reflects the ongoing financial impact. Maximising resources will ensure direct service delivery to residents can be maintained and improved.

Governance

- 4.9 The governance arrangements in place and specifically linked to the Financial Strategy ensure that the Authority has arrangements in place for the proper administration of its financial affairs. The overriding duty of the Chief

Financial Officer is to fulfil the statutory responsibilities attached to the position in a manner that enhances the overall reputation of the Council. The Chief Finance Officer has comprehensive set of Financial Procedure Rules ('FPR') which are part of the Authority's constitution – these are a key part of the system of financial control, and these provide a framework for managing the Authority's financial affairs. Specific budget proposals and decisions in relation to the 2024/25 budget will be subject to decision-making processes in which legal and governance implications will be considered in accordance with the Authority's decision-making framework. Governance arrangements within North Tyneside include:

- Council's constitution
- Governance structure
- Full Council
- Cabinet
- Audit and Governance
- Overview and Scrutiny arrangements
- Financial Regulations
- Contract Standing Orders
- CIPFA Financial Management Code

4.10 As part of the arrangements for good governance the Authority must also demonstrate being able to deliver value for money, making evidence-led decisions. This is a key assessment which is undertaken by the Authority's external auditor as part of the external audit of the Authority's Statement of Accounts.

Resilience

4.11 The Authority must maintain a level of reserves and balances which reflect the risk profile of the organisation. Risk assessment and risk management which help to identify financial risks are crucial to maintaining financial sustainability and resilience. The Authority must continue to review the Strategic and Corporate risk registers regularly in conjunction with internal audit and an assessment of the financial impact of risks must be kept up to date. Annually the Reserves and Balances Policy must be updated to reflect the Authority's financial risks and a level of reserves and balances set to ensure financial resilience is maintained.

- 4.12 The Authority will continue to benchmark itself against other like authorities or nearest neighbours using tools such as the CIPFA Resilience Index to gain a better understanding of the Authority's own financial health. This is vital to ensure that key risks can be addressed without impacting the Authority's ability to delivery the Mayor and Cabinet's priorities as set out in the Our North Tyneside Plan.

Sustainability

- 4.13 Sustainability is about more than an authority's financial position; it is about how the organisation operates, the environment in which it operates and the needs of the communities that it serves. The Authority must ensure that it can continue to provide the services that the residents and businesses across the Borough rely on over the short, medium and long term.
- 4.14 To do this there needs to be a clear understanding of financial resources that will be needed to deliver those services. This needs to be balanced against the funding available through the Local Government Finance Settlement but also through the Authority's own income generating sources such as fees and charges or maximisation of other external funding. As part of this, the Authority needs to be mindful of the Government's assumptions around council tax levels, notably the assumed level when calculating the core spending power of individual councils.

5. Developing the Medium-Term Financial Plan and Refresh of the Financial Assumptions General Fund

5.1.1 The MTFP can only be delivered through a sound understanding of the organisations longer term financial sustainability, which enables decisions to be made that balance the resource implications of the Authority's ambitions against the financial constraints. The MTFP is a key part of providing the financial framework for setting the Authority's annual budget. Financial resilience and sustainability are fundamental to ensuring that the Authority can operate within its own freedoms and maintain strong autonomy.

5.1.2 There are a number of underlying principles which need to provide the basis for the MTFP for 2024/25 to 2027/28 for the General Fund, which are consistent with the Financial Strategy set out in the previous section. These include the following:-

- i. The Authority's resources will be directed to achieving the Mayor and Cabinet's ambitions, overall objectives and key priorities as set out in the Our North Tyneside Plan as agreed by full Council;
- ii. The Authority will estimate both the level of funding that can be made available for the delivery of services and the gap between income and expenditure for which income generation, efficiency options and further efficiencies will have to be implemented;
- iii. Overall, Authority spending should be contained within original Budget estimates. If, following monthly budget monitoring, Service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates;
- iv. Key assumptions for Government funding will be in line with those published as part of the Local Government Finance Settlement or other fiscal announcements. The Authority will continue to work with neighbouring authorities to ensure that its financial assumptions are generally in line with its nearest neighbours as a benchmark for a degree of consistency and accuracy;
- v. The Authority will continue to ensure collection rates for Council Tax, Business Rates and from other income sources are maintained at a high level so that it has the resources needed to deliver service priorities;

- vi. The Authority recognises the impact of increases in Council Tax levels and fees and charges on our residents, many of whom are struggling on relatively low income and low wealth and will therefore balance the need for increases against the delivery of the Our North Tyneside Plan and demand for services. This will include the consistent application of an agreed fees and charges policy;
- vii. The Authority will focus on delivering Value for Money (VfM) and manage people and money efficiently, using technology and systems to align performance and finance, getting better value from contracts via commissioning and procurement whilst seeking to minimise the impact of efficiency proposals on priority services;
- viii. There will be a continued focus on collaborative working with partners to work differently but cohesively together for better outcomes for the Borough as a whole. This will include exploring different models of delivery to eliminate silo working across the region and unlocking access to funding sources which will benefit the residents and businesses across the Borough;
- ix. Investment decisions will be evidence based with a clear alignment to supporting services to deliver better outcomes but to also future proof services and support demand management where possible for the Authority's statutory services;
- x. To maintain financial resilience the Authority will continue to manage and maintain unearmarked reserves to a level which supports mitigation of the Authority's overall financial risks. Reserves will continue to be regularly monitored and reviewed annual as part of setting the Budget. Earmarked reserves will be maintained for specific purposes which support delivery of the Authority's key objectives and priorities. The Reserves and Balances Policy will accurately reflect the level of financial resilience necessary to ensure the Authority's long-term financial sustainability;
- xi. The Authority will maintain its General Fund Balance at a minimum level of £7.000m at the end of each year, subject to a risk assessment as part of the annual budget-setting process; and
- xii. There will be a clear focus to balance the Authority's Medium-Term Financial Plan over the 4-year period without the use of reserves. Robust financial management will continue to highlight areas of focus and

where mitigation is necessary to ensure the Authority contains its expenditure within the Budget as set by full Council.

5.2 Starting point: Council February 2023

5.2.1 On 16 February 2023, full Council approved the 2023/24 General Fund Budget and Medium-Term Financial Plan to 2026/27. At that time, the General Fund Budget gap over the 4 years of the MTFP was £35.110m with the estimated gap for 2024/25 being £7.575m. This gap was based on a number of financial assumptions to estimate both levels of income and expenditure. Those assumptions have been updated and have been used to revise the Budget position for 2024/25 to 2026/27 with a further year, 2027/28 being added to complete the 4-year Budget plan estimates. The commentary below outlines the main considerations and assumptions which have been used to revise previous estimates based on current information available from both fiscal announcements and other advisory sources.

5.3 Key National and Economic context for the Medium-Term Financial Plan

5.3.1 The Spending Review was announced on 27 October 2021 by the then Chancellor of the Exchequer alongside the 2021 Autumn Budget. It set out the Governments plans over the remainder of the Parliament, for the 3 financial years up to 2024/25. It also provided an indication of the funding available to the local government sector over the spending review period and provides important context for the Medium-Term Financial Plan.

5.3.2 On 17 November 2022, the Chancellor of the Exchequer, Jeremy Hunt MP, delivered a statement to the House of Commons on the Governments proposed future taxation and spending priorities. Economic predictions via the Office for Budget Responsibility (OBR) November fiscal outlook were also published alongside the statement. At the time of publication of this report, the Autumn Statement for the current year has not been released (due 22 November 2023).

5.3.3 The 2023/24 Local Government Finance Settlement was the fifth one-year settlement in a row for councils, which continues to hamper long term financial planning and financial sustainability. Using the information currently available and applying the revised assumptions the overall level of resources available to the Authority to deliver its ambitions and priorities is set out in the next section.

Revised General Fund Assumptions – Income and Grants

5.4 Revenue Support Grant (RSG)

5.4.1 RSG in 2023/24 grant was determined by applying CPI inflation to the previous years grant. In addition to the inflationary uplift there were also three other grants which were rolled into Revenue Support Grant using their existing allocation methodology last year, these were:-

- The Family Annex Council Tax Discount Grant;
- The Local Council Tax Support Administration Subsidy Grant; and
- Additional funding for food safety and standards enforcement (Natasha’s Law).

5.4.2 On 19 October 2023 the September CPI rate was announced at 6.7%. In setting the Budget for 2023/24 and the MTFP the Authority had already assumed an inflationary increase to RSG at 6% therefore an additional 0.7% is expected to be received. For North Tyneside the total additional funding for RSG is expected to be an increase of £0.890m.

Social Care Grant and Adult Social Care Reform

5.4.3 In 2023/24, following the announcement that the social care reforms were to be delayed, the Government repurposed the funding that was previously earmarked for social care charging reforms. The funding has remained within the Social Care Grant allocation and is provided to assist authorities to meet the increasing pressures on both Adults and Childrens social care delivery. The implementation of the reforms have been delayed until October 2025 and at this stage it is unclear how the Government proposes to fund those, therefore for MTFP purposes funding up to 2024/25 has been included. The Authority’s allocation of this funding is currently estimated to be £19.783m which is an increase of £2.778m from 2023/24.

Market Sustainability and Improvement fund (MSIF)

5.4.4 For 2023/24 the Authority was allocated £2.414m from the national funding allocation of £562m. For 2024/25 it is expected that the funding allocation will increase to £845m and it is estimated that the Authority will receive £3.630m (already in the MTFP). This funding is ring-fenced for the purpose of making improvements to adult social care services in particular to build capacity and

improve market sustainability. No additional funding post 2024/25 has been included within the revised MTFP.

Adult Social Care Discharge Fund

5.4.5 This funding is estimated to increase to £500m in 2024/25 from £300m in 2023/24. The funding is aimed at reducing delayed transfers of care and is allocated based on the Improved Better Care Fund shares used in 2023/24 and is pooled as part of the Better Care Fund. The Authority is currently anticipating that it will receive £2.238m from this fund.

MSIF – Workforce Funding

5.4.6 In addition to those grants announced within the Settlement on 28 July 2023, the Department for Health and Social Care (DHSC) announced a further £570m of ringfenced funding across the two financial years from 2023/24 (£365m) to 2024/25 (£205m). The aim of this funding is to improve and increase adult social care provision, focussing on workforce pay through the Market Sustainability and Improvement Fund. The Authority has received an allocation of £1.568m in 2023/24 and whilst allocations are not yet confirmed for 2024/25, it is estimated that the Authority will receive £0.881m. This grant is a one off grant and should be used for the following purposes:-

- Increase fee rates paid to adult social care providers;
- Increase adult social care workforce capacity and retention; and
- Reduce adult social care waiting times.

Services Grant

5.4.7 Whilst no new announcements have been made in relation to the Services Grant, the Authority is assuming the same level of funding as in previous years continues into 2024/25 with £1.954m being allocated.

New Homes Bonus (NHB)

5.4.8 In previous years, the Government has set out its intention to abolish the NHB and to phase this out over a period of time. The MTFP agreed by full Council in February had made assumptions that NHB would no longer be distributed in 2024/25 and the Plan had assumed that the income budgets needed to be written down. It is now thought that this will not be the case and NHB will continue for at least another year into 2024/25, therefore the income has been restated at the level received in 2023/24, which was £0.625m.

5.4.9 The table below shows the level of funding which had already been assumed within the estimates for the 2024/25 Budget and where updated estimates have been considered and the level of additional funding which is now available to the Authority from the sources identified above:-

Table 1 – Revised Funding Estimates

Funding Source	2024/25 as at February Council	2024/25 Revised estimate	2024/25 Additional Funding
	£m	£m	£m
Revenue Support Grant	(14.267)	(14.081)	0.186
Social Care Grant and Adult Social Care Reform	(19.772)	(19.783)	(0.011)
Market Sustainability and Improvement fund	(3.630)	(3.630)	0.000
Adult Social Care Discharge Fund	(2.238)	(2.238)	0.000
Social Care Workforce Funding	0.000	(0.881)	(0.881)
Services Grant	(1.943)	(1.953)	(0.010)
New Homes Bonus	(0.625)	(0.625)	0.000
Total	(42.475)	(43.191)	(0.716)

Collection Fund

5.5 Council Tax

5.5.1 The recent review of the Council Tax base, which took into account the potential growth of properties, suggests that the Council tax base is likely to grow in 2024/25 by 750 properties.

5.5.2 In addition to the estimated growth in properties, a change in legislation concerning the long-term Empty Property Premium may also provide a positive impact. The legislation relates to properties that have been empty and unfurnished, whereby an additional Council Tax premium can be charged. This has been implemented in North Tyneside since 1 April 2020, as a prompt to encourage owners to make properties available for sale or rent quicker, thereby bringing properties back into use. The Levelling Up and Regeneration Act gained Royal Assent in October, although the relevant sections to allow Local Authorities the option to introduce this premium after 12 months of a property being empty (as opposed to the current 24-month period) have not been effected. A report is going to Council on 23 November 2023 to consider introducing the changes in principle and, if agreed, Cabinet will consider this when setting the Council Tax Base on 22 January 2024. If applicable, Cabinet will then update the budget and MTFP for these changes.

5.5.3 The position of the tax base will continue to be monitored over the coming months before being set in January 2024. Forecast taxbase growth of 750 properties per annum has been included in each year of the MTFP. This position will be kept under review and any future impacts may change this forecast.

5.5.4 In line with the Authority's constitution and decision-making processes, any future increases in Council Tax will be consulted on as part of the annual budget process with a decision made by full Council as part of the approval of the annual budget. This will also be dependent upon the capping referendum limits which are confirmed by the Government. It is a key principle of the MTFP to maximise the income from Council Tax and Business Rates to support the priorities of the Authority and as an indicator, every 1% increase in Council Tax would equate to circa £1.2m per year additional income.

5.6 Council Tax Support

5.6.1 In April 2013, the national Council Tax Benefit scheme came to an end, and the Local Council Tax Support scheme (LCTS) was introduced in its place. At the same time, funding was transferred into the Settlement Funding Assessment (SFA) (comprising Revenue Support Grant and Business Rates) after being cut by over 10%. As this funding is not separately ring-fenced within the SFA, it has effectively been cut at the same rate as the Authority's SFA has been cut for

each subsequent year. This has put significant additional strain onto the General Fund Budget and resulted in the Authority, as well as many other local authorities, seeking to collect some Council Tax from working age people who previously received 100% Council Tax Benefit.

- 5.6.2 As LCTS provides a 'discount' against the council tax liability, rather than crediting the account with a benefit payment, it does impact on the council tax base and therefore the tax raising capacity of the authority and its precepting bodies.
- 5.6.3 All local authorities are required to follow a national LCTS scheme for pension age applicants and this allows claimants to have their entitlement based on 100% of their council tax liability. The working age LCTS scheme is different and, other than some prescribed requirements set by Government, each authority can set their own LCTS scheme based on local need and budgets. North Tyneside's LCTS scheme offers working age claimants up to a maximum of 85% of their council tax liability.
- 5.6.4 As part of the range of support in North Tyneside to assist claimants, from 2023/24 information from the Department for Work and Pensions (DWP) relating to new Universal Credit (UC) claimants is now being used to make it easier for residents to claim for LCTS.
- 5.6.5 DWP's plans for migration of claimants to UC is progressing and the majority of working age people claiming legacy benefits (for example, Job Seekers Allowance) will be moved to UC by the end of 2024/25, with only those on Employment and Support Allowance (ESA) being delayed until around 2028. Currently around 5,500 LCTS claimants are claiming UC, representing around 62% of the working age LCTS caseload. The total caseload for LCTS is circa 16,000 in North Tyneside, of which around 7,100 (44%) are pensionable age claimants.
- 5.6.6 Around a third of all working age applicants currently receive maximum LCTS of 85%, leaving them with only 15% of their Council Tax liability to pay. As the majority of claimants live in a band A property, this equates to £211.00 per annum for a couple and £158.00 for a single claimant. To provide this level of support, the overall annual cost of the LCTS scheme is in the region of £16 million, of which around £7.5 million is provided to pensionable age claimants.
- 5.6.7 In addition to this support, the Authority also provides a Hardship Payment to LCTS claimants to further reduce the cost of council tax; up to £150.00 for a

working age claimant and £25.00 for a pensionable age claimant. This is estimated to cost around £1.5million, which was partially funded by a one-off government grant of £426,684 in 2023/24, with the remaining funding from an allocated amount for Hardship from the General Fund. This brings the annual liability down for a working age couple to around £61.00 and around £8.00 for a single working age person.

- 5.6.8 The in-year collection rate for council tax is impacted by the LCTS scheme, and the general financial situation of our residents. Any reduction in the amount of LCTS awarded to our financially vulnerable households (whilst achieving in-year savings that can lead to reduced budgetary pressures) may impact negatively on the in-year collection of council tax, therefore ultimately making the long-term collection rate harder to achieve.
- 5.6.9 Collection of council tax has been challenging in recent years, which mirrors the picture nationally. The Covid Pandemic created difficult financial circumstances for many households and this has been further compounded by the rising cost of living. However, the Authority achieved an in-year collection rate of 94.7% in both 2021/22 and 2022/23, which is slightly higher than the average for Metropolitan Councils but is lower than pre-pandemic rates (95.0% in 2019/20).
- 5.6.10 No changes are proposed to the LCTS scheme for 2024/25, although work is underway to consider future options such as a banded scheme which has been adopted in several local authorities, which can bring various benefits including a simplified scheme (with few changes to support as monthly salary levels change) and could provide additional support to the most vulnerable residents by changing the level of support at lower levels.
- 5.6.11 Since 2020/21, the Authority has provided the additional Hardship support (£1.5m) to residents. Whilst no changes are proposed for 2024/25 and 2025/26, longer term options are under consideration depending of the wider need for cost of living support.

5.7 Business Rates

- 5.7.1 The level of Business Rates is set by the Government and is based on the rateable value of non-domestic properties across North Tyneside. Prior to April 2013, the Authority had no direct financial interest in the collection of Business Rates and acted purely as an agent of the Government. Since 2013,

the Authority retains 49% of the business rates it collects and pays the other 51% over to Government (50%) and the Tyne and Wear Fire and Rescue Authority (1%).

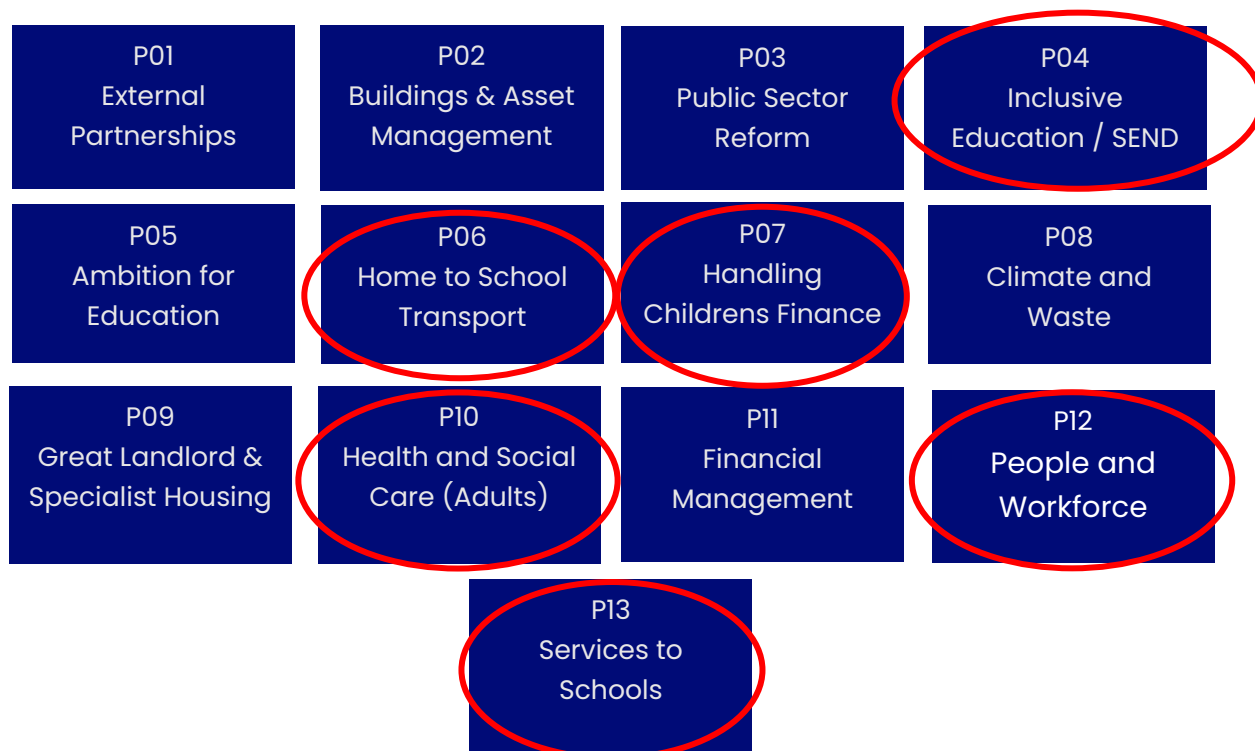
- 5.7.2 The Non-Domestic Rating Bill is currently going through Parliament and is expected to receive Royal Assent before the end of 2023, which will have a direct impact on Business Rates for 2024/25. The Government is prescribing new rules governing how the business rate multipliers are set and calculated and the Bill will also remove the current restrictions on discretionary reliefs (awarded under Sec 47 of the Local Government Finance Act 1988) being backdated.
- 5.7.3 The 2023/24 Retail, Hospitality and Leisure business rates relief scheme currently awards 75% relief to eligible retail, hospitality, and leisure properties. It is currently unclear as to whether this relief will continue into 2024/25 and, if it does, at what rate. Consequently, the planning assumptions in the MTFP remain unchanged until such announcements are made.
- 5.7.4 The Authority continues to carry the risk that Business Rates could be impacted in the event of business closures or increases in the number of properties claiming empty property relief, where businesses either cease trading or seek to take advantage of changed working patterns to reduce property costs. However, on a positive note, the Authority has not seen a material reduction in the rateable value, nor a surge in appeals against rateable values to date.
- 5.8 Review of 2024/25 Estimates approved by full Council in February 2023**
- 5.8.1 The MTFP agreed in February 2023 included a number of assumptions for future years. Section 5.8 updates these core assumptions, but Cabinet should also be aware that Section 6 sets out the new approach to the MTFP, which introduces a range of new projects that identify both costs and savings as the Authority looks to set a balanced budget for 2024/25 and the longer medium term.
- 5.8.2 As part of the preparation of the budget, a number of further changes have been made to the assumptions to take account of updated information and/or decisions taken in 2023/24 that will have a budgetary impact in 2024/25 onwards. The key changes are summarised below:

- Pay award – the MTFP has been updated to include an uplift for pay awards of 3.5% in 2024/25, before returning to the longer term assumption of 2% per annum thereafter. This adds £1.389m additional cost into the base budget.
- Given the pressures currently on the budget for Coroners in 2023/24, and the fact that the Authority is unable to influence detailed spend levels, it is proposed to address the shortfall in budgets now that the new Senior Coroner is in place and cost levels have stabilised. This adds an additional £0.511m into the base budget.
- The Authority is part of the Public Sector Audit Appointments (PSAA) arrangement for external auditor selection. As part of this, all PSAA appointment fees have been subject to a national consultation in fees, over which the Authority has no direct influence. The audit fees for North Tyneside are forecast to increase by £0.100m.
- As Cabinet will be aware, the North Shields Transport Hub opened in September this year. In line with the Financial Strategy, the base budget must reflect the running costs of new facilities, including business rates, which adds £0.391m into the base budget.
- Following the approval of the Cultural Strategy by Cabinet in May 2022, work has been under way to assess the adequacy of budgets, especially in light of the costs of delivering existing services such as the Mouth of the Tyne Festival and the future changes to the existing Playhouse arrangements (due January 2025). The base budget has been increased by £0.350m.
- Earlier this year, Cabinet agreed the Neat Streets initiative, which was discussed at Council on 21 September 2023. In line with the financial implications for the associated motion agreed at that meeting, £0.764m has been added to the base budget, which includes a £0.250m contribution from the HRA for works specifically for HRA tenants.
- Increased budgets are proposed to support staffing and their development, with £0.221m for apprenticeship and graduates, along with an additional £0.100m to support workforce development/training.
- Whilst the Authority recognises the importance of reserves, as set out in the Financial Strategy, changes are proposed to the timing of the replenishment of the Strategic Reserve to reflect the pressures facing 2024/25, which would see the Strategic Reserve top up be deferred for one year by £1.500m.

- It is proposed to make a permanent change to the base budget with regards to the change to the calculation methodology for the Minimum Revenue Provision (MRP) which was introduced in 2021/22. This adds £4.089m benefit to the base budget for next year compared to previous assumptions.
- The Treasury Management budget in 2023/24 has benefited from additional income levels due to increased interest rates. Given current interest rate forecasts, an additional £1m income has been added to the base budget for 2024/25, although this will be gradually reduced in future years.
- Significant inflationary increases were added into the 2023/24 budget for energy increases given the pressures being faced at the time the budget was set. Following the stabilisation and reduction of the energy market, the base budget is being reduced by £1.721m based on future year forecasts, although Cabinet will note that other budget pressures for wider inflationary increases are included elsewhere in these proposals.
- £0.742m is proposed to be released from the business rates volatility fund in line with the current forecast levels of business rates income.

6. Developing the Approach to the Medium-Term Financial Plan

- 6.1.1 As part of the Authority's revised approach to setting a balanced budget for 2024/25 and a 4-year MTFP for 2024-2028, thirteen project areas have been established to tackle the highest pressures facing the Authority and to explore areas of opportunity to be more efficient or maximise resources. Since May, the Senior Leadership Team has been working to develop those projects with regular updates being received by members of Cabinet at Lead Member Briefings.
- 6.1.2 The development of those follows the approach that was initially established with Childrens Social Care, which has been used as a blueprint for project development which form part of Cabinet's initial Budget proposals. This approach is also being incorporated into the in-year Performance and Finance reports to Cabinet and Overview, Scrutiny Co-ordination and Finance Committee (OSC&FC), recognising that service activity is driving the financial position of the Authority.
- 6.1.3 The projects are included below with those circled being the areas which are driving current pressures which are the focus of in-year mitigations to balance the outturn for 2023/24 and where the pressure is anticipated to continue into the medium-term financial planning period. Each project is sponsored by a Director and project leads have been identified with Heads of Service. Initially the purpose and scope for each area was identified which supported the development through to business case stage.



6.1.4 It is anticipated that over the medium-term each project outcome will contribute to balancing the MTFP. However there has been recognition that for some of the projects there is a need to invest to save. Following initial assessments of each project area, the anticipated net impact is an additional pressure of £12.209m increasing the gap for 2024/25. Full details of all the projects are included and appended to this report, however table 2 below provides an overview of the position by project where the proposals have a financial impact on 2024/25.

Table 2: Projects Estimated Financial Impact on 2024/25

Project Ref	Project Title	£m
P04	Inclusive Education / SEND	1.291
P05	Ambition for Education	0.151
P06	Home to School Transport	1.500
P07	Handling Childrens Finance	5.452
P08	Climate and Waste	(0.700)
P09	Great Landlord and Specialist Housing	(0.220)
P10	Health and Social Care (Adults)	3.424
P11	Financial Management	0.248
P13	Services to Schools	1.063
Total Estimated Financial Impact for 2024/25		12.209

6.1.5 The following section provides a summary for each of the projects that are active, setting out the current issue and proposed solution. Further detail, including a breakdown of growth and saving items, are included in Appendix B(i).

Ref	Name	Issue	Solution
P01	External Partnerships	Our two major partnership contracts (Equans and Capita) will expire in 2027.	Manage our contracts to make sure they represent good value for money and we are ready when they expire in 2027.
P02	Buildings & Asset Management	We have a large estate which costs us more than the current budget to repair and maintain.	Assess whether we can make better use of our buildings, whether we need them all and if we can generate savings and capital receipts by selling assets we no longer need.
P03	Public Sector Reform	The public sector is evolving, with local devolution and national policy changes. We need to respond to change and opportunity, to ensure long-term sustainability of services and achieve better outcomes.	Work differently, including improvements to our digital and customer service, manage demand and be in a proactive position for any new funding opportunities in line with ONTP priorities.
P04	Inclusive Education / SEND	Despite securing £19.5m of funding, there are still pressures facing the General Fund given high numbers of Education Help and Care Plans (EHCP) and the rising cost of SEND provision.	Create a system that effectively meets need, whilst being more cost effective and managing demand.

Ref	Name	Issue	Solution
P05	Ambition For Education	There are increasing levels of maintained school deficits. Without action, there is a risk we would need to absorb this debt, which is currently in excess of £13m.	Systematically review our education system across North Tyneside so that it supports educational and financial stability.
P06	Home To School Transport	Increase in numbers using service, directly linked to high numbers of EHCP, and rising delivery costs.	Proposing policy changes to ensure we meet need at a statutory level.
P07	Handling Childrens Finance	Increase in both volume and complexity of needs compared to pre-pandemic creating budgetary pressures. Cost of external provision is rising significantly.	Expanding the system to meet the expected need and complexity, by having the right size team, placement mix and focussing on future sustainability.
P08	Climate and Waste	Inflation, housing growth and sustainable waste management commitments, including the new government policy on food waste, are increasing our contracts cost and creating additional pressure during the MTFP.	Prepare for the new waste policy. Continue to work with residents on behavioural change to reduce waste and increase recycling. Introduce garden waste charges, in line with LA7, but at the lowest level.
P09	Great Landlord & Specialist Housing	Specialist housing need is causing financial pressure (homelessness, bed and breakfast and children's residential homes).	Develop alternative delivery models, including a new extra care scheme, and exploring opportunities for the HRA & Trading Company to support our objectives.

Ref	Name	Issue	Solution
P10	Health & Social Care	Increase in both demand and complexity as well as significant inflationary pressures and recruitment challenges within the sector.	Review of discharge pathways, client contributions and developing market capacity to appropriately meet need and regular review of packages to ensure compliance with Care Act requirements.
P11	Financial Management	The financial management of our activities is appropriate and compliant with regulations, but could we support operational activity better?	Continue to regularly review the risk areas identified, and whether we are spending and saving in a way that supports our services, regulatory obligations, and ONT strategic plan best.
P12	People & Workforce	The Authority employs a large workforce and needs to ensure we have the right people with the right skills at the right time.	Review our workforce, including targeted voluntary redundancy where it is right to do so, with recruitment and retention activity helping to ensure we have an appropriate mix of staff.
P13	Services to Schools	National policy means our relationship with Schools is changing, therefore we need the charging policy to keep pace with that.	Adjusting the services we deliver to reflect the changing relationship, ensuring financial sustainability.

7. Dedicated Schools Grant (DSG)

7.1 Background

- 7.1.1 The Dedicated Schools Grant (DSG) can only be used for the purposes of the schools Budget as defined in the School and Early Years Finance Regulations 2018. The DSG funds those delegated budgets allocated to individual schools, nurseries (and other early years settings) and high needs provision including special schools and alternative provision.
- 7.1.2 For 2024/25, as with recent years, the DSG will continue to be comprised of four blocks covering: Schools, High Needs, Early Years and the Central School Services. Each of the four blocks has their own funding formula. The DfE confirmed that the transitional arrangements, where local authorities could continue to set a local formula to distribute funding to individual schools will continue into 2024/25 with the earliest expected move to “hard” National Funding Formula (NFF) now expected in 2025/26.
- 7.1.3 The Authority receives its DSG funding based on the DfE’s NFF. In July 2023, the DfE published indicative allocations under the NFF at school level using October 2022 census data. This shows the funding level for each mainstream school based on the NFF using the 2023/24 Primary Unit of Funding (PUF) and Secondary Unit of Funding (SUF) with October 2022 pupil numbers.
- 7.1.4 This information is for planning purposes only as local formulae used by each local authority can still vary from the NFF within the guidance issued by the DfE. The DSG allocation to the Authority for 2024/25 will be published in December 2023, using October 2023 census results.
- 7.1.7 The North Tyneside illustrative allocation for the Schools block, Central Schools Services block, Early Years and High Needs block in 2024/25 (using census 2022 i.e. static pupil numbers) is shown below.

Table 3: Indicative Dedicated Schools Grant funding allocation 2024/25

	Schools Block £m	CSS Block £m	Early Years Block £m	High Needs Block £m	Total Indicative DSG 2024/25 £m
Indicative DSG Settlement	155.303	1.554	15.597	34.747	207.201

7.2 Schools Block

7.2.1 Officers from the Authority have been working to review the Authority's Local Funding Formula (LFF) for schools and what the potential impact would be for the LFF to remain aligned to the National Funding Formula (NFF). A consultation exercise was undertaken with schools during October and the results were presented to Schools Forum on 9 November 2023 along with the work on the funding formula. The proposals put forward for consideration were: -

- To continue to use factors in line with NFF, funding permitting;
- To allow the Authority to set a Minimum Funding Guarantee (MFG) and capping based on affordability;
- To support a transfer of £0.751m from the Schools block to High Needs block (0.48%) in line with the Safety Valve agreement and DSG Management Plan.

7.2.2 As part of the consultation exercise, a finance and resources update was presented to schools in several briefings outlining the main changes across all blocks of the DSG and outlining the 0.48% Schools block transfer to the High Needs block. Consultation questions were also shared at the briefings to allow for any comments or questions.

7.2.3 On 9 November 2023, Schools Forum agreed to continue to use factors in line with NFF and to allow the Authority to set a Minimum Funding Guarantee (MFG) however they did not support the proposal to transfer £0.751m from Schools block to High Needs block in line with the Safety Valve agreement and DSG Management Plan, given concerns around the budgetary pressures already facing schools. The Authority therefore, is preparing a disapplication

request for submission to the Department for Education to consider the next steps.

7.3 High Needs Block

- 7.3.1 As reported to Cabinet previously, the Authority commenced their DSG Management Plan in April 2023 which included DfE financial support to the Authority of £19.500m over a 5-year period, the first payment of £7.800m was paid at the end of the financial year 2022/23.
- 7.3.2 In addition, the DfE announced that in June 2023, the Authority will receive in capital funding £4.681m to support high needs provision.
- 7.3.3 The Authority remains confident that governance arrangements in place provide the necessary political rigour and oversight of its Lead Members, and support and scrutiny by its Chief Executive and Senior Leadership Team. Monitoring submissions to the DfE to date have been well received, confirming that plans are broadly on track and the wider SEND partnership remains committed to the deliverables set out in the DSG management plan, which are incorporated into the partnership's SEND improvement plan.
- 7.3.4 The Authority's Safety Valve communication and engagement plan, and its wider strategic SEND Engagement Strategy, continue to provide a clear basis upon which leaders across the Authority share information, consult and co-produce with children and young people, parents and carers, and the wider workforce.
- 7.3.5 A key risk for the Authority is that the statutory override to ring-fence DSG deficits from councils' wider financial position in statutory accounts is due to end after the accounts for the financial year 2025/26. After this point, unless the statutory override is extended, authorities will need to demonstrate their ability to cover DSG deficits from their available reserves. Due to the level of the deficit on the High Needs block of the DSG it is imperative that the Authority's DSG Management Plan meets the ESFA's requirements to ensure the historic deficit can be supported by funding that is available.

7.4 Early Years Block

7.4.1 The DfE has not yet published the expected value of the Early Years block funding. To provide illustrative values the 2023/24 actual funding allocation of £15.597m has been assumed.

7.4.2 In the Governments 2023 Spring budget the Chancellor announced fundamental changes to expand the free childcare offer so that eligible working parents in England were able to access 30 hours of free childcare per week for 38 weeks per year from the term after their child turns 9 months to when they start school.

- From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week (38 weeks a year),
- From September 2024 this will be extended to parents of 9 month to 3-year-olds, and
- From September 2025 working parents of 9 month to 3-year-olds will be able to access 30 free hours per week (38 weeks a year).

7.4.3 The DfE have not yet published the outcome of their consultation on expanding the Early Years entitlements however the Local Authority are currently modelling potential new rates for 2024/25 which will be discussed with Early Years subgroup on 24th November 2023.

7.5 Central Schools Services Block

7.5.1 The Central Schools Services block (CSSB) provides funding for local authorities to carry out the statutory duties they hold for both maintained schools and academies in England. Schools Forum is required to approve the proposals for expenditure from the CSSB. Schools Forum will consider certain elements of funding that are held centrally within the funding allocations (known as centrally retained and de-delegated items) which are applied to benefit pupils across the Borough.

7.5.2 The CSSB allocation has reduced again in 2024/25 which reflects the DfE's plan to reduce overall funding of this block. The historic commitments element has been reduced by 20% per annum, in line with strategic DfE published plans over the last two years.

7.6 Timetable for Agreeing 2024/25 Distributions

7.6.1 The key dates which must be met in setting 2024/25 school budgets are shown in Table 4 below. This report is requesting authorisation for the Director of Resources, in consultation with the Director of Commissioning and Asset Management, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, to undertake resource allocations to schools to meet these deadlines.

7.6.2 Table 4: Key dates for 2024/25 School Budget-setting

Date	Activity
July 2023	Department for Education (DfE) guidance issued for 2024/25
October 2023	Local consultation documents issued to stakeholders
27 October 2023	Consultation returns received and reviewed
9 November 2023	Schools Forum considers consultation response and agrees proposals for local funding allocation formula to individual schools, de-delegated and centrally retained budgets and any transfers between funding blocks.
December 2023 / January 2024	Local Government Finance Settlement announced including school funding amounts
17 January 2024	Additional Schools Forum meeting (if required)
19 January 2024	Deadline for submission of final local School Allocations to DfE (the Authority Proforma Tool)
29 February 2024	Deadline for confirmation of schools' budget shares to maintained schools (in North Tyneside the intention is to issue in advance of this deadline)

8. Housing Revenue Account (HRA)

8.1 Introduction

- 8.1.1 The HRA is required to produce a 30-year Business Plan, however, a four-year Medium-Term Financial Plan (MTFP) for revenue has been produced along with a five-year Investment Plan to align with the General Fund.
- 8.1.2 Whilst the current economic situation presents significant challenges, the Authority is still able to produce an MTFP for the HRA, which enables over £337m of revenue spend over the next 4 years to manage and maintain the housing stock and meet the aspirations of Cabinet and tenants.
- 8.1.3 The HRA also represents a significant element of the Authority's overall Investment Plan. Over the next 5 years a total of £161.370m has been allocated to enable the existing stock to be maintained at the Decent Homes Standard. In addition, in line with the Mayor and Cabinet's Affordable Homes pledges, a total of £27.870m has been identified to fund the new build schemes identified in the Affordable Homes Plan.
- 8.1.4 The proposals to resource the revised MTFP and 30-year HRA Business Plan will be subject to the full engagement process, and consultation over the choices available to ensure the objectives can be achieved.
- 8.1.5 Cabinet will also recall that the 2023/24 budget setting process included the creation of a £3m fund to support tenants during the cost of living crisis, through a range of tenancy sustainment measures, which is forecast to provide support during the three year period from 2023/24.

8.2 Background and Policy Context

- 8.2.1 The Authority is responsible for managing just under 14,100 homes. Rents and service charges provide most of the resources available to the HRA, which is then used to fund the management and maintenance of the housing stock. The income and expenditure is accounted for in a ring-fenced account as required by law under the Local Government and Housing Act 1989. Although accounted for separately, the HRA forms an intrinsic part of the Authority's overall vision and Council Plan, and this report sets the context within which the HRA Financial Plan and Budget proposals are set.

- 8.2.2 In line with all areas of operation across the Authority, in response to the wider economic challenges referenced earlier in this report housing has continued to adapt and adjust to keep providing the most efficient services possible to tenants. Inflation rates peaking at over 10% and shortages in obtaining certain key materials through the supply chain continue to challenge the Authority's procurement and operational teams. The budget proposals for 2024/25, where relevant, have sought to ensure that service delivery can be maintained in essential areas and that resources are identified to cover increased supply chain costs where there may be material shortages and delays.
- 8.2.3 The Authority is still facing the impact of the continued roll-out of Universal Credit and other welfare reforms, which brings greater pressure on tenants and on the Authority's income collection teams who have a responsibility to try and help sustain tenancies, and help tenants manage their money so that they do not end up in financial hardship or significant arrears, all of which could have a direct impact on the HRA, and the quality of the services that are then provided.
- 8.2.4 It is the responsibility of the Authority to determine the level of any unsupported borrowing it wishes to undertake to fund capital investment, such as new build or decent homes work, in line with the Prudential Code, which means applying the key tests to ensure that any debt taken on is prudent, affordable and sustainable. The approach to debt management is reviewed yearly and is discussed in more detail below.
- 8.2.5 2023/24 has seen the continuation of a significant programme of works being delivered by Housing Property Services. This has included new challenges including the need for significant sustainability measures to be undertaken across our stock, to help tackle the climate emergency and address Cabinet's decarbonisation ambitions. These factors along with issues relating to pay awards, and the continued difficulties in sourcing certain materials have all been considered in refreshing the Authority's Housing Asset Management Plan. A full review of the Asset Management Plan has been undertaken, and further work is ongoing to continue to develop and improve the service, to enable it to best meet the ongoing needs of tenants and residents whilst delivering greater efficiency and improved value for money.

8.2.6 HRA tenants will be consulted on these initial proposals, and the final HRA Budget will be presented to Cabinet in January 2024. At that meeting in January, Cabinet will be asked to approve the HRA Business Plan and Budget for 2024/25, including the housing rent, garage rent and service charge changes along with the Housing Capital Investment Plan.

8.3 Key Objectives and headline assumptions for the Housing Service

8.3.1 The overriding objectives for the housing service are in line with the agreed Housing Strategy and, as far as possible within financial constraints to achieve a balanced plan over 30 years, are to:

1. Ensure the application of the principles of economy, efficiency, and effectiveness;
2. Continue to invest in the existing stock to maintain the Decent Homes Standard;
3. Maintain and develop effective engagement with tenants;
4. Continually monitor the impact of changes such as Universal Credit and other welfare reform on tenants and ensure they have the appropriate support;
5. Work with private landlords to refurbish stock where appropriate;
6. Undertake environmental improvements to estates to ensure that they are clean and safe;
7. Support the delivery of Affordable Homes across the Borough;
8. Specifically increase the delivery of new-build homes where practicable;
9. Create sustainable tenancies and maximise rental income collection;
10. Undertake sustainability measures across the housing stock as appropriate and affordable to help address the Climate Change Emergency;
11. Continue to invest in the Authority's Apprenticeship programme to ensure that it develops the workforce to sustain and improve housing services in the future;
12. Continue to support the Working Roots programme to give some disadvantaged young people the chance to learn new skills, gain meaningful qualifications, and in some cases embark on a career.

8.3.2 In addition to the key objectives above, the HRA continues to allocate resources to support the Cabinet and Mayoral priorities of:

- Maintaining the tenants' priorities budget within repairs to focus on key areas of need, those initial areas of focus being pest control, empty homes standard and property health checks;
- Strengthening the resources available to support tenants in coping with the changes arising from welfare reform, the continued roll-out of Universal Credit and the deepening cost of living crisis. 2024/25 will be the second of a 3-year period during which £3m has been set aside to fund a range of tenancy sustainment measures, to alleviate a number of pressures being faced at the current time.

8.4 Key Points for the 2024/25 HRA Budget

Rent Policy

- 8.4.1 Since April 2020 rent increases have been based on applying the Consumer Prices Index (CPI) plus 1% and this arrangement was confirmed for at least the next 5 years. However, for 2023/24 the Government implemented a cap on the maximum increase in rent that could be applied given the heightened inflation levels which would have resulted in a rent increase of 11.1%. As part of this decision, the Government also reserved the right to apply a cap for 2024/25.
- 8.4.2 In September 2023 the CPI rate was 6.7%, which under the existing Government policy would mean a 7.7% rent increase for 2024/25. However, at this stage it is not clear whether a cap will be proposed, either at the 7% level introduced for 2023/24 or at a lower level. The base assumption applied in refreshing the Business Plan is to assume the 7.7% rent increase, but to also model a number of other variations, to understand the potential financial impact of a reduced level of increase being introduced by the Government.
- 8.4.3 The impact of these proposals on the HRA Business Plan is to increase forecast rental income, helping to enable the HRA to fund significantly increased service delivery costs and continue to respond to challenges such as the Government White Paper regulations following the Grenfell disaster, craftworkers pay review and investment in decarbonisation measures.

Service Charges

8.4.4 As part of the 2023/24 budget setting process, Cabinet agreed that a review of service charges would be undertaken to inform the 2024/25 budget and ensure that the proposed charges reflected the cost of delivering the relevant services. For the majority of services the result of the review was that increasing service charges for 2024/25 in line with the proposed rent increase (7.7%) is considered to be appropriate. However, there were some specific exceptions to this where additional increases are required in order to meet the costs of service delivery, outlined below and summarised in Table 5:

1. Sheltered Housing Officer (SHO) charge – the charge levied for the presence of an SHO in every sheltered scheme and to a number of tenants in properties in close proximity to those schemes;
2. Individual Heating Charges paid by NTL tenants – these charges have fallen well below the total energy costs being incurred;
3. Communal Heating Charge – each Sheltered tenant pays a communal charge which includes an element for heating and lighting of communal areas, with costs increasing significantly over the past two years.

Table 5 – Proposed changes to Service Charges 2024/25

Service Charge	Size	Weekly Charge (£)		Benefit Eligible	Potential 24/25 Weekly Impact (£)		
		23/24	24/25		Benefit Eligible	Tenant Pays	Protected
Sheltered Housing Officer	1 Bed	10.56	16.89	Y	6.33	0.81	5.52
Individual Heating	1 Bed	10.70	15.80	N	0.00	0.82	4.28
Individual Heating	2 Bed	11.80	17.42	N	0.00	0.91	4.71
Communal Heating	1 Bed	20.55	23.43	Y	2.88	1.58	1.30
Communal Heating	2 Bed	21.84	24.90	Y	3.06	1.68	1.38

- 8.4.5 Whilst the proposed changes are required to ensure the costs of providing the relevant services are recovered, it is recognised that the proposed increases could cause hardship for some of our tenants, particularly given that not all of the affected service charges are eligible for benefit. It is therefore proposed that transitional protection budgets will be introduced for all existing affected tenants to ensure that no tenant would be any worse off than if all the charges were just increased in line with the rent increase.
- 8.4.6 The protections would be in place for all existing tenants as at 31 March 2024. However, any new tenants from 1 April 2024 would be made fully aware of the applicable charges and would pay the correct charges with no transitional protection from that point.
- 8.4.7 It is recommended that garage rents will increase in line with the rent increase at 7.7% subject to any changes to the rent increase should the Government impose a cap for 2024/25.
- 8.4.8 The Authority will continue to move to target rent when properties become empty.
- 8.4.9 The Authority also continues to monitor the impact of welfare reform changes. Service charges on affordable rent properties are not exempt, as the 80% of market rent calculation includes any service charges. The importance of ensuring that tenants continue to be kept fully informed of the requirements of the scheme is fully recognised and ensuring that they are supported in managing the impact of any further changes. In North Tyneside Universal Credit numbers continue to increase, at the end of March 2023 there were 3,949 tenants on Universal Credit with arrears totalling £3.897m, by the beginning of October 2023 this number had risen to 4,271 with total arrears of £4.262m.
- 8.4.10 The Authority has already allocated additional resources to support those tenants affected by the changes in previous year's Budgets. There is a continued focus on trying to ensure that tenants are getting the support they need, and the information they need in relation to avenues they can explore not just for managing their rent, but also for accessing other sources of help during the current cost of living crisis. The impact of the additional resources allocated in this area has been evidenced by a slow-

down in the rate at which arrears have been increasing, albeit they are still increasing overall. Members will continue to be updated of any significant further welfare reform changes.

- 8.4.11 The policy of tenants' weekly rent being spread over 52 weeks will continue, although for those residents that wish to continue paying over 50 weeks this option has been available.

The Housing Capital Investment Plan 2024-2029

- 8.4.12 The Housing Capital Investment Plan has been refreshed based on the revised Asset Management Strategy, along with revised sums identified to fund new build proposals. The proposed five-year plan is included at Appendix B(iii).
- 8.4.13 The review of the Housing Investment Plan spend is based on maintaining Decent Homes and other core items included in the refreshed Asset Management Plan, and projects spend on existing stock of £161.370m over the next 5 years 2024-2029, plus investment in the new build programme of £27.870m as part of delivering Cabinet's overall Affordable Homes Strategy.
- 8.4.14 The Authority has been able to retain additional capital receipts that would usually have been paid over to Government under pooling arrangements to support investment in additional new build. For North Tyneside this means keeping an additional £3.748m, on condition that this delivers an additional £9.400m of new build spend by March 2029. The assumption that this will be undertaken and achieved has been reflected in the proposed Investment Plan. An update on the Affordable Homes Programme is due to be brought to Cabinet early in 2024, that report will give greater detail as to how the revised new build programme will be delivered for final approval.
- 8.4.15 These figures are based on maintaining the key principles of Cabinet's existing approach to debt management and self-financing.

Housing Repairs Budget 2024/25

- 8.4.16 Within the Tenant Priorities budget the following have been given priority over the last three years:

- Improving the Empty Homes standard;
- Free pest control service for tenants; and
- Property health checks (scheduled maintenance visits as opposed to reactive ones to properties identified as high maintenance).

8.4.17 These priorities have been well received by Tenants and it is recommended that these areas remain the focus of the tenant priorities budget for 2024/25.

8.4.18 In addition, funding of £0.300m has been approved under the Tenancy Sustainment Reserve towards the provision of a focussed damp & mould team.

8.4.19 As well as ensuring the budget refresh covers the resources required to continue to meet increased supply chain costs, it will also provide for the assumption that all elements of the Craftworkers Pay Review will be agreed and implemented, along with any rebasing of staffing budgets required because the 2023/24 pay award offer was in excess of the sums provided in last year's budget.

Unified Systems ICT Project

8.4.20 In 2023/24 the Authority awarded the contract to deliver the Unified Systems which will include a range of different service areas throughout the Authority including:

- Housing, including rent payments and neighbourhoods
- Property Services
- Strategic investment and Property
- Revenues and Benefits
- Health and Safety teams
- Leisure services
- Schools
- Information Technology team

8.4.21 The Authority is in the process of agreeing a revised timetable for implementation and the HRA has identified both revenue and capital resources to implement the system and deliver the required changes to ensure the systems in place can support efficient and effective service delivery.

HRA Unallocated Working Balances

- 8.4.22 Sustain unallocated working HRA balances at a minimum of £2.5m across the life of the 30-year Business Plan this stage.

Right to Buy (RTB) Sales

- 8.4.23 RTB sales have increased significantly since the start of self-financing at the end of 2011/12. The trend in RTB sales is reflected in the 30-year Business Plan.

Table 6: Right to Buy Sales 2011/12 to date

2011/12	30
2012/13	85
2013/14	122
2014/15	100
2015/16	135
2016/17	136
2017/18	158
2018/19	135
2019/20	120
2020/21	115
2021/22	169
2022/23	120
2023/24 (Sept)	45

- 8.4.24 As part of changes the Government introduced as part of the transition to self-financing, the Authority signed an agreement that allows RTB receipts above the levels assumed as part of self-financing to be retained if they are used to supplement Authority contributions to fund new build homes within an agreed timeframe. This agreement has seen an additional £9.669m of additional Capital Receipts retained to the end of 2022/23 (excluding the additional receipts offered by Government), which has helped deliver £24.850m of new build schemes.

Treasury Management Strategy (TMS) and HRA Borrowing

- 8.4.25 The HRA is an integral part of the Authority’s Treasury Management Strategy. In line with General Fund principles, any decisions regarding borrowing must be sustainable and must balance both capital and revenue resources and delivery plans.
- 8.4.26 As part of the transition to self-financing in 2012/13, the Authority’s HRA debt was £290.825m. Cabinet have previously agreed to set aside money where possible to repay debt each year however, the recommended strategy was not to seek to repay all debt held over the initial 30 years.
- 8.4.27 This approach has enabled revenue surpluses to be created, which have been utilised to fund a programme of HRA new build spend totalling £24.850m to the end of 2022/23. By the end of March 2023, the Authority’s actual HRA debt stood at £242.005m and by March 2024 it is anticipated that the debt will drop further to £239.870m.
- 8.4.28 The 2024/25 draft Budget proposals are based on the existing Cabinet agreed policy approach to debt. Decisions to repay debt continue to be made as part of the Authority’s Treasury Management Strategy and 30-year business plan and consider the investment needs, maturity profile and interest rates. Based on the current approach to debt management it is estimated that up to a further £140.952m of debt could be repaid over the next 30 years.
- 8.4.29 The table below shows the reduction in HRA debt included in the current proposals.

Table 7 – Impact on HRA Debt 2024–54 of Revised Business Plan

Description	Debt Movement £m
Opening Self-Financing Debt	290.825
Opening HRA Debt 01/04/2023	242.005
Closing HRA Debt after 30 Years	101.052
Debt Repaid over 30 years	140.952
Debt Repaid from start of SF	189.773

Depreciation

- 8.4.30 Unlike the General Fund position, the depreciation charge represents an actual cost to the HRA. The Authority calculates depreciation in accordance with the CIPFA Code of Practice, considering the investment works, the value of the Authority's properties and an estimate of the remaining lives. The level of depreciation calculated using this method will be able to be contained within the amounts currently budgeted in the 30-year HRA Business Plan, and these sums are allocated directly to fund the Housing Capital Investment Plan.

Reserves and Contingencies

- 8.4.31 Appendix E(ii) analyses the key changes between Pressures and Growth, Efficiencies and Reserves and Contingencies.
- 8.4.32 The latest 30-year HRA Business Plan for 2024-2054 reflects the budget monitoring position as of 30 September 2023, and the potential impact on HRA balances for this year. At that point, as is being reported to this meeting of Cabinet, the HRA is predicting an underspend of £0.070m against Budget for 2023/24, due to a combination of factors whereby improved rental income and interest on balances forecasts are covering pressures brought about by the proposed 2023/24 pay award and higher energy costs in particular. This means that the opening balances feeding into the Business Plan as of 31 March 2024 are forecast to be £3.002m as shown in Appendix E(ii).
- 8.4.33 Appendix E(ii) also reflects a proposed contribution from reserves of £0.163m for 2024/25. It is not proposed to adjust contingency budgets in 2024/25 following a review and revision of the levels held for the 2023/24 budget, with separate provision made for inflation and pay awards for 2024/25 (including rebasing for the additional costs of the 2023/24 pay award, as well as provision for increased material and subcontractor costs).

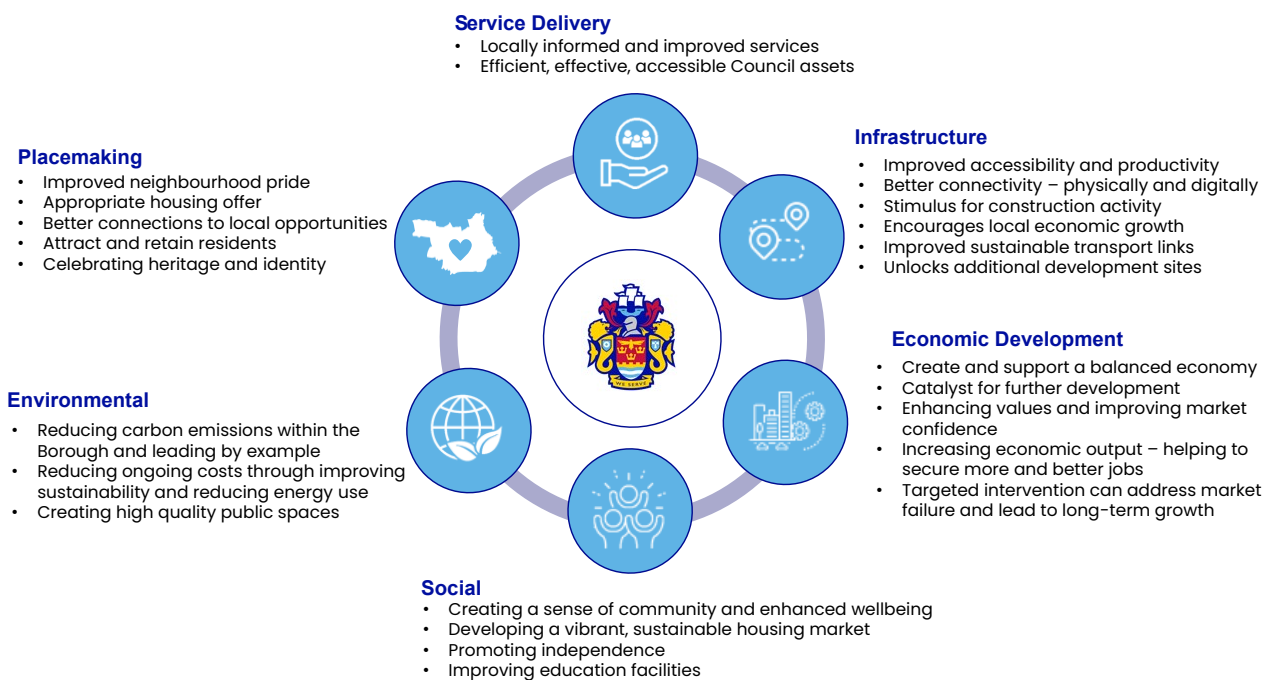
9. Cabinet’s initial Budget proposals for the 2024–2029 Investment Plan

9.1 Background

9.1.1 Capital investment generally relates to spending on physical assets that have a useful life of more than one year. This can be new assets, improvements to existing assets, or loans to third parties for a capital purpose.

9.1.2 By its nature, capital expenditure must demonstrate long-term benefits to the Authority. Planned capital investment therefore represents an important part of the Authority’s financial plans and the ability to achieve the strategic objectives set out in Our North Tyneside Plan.

Figure 1: Benefits of Capital Investment



9.1.3 A 10-year Capital Investment Strategy has been developed to help support the planned delivery of capital investment and ensure that the Investment Plan continues to build on previous success, with a strong focus on delivery of the Our North Tyneside Plan outcomes and achieving Our Ambition for North Tyneside. The Strategy provides a framework to enable projects to be developed and prioritised, helping to ensure that capital investment is affordable and sustainable. The Capital Investment Strategy is attached as Appendix B(v).

- 9.1.4 The 2023–2028 Investment Plan totalling £312.34m was approved by Council on 16 February 2023. Delivery of projects within the plan and progress to date has been formally reported to Cabinet as part of the Performance and Financial Management reports and following a series of adjustments for reprofiling of the Investment Plan and acceptance of additional funding allocations, the approved plan as reported to Cabinet on 27 November 2023 (including 2023/24 spend plans) is currently £344.558m.
- 9.1.5 All proposals for capital investment follow a structured gateway process which considers the strategic alignment to Our North Tyneside Plan and are challenged by Members and senior officers as part of the Investment Programme Board (IPB), from the initial ideas stage, through to delivery and finally to post implementation to review the project outputs and ensure that lessons learned can help to inform future delivery plans.
- 9.1.6 The IPB meets on a monthly basis and as part of its monthly meetings receives an update on all projects included in the approved Investment Plan which considers risks relating to financial performance, delivery milestones and the achievement of planned outputs.
- 9.1.7 As part of considering the Authority's MTFP position, the existing Investment Plan has been reviewed to ensure this remains affordable and sustainable, challenging existing commitments as well as exploring opportunities for additional investment. The key constraint towards supporting capital investment is the revenue budget and the ability to meet the associated financing costs as well as any ongoing running costs.

9.2 Investment Proposals

- 9.2.1 A schedule of the individual projects included within the draft Investment Plan is attached as Appendix B(ii), with the development of these schemes subject to the Authority's governance process including the consideration of gateway forms and underlying project business cases to fully understand the direct financial implications and potential benefits and outputs.
- 9.2.2 In addition to the potential re-profiling and adjustment of schemes within the existing approved Investment Plan to reflect the latest delivery estimates, a number of emerging projects have also emerged for consideration as part of

the Budget-setting process and these schemes have been reflected in the proposed Investment Plan.

9.2.3 The proposed additions to the Investment Plan requiring the use of the Authority's resources include the following:

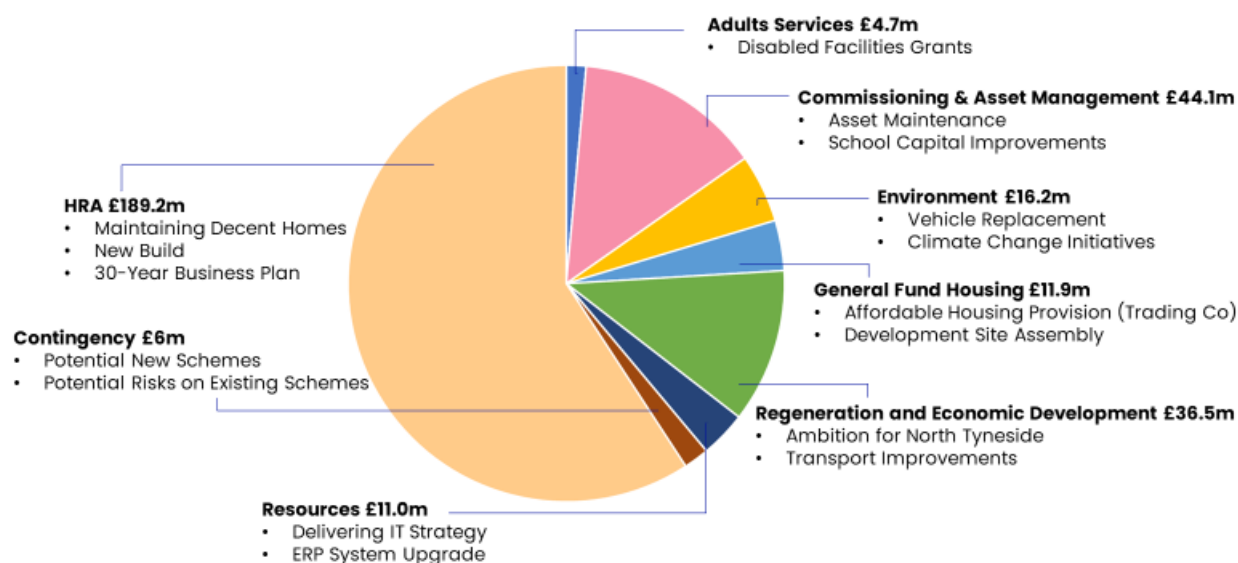
Allocation	Scheme
£4.0m	Enterprise Resource Planning (ERP) System Upgrade <ul style="list-style-type: none"> • Business critical system, with the existing system (BMS) now more than 10 years old and due to become obsolete • Opportunity to enhance both HR and finance systems and improve data analysis and security
£2.8m	Killingworth Depot - Adult Loan Equipment Service <ul style="list-style-type: none"> • Opportunity to relocate the service to the Authority's own site • Ability to enhance service delivery for an important service which helps to support independent living
£2.75m	Non-Operational Portfolio <ul style="list-style-type: none"> • Improvements to enhance performance, standards and energy efficiency measures within the existing portfolio • Ability to generate additional income over the medium term
£1.65m	Royal Quays Marina Barrage <ul style="list-style-type: none"> • Proposed structural improvement works
£0.95m	ICT Infrastructure Upgrades <ul style="list-style-type: none"> • Significant upgrades to the Wide Area Network (WAN) to enhance security and connectivity

9.2.4 Table 8 below shows a summary of the initial draft 2024-2029 Capital Investment Plan.

Table 8: Summary of the draft Capital Investment Plan 2024-2029

Spend	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
General Fund	55.350	20.976	20.914	18.414	14.664	130.318
Housing	36.762	36.097	39.148	38.798	38.435	189.240
Total	92.112	57.073	60.062	57.212	53.099	319.558

Draft Investment Plan: £319.6m



9.2.5 There are a number of different funding sources available to the Authority to support capital investment. These include the potential use of:

- *External grants* – either in response to specific bidding opportunities or those awarded by the Government for ongoing investment in areas such as transport infrastructure and schools;
- *External contributions* – such as those secured through the planning process including S106 agreements and Community Infrastructure Levy;
- *Revenue contributions* – through the use of specific reserve balances or available in-year budgets;
- *Capital receipts* – proceeds generated through the sale of the Authority's surplus assets;
- *Prudential Borrowing* – borrowing can be taken to fund long-term capital investment where it is demonstrated it is prudent, sustainable and affordable to do so which requires the need to make provision to fund the associated financing costs (repayment of principal and interest).

9.2.6 The Authority continues to pro-actively seek external funding to ensure that the use of the Authority's resources is minimised where possible. Table 9 below provides a summary of the proposed 2024-2029 financing:

Table 9: Summary of draft Capital Financing 2024–2029

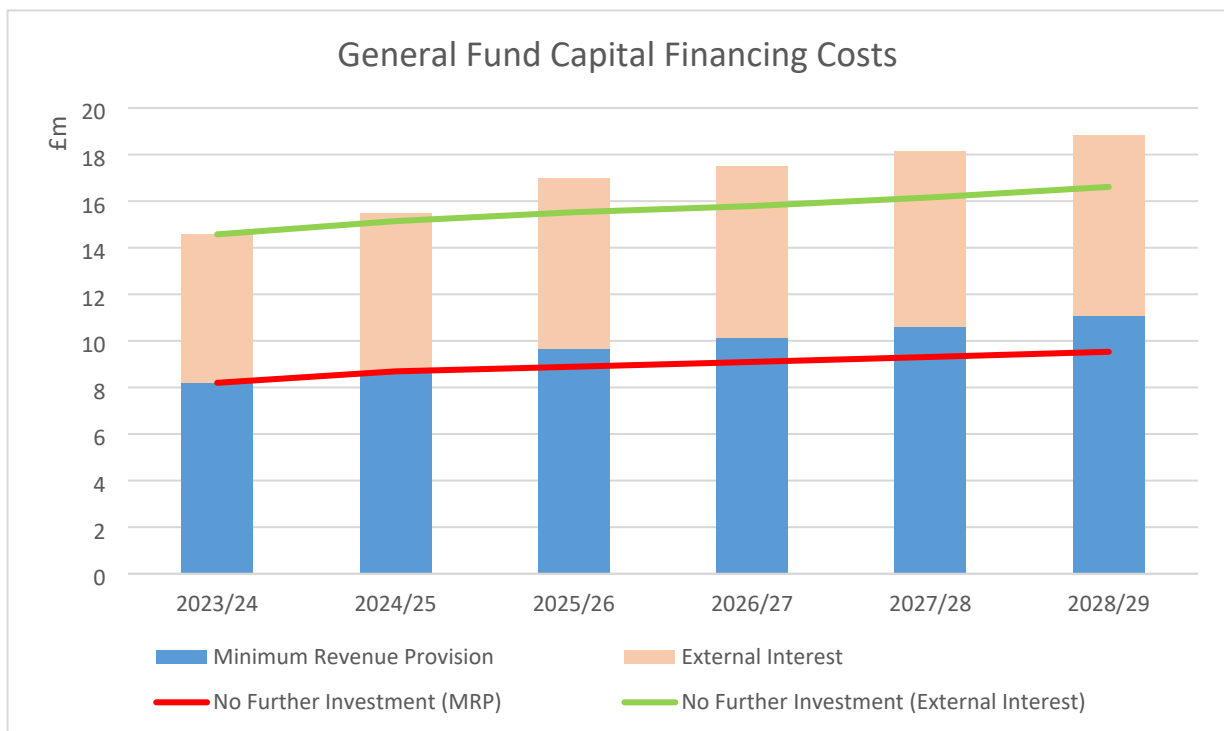
Investment Plan (£m)	2024/25	2025/26	2026/27	2027/28	2028/29	Total
General Fund						
Prudential Borrowing	29.158	13.329	13.450	10.950	7.200	74.087
Capital Receipts	0.630	0	0	0	0	0.630
Grants and Contributions	25.562	7.647	7.464	7.464	7.464	55.601
Revenue Contribution	0	0	0	0	0	0
Contribution from Reserves	0	0	0	0	0	0
Total General Fund	55.350	20.976	20.914	18.414	14.664	130.318
Housing Revenue Account						
Revenue / Major Repairs	33.238	31.568	34.409	35.550	37.035	171.800
Grants and Contributions	0.719	0	0	0	0	0.719
Contribution from Reserves	0	0	1.800	0.600	0.500	2.900
Capital Receipts	2.805	4.529	2.939	2.648	0.900	13.821
Total HRA	36.762	36.097	39.148	38.798	38.435	189.240
Total Investment Plan	92.112	57.073	60.062	57.212	53.099	319.558

9.2.7 The proposed General Fund Investment Plan includes external grants and contributions of £55.6m, which is 42.6 % of the total. Of this, £39.6m relates to schemes that are fully funded by external grants.

9.2.8 A number of capital allocations (grants) are announced by the Government as part of the Local Government Finance Settlement, including Capital Maintenance and Devolved Formula Capital from DfE, the Local Transport Plan and Disabled Facilities Grants (as part of the Better Care Fund). Figures for 2024/25 have not yet been announced and therefore indicative figures, based on previous allocations, have been included in the draft Plan. Once the allocations are formally announced, these figures will be updated and included in subsequent reports and investment programmes in these areas will be prioritised to reflect the available resources.

9.2.9 The proposed General Fund plan assumes £74.1m of prudential borrowing at this stage. In broad terms, every £1m of borrowing costs the Authority circa £0.1m per annum in revenue terms to meet the associated financing costs.

9.2.10 The Authority’s capital financing costs, excluding PFI schemes, are projected to be £15.490m in 2024/25, the majority of which is related to historic capital investment. Based upon the draft Investment Plan, the annual revenue cost would increase to £18.133m by the end of the MTFP term in 2027/28, which is reflected in the current MTFP. If the Authority was to reduce the level of borrowing, either through reducing projects within the proposed Investment Plan or by generating additional capital receipts, then this would help to reduce the financing costs charged to the revenue budget. However, even if there was no new borrowing, capital financing costs would still increase under our MRP policy, which would potentially reach £16.159m by the end of the MTFP term.



9.2.11 The Authority’s planned borrowing is primarily focussed on areas where external funding is not typically available, such as investment in improving the Council’s own assets used to support service delivery such as Asset Planned Maintenance, ICT Strategy and vehicle replacement programmes. In addition, borrowing is also focussed on achieving specific policy decisions such as investment in mitigating the impact of climate change and ongoing highway improvement works to supplement government grants and help to prevent significant deterioration of the highway network.

9.2.12 The Authority currently holds £8.5m of General Fund capital receipts and £15.4m of HRA capital receipts. The use of these receipts is considered as part of developing the Investment Plan and can help to reduce the requirement to take prudential borrowing. In addition, as part of the Authority's MTFP and delivering the project workstreams the Authority is also considering the flexible use of capital receipts to fund transformational activity, in accordance with the Flexible Use of Capital Receipts Strategy at Appendix B(vi).

9.3 Annual Minimum Revenue Provision (MRP)

9.3.1 The Capital Finance Regulations require full Council to agree an annual policy for the Minimum Revenue Provision (MRP), the amount that is set aside to provide for the prepayment of debt (principal repayment). The Regulations require the Authority to determine an amount of MRP which it considers to be prudent. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

9.3.2 The 2024/25 policy is set out in full below:

- (a) Supported borrowing: MRP will be charged at 2%;
- (b) Unsupported borrowing: for all assets financed by unsupported borrowing, MRP will be charged over the estimated life of the assets, using the annuity methodology;
- (c) Lease transactions treated as "on balance sheet": an element of the annual charge to the Authority for the lease will be treated as repayment of capital (i.e. repayment of principal and interest). The principal element is effectively the MRP charge for the year. This MRP charge will be equal to the element of the rent/service charge that goes to write down the balance sheet liability. This also includes PFI schemes;
- (d) Loans made for capital purposes for which borrowing is taken out: MRP will be based on the actual principal repayment schedule relating to the loan provided;
- (e) In accordance with the statutory guidance, the Director of Resources has the discretion to make additional voluntary provision, subject to affordability considerations, which can then result in reductions to the MRP charge for future years.

9.3.3 An analysis of the projected General Fund MRP charge for 2024/25 over the different components is set out in the table below, which is consistent with the Project Brief on Accounting Treatment set out in section 6:

Table 10 – MRP Projections (General Fund)

Projected MRP Charge 2024/25		£m
Investment Plan	Supported Borrowing	3.104
	Unsupported Borrowing – Asset Life Method	5.587
Leases / PFI	Annuity Calculation	3.214
Loans to Trading Company	Annuity Calculation	0.008
Voluntary Provision	General Fund	0
Total Projected MRP Charge		11.913

9.4 Prudential Indicators

9.4.1 The Local Government Act 2003 requires authorities to comply with the ‘CIPFA Prudential Code for Capital Finance in Local Authorities’. The Prudential Code requires authorities to develop a set of Prudential Indicators for capital as laid out in the Code. The proposed indicators for 2024–29 have been prepared using the current (2021) Code and are attached as Appendix B(iv).

10. 2024/25 Treasury Management

10.1 Background

10.1.1 The Authority is required to operate a balanced Budget, which broadly means that cash raised during the year will meet cash expenditure. A key part of the treasury management operation is to ensure that the cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority’s low risk policy, providing adequate security and liquidity before considering investment return.

10.1.2 The second main function of the treasury management service is the funding of the Authority’s capital plans. These capital plans provide a guide to the borrowing needs of the Authority, essentially the longer-term cash flow

planning to ensure that the Authority can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses.

- 10.1.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or on larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available Budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of any sums invested, as a loss of principal will in effect result in a loss to the General Fund balance.
- 10.1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from the day-to-day treasury management activities.
- 10.1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that an organisation's treasury management policy statement adopts the following form of words to define the policies and objectives of its treasury management activities:
- 1 This organisation defines its treasury management activities as:
The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
 - 2 This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
 - 3 This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service

objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

10.1.6 There are no policy changes to the Treasury Management Strategy Statement or Annual Investment Strategy which was last approved at Council on 16 February 2023 the latest Treasury Management Strategy Statement and Annual Investment Strategy have been included as Appendix C. The details in this report update the current Treasury position in the light of the updated economic position and budgetary changes already approved.

10.1.7 Since 1 April 2023 there have been two instances of a material exposure in excess of credit limits as per the Treasury Management Strategy Statement and Annual Investment Statement Credit Criteria. Both relating to unexpected income received after treasury activities for the day having been completed.

10.2 Treasury Management Reporting

10.2.1 In line with best practice, the Treasury Strategy including an Investment Strategy is considered as part of the Budget-setting process. The reporting framework covers the following key areas:

- **Annual Treasury Management Strategy**
This outlines how investments and borrowings are to be organised, including treasury indicators (including Prudential indicators set out at Appendix B(iv)) and an investment strategy.
- **A Mid-Year Treasury Management Report**
This will update Members as part of the Performance and Financial Management Report with the progress of the capital position, amending prudential indicators as necessary, and indicates whether the Authority is meeting the strategy or whether any policies require revision; and
- **An Annual Treasury Report**
This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the Strategy.

10.3 Current Treasury Portfolio Position

10.3.1 The Authority's debt and investment position as at 30 September 2023 is set out in Table 11 below:

Table 11: Current Treasury Portfolio Position as at 30 September 2023

	Principal Outstanding	Average Rate	
	£m	%	
Fixed Rate Funding			
PWLB*	254.250	3.59	* Public Works Loan Board
PWLB – (HRA Self-Financing)	128.193	3.49	
Market Loans	20.000	4.35	** Loans from other local authorities
Temp Loans**	0.000	0.00	
	5.000	5.80	
Total External Debt	407.443		
<i>Less Investments</i>			*** Debt Management Office
(UK) DMO***	20.250	4.66	
Other Local Authorities	10.000	3.97	
Bank Deposits	6.238	5.09	
Total Investments	36.448		
Net Position	370.995		

10.4 Prospects for Interest Rates

10.4.1 The Authority has appointed Link Asset Services as its external treasury advisor; part of their service is to assist the Authority to formulate a view on interest rates. Table 12 below sets out Link Asset Services' professional view of interest rates:

Table 12: Link Asset Services' forecast interest rates – 25th September 2023

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

10.5 Economic Update

10.5.1 The latest Monetary Policy Committee (MPC) on the 2 November 2023, sets out a view that short, medium, and long-dated interest rates will be elevated for some time, as the Bank of England try to reach their 2% inflation target, with a higher for longer narrative.

10.5.2 On 3 August 2023, Bank Base rate was raised to 5.25%, and held at 5.25% at the 2 November MPC meeting. Signalling the first hold since consecutive hikes of Base rate since December 2021. Twelve month CPI fell to 6.7% in September, its lowest rate since February 2022. The MPC continue to monitor closely indications of persistent inflationary pressures and resilience in the economy.

10.6 Non-Treasury Investments

10.6.1 The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit, for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations. The definition of an investment also covers loans made by a local authority to one of its wholly owned companies or associates, to a joint venture, or to a third party.

10.6.2 The Authority recognises that investments in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios. It is recognised that the risk appetite for these activities may differ from that for treasury management. The Authority maintains records of existing material investments, subsidiaries, joint ventures

and liabilities including financial guarantees and the organisation's risk exposure.

10.6.3 At 31 March 2023, the Authority held the following investments on its balance sheet:

- Equity:

Newcastle Airport Holding Company Ltd £9.825m (£9.825m 31/3/2022)

North Tyneside Trading Company £12.424m (£10.508m 31/3/2022)

LIFT Co £0m.

The shares in Newcastle Airport are held primarily for economic regeneration. The cost of the original investment was £0.235m.

The shares in North Tyneside Trading Company relate to two subsidiaries.

The first, amounting to £10.424m, relates to investment in affordable homes in line with the Cabinet's priorities using section 106 funding. The second, amounting to £2.000m, relates to investment in Aurora Properties (Sale) Ltd for the provision of housing for sale on the open market.

- Loans:

Subordinated debt – Dudley and Shiremoor Joint Service Centre (PFI Project) £0.160m (£0.160m 31/3/2021)

Subordinated debt – Whitley Bay Joint Service Centre (PFI Project) £0.110m (£0.110m 31/3/2021)

10.6.4 The Authority's Investment Plan includes further planned investment in the Trading Company of £13.828m, which includes £1.328m in section 106 funding as well as a £12.5m long-term loan to fund the acquisition of additional affordable homes. Any dividends from the Trading Company over the MTFP period are not expected to be material.

10.6.5 There are currently no losses expected on any of the Authority's non-treasury investments or any indications that a loss may arise. However, this position is kept under constant review as market conditions are expected to remain very volatile.

11. Provisional Statement to Council by the Chief Finance Officer

11.1 Background

- 11.1.1 The Local Government Act 2003 imposes duties on local authorities in relation to Budget setting. The Act requires that when an authority is deciding its annual Budget and Council Tax level, Elected Members and officers must take into account a report from the Chief Finance Officer on the robustness of the Budget and the adequacy of the Authority's financial reserves.
- 11.1.2 The Government has a back-up power to impose a minimum level of reserves on any authority that it considers is making inadequate provisions.
- 11.1.3 In making the statement, the Chief Finance Officer necessarily places reliance on information provided to him by other officers of the Authority as part of the Financial Planning and Budget process. Due cognisance to guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) in relation to the adequacy of reserves and balances will also be taken into account.
- 11.1.4 The intention is to make a full Statement as part of the report to the Council meeting on 15 February 2024, when all outstanding information should be available.
- 11.1.2 The 2024/25 Budget needs to be prepared with reference to the Financial Management Code (the FM Code) published by CIPFA. The FM Code provides guidance about the principles of good and sustainable financial management and requires authorities to demonstrate that processes are in place which satisfy these principles. It identifies risks to financial sustainability and sets out details of a framework of assurance which reflects existing successful practices across the sector. In addition, the Code establishes explicit standards of financial management and highlights that compliance with these is the collective responsibility of Elected Members, the Chief Finance Officer and the wider Senior Leadership Team. Full compliance with the FM Code is required and further details of how this has been achieved will be set out in the February Cabinet report as appropriate.

11.2 Robustness of Estimates

11.2.1 In assessing the robustness of estimates, the Chief Finance Officer has considered the following issues:

- The general financial standing of the Authority;
- The underlying Budget assumptions from the Financial Strategy;
- Future Budget pressures and growth proposals, including the impact of prudential borrowing for the 2024-2029 capital Investment Plan;
- The adequacy of the budget monitoring and financial reporting arrangements in place;
- The adequacy of the Authority's internal control systems, relying on the Assurance Statements provided as part of the Annual Governance Statement for the 2022/23 Statement of Accounts; and
- The adequacy of unearmarked and earmarked reserves to cover any potential financial risks faced by the Authority.

11.2.2 Future pressures need to be considered and the Authority should not take decisions on 2024/25 in isolation to future years' needs and pressures. Each year's Budget must continue to be considered within the context of the 4-year MTFP, the 5-year Investment Plan, the Financial Strategy and the wider economic position prevailing.

11.3 Capital Investment Strategy

11.3.1 In line with the Prudential Code's' requirement, the Chief Finance Officer should report explicitly on the 'deliverability, affordability and risk associated with the capital strategy and where appropriate have access to specialised advice to enable them to reach their conclusions'. All projects within the 2024-2029 Investment Plan follow the full gateway and governance procedure prior to inclusion on the Plan which ensures the deliverability, affordability and risk associated with each decision is fully understood prior to any decisions being made.

11.3.2 In terms of the overall investment position of the Authority, as set out above, a Capital Investment Strategy has been developed to help support the delivery of planned capital investment and ensure that the investment programme builds on previous success, with a strong focus on delivery of the Council Plan outcomes.

11.4 Adequacy of Financial Reserves

- 11.4.1 The level of un-ringfenced reserves remains of concern in this ongoing period of uncertainty. This year's Performance and Financial Management reports to Cabinet have highlighted areas of on-going financial pressure following several years of funding reductions, increased demand and uncertainty.
- 11.4.2 Since the development of the 2023/24 Budget and MTFP in February 2023, several further significant risks have emerged that are impacting on the 2023/24 budget position, as well as increasing the pressure identified for 2024/25. As detailed earlier within the report, the 2024/25 revised gap is anticipated to be £3.667m
- 11.4.3 The Authority bought forward General Fund reserves' balances of £59.596m into 2023/24, based on the latest forecast of planned usage, it is anticipated £18.271m will be drawn down in 2023/24 to support service delivery. This would result in a 2024/25 balance bought forward for reserves of £41.325m.
- 11.4.4 The planned usage does not incorporate the potential requirement of the Strategic Reserve to support the 2023/24 revenue budget pressure being forecast of £9.648m, as reported in the Performance and Financial Management report elsewhere on this agenda.
- 11.4.5 These actions together with the requirement to balance the 2023/24 in-year budget may result in the level of the Strategic Reserve falling further below the minimum planned level of £10.000m over the life of the Financial Plan. The replenishment of the Strategic Reserve over the medium term remains a key priority of the Financial Strategy and the MTFP.
- 11.4.6 Within the HRA, the Budget proposals ensure that a minimum of £2.500m is retained in HRA revenue balances each financial year to provide an element of contingency and financial stability.
- 11.4.7 Table 13 below shows the reserves as at the 31 March 2023 and the projected reserve levels over the period of the Financial Plan:

Table 13: Reserves and Balances as at 31 March 2023 and from 2023/24-2027/28

Reserves and balances	Opening Bal.	Projected Closing Balances				
	2023/24 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
Reserves						
General Fund ringfenced	36.380	26.208	24.772	23.361	22.425	22.869
General Fund unringfenced	10.277	6.477	6.477	6.477	6.477	6.477
General Fund grants	12.939	8.639	8.378	8.162	8.082	8.002
HRA (Inc Major Repairs Reserve)	24.813	20.929	18.401	18.447	16.826	16.266
Reserves Sub Total	84.409	62.254	58.029	56.447	53.811	53.615
Balances						
General Fund Balances	7.000	7.000	7.000	7.000	7.000	7.000
School Balances	(0.382)	(1.882)	(3.382)	(3.382)	(3.382)	(3.382)
Housing Revenue Account Balances	3.314	3.002	2.839	2.901	2.800	2.902
Balances Sub Total	9.932	8.120	6.457	6.519	6.418	6.520
Grand Total Reserves and Balances	94.341	70.374	64.486	62.966	60.229	60.135

12. Overall Financial Risk Assessment

12.1.1 Financial risks are driven by changes to Government policy and the national financial climate, issues arising throughout the year and reported as part of the financial management reporting process and those risks highlighted as part of the Authority's risk management procedures and monitored through the Authority's risk registers. As part of the monitoring process the Authority's Corporate Risk Register is monitored twice yearly by Cabinet.

12.2 Key Financial Risks

12.2.1 The key financial risks for the Authority (including the HRA), which have been considered as part of the Financial Planning and Budget process, are set out in the table below along with mitigating actions:

Table 14: Key Financial Risks and mitigating actions

Potential Risk	Initial Response
Long Term Financial Impact of COVID and the cost-of-living crisis: There is a risk that there may be long term impact on the ongoing income from Council Tax and business rates	Revenue monitoring to understand affected services and areas; Close monitoring of income levels compared to budget and regional/national comparators.
There is a risk of being unable to set a balanced budget for 2024/25 and over the period of the MTFP.	Managed during the budget setting for 2024/25 and robust budget challenge.
The significant impacts of the "cost of living" crisis, exceptional inflationary pressures and the wider impact of the global economy have the potential to drive additional budget pressures beyond those assumed in the MTFP.	Close monitoring of this position during 2023/24 and future years will be required to ensure the MTFP reflects any ongoing pressure and the impact assessment of the current economic situation.
Ongoing uncertainty around local government and wider public sector finances	The Authority will continue to take part in consultations on any funding reforms and will continue to lobby the Government for additional funding where necessary.
There is a risk that the levels of savings and income the Authority has	A robust challenge process will take place to ensure proposals can be

<p>included in the Budget proposals are not fully deliverable.</p>	<p>delivered. All savings and income will be monitored throughout the year to identify any areas which are not delivering savings as planned so corrective action can be taken.</p>
<p>There is a risk that if the planned activity to manage the MTFP is not successfully implemented the Authority may be unable to deliver improved services and meet the increased demand for services within reducing resources.</p>	<p>Monthly Updates to the Senior Leadership Team are provided as part of the in-year performance and financial management process, which feed into bi-monthly Cabinet and OSC&FC reports.</p>
<p>There is a risk that the assumptions that have been made based on the provisional settlement up to and including 2027/28 may be wrong, resulting in changes to the current targeted savings for the General fund and for the HRA, which will be considered by Cabinet in January 2024.</p>	<p>Through a robust approach to financial management the Authority is in a position to respond to determine actions necessary if the assumptions that have been made prove to be incorrect. The Authority works closely with national, regional and sub-regional financial networks to help ensure that the Authority is informed and aware of any national developments. Being involved in the consultation process enables any issues or concerns specific to NTC to be highlighted before final decisions are made.</p>
<p>There is a risk that not all growth pressures have been identified in the 2024/25 proposed Budget.</p>	<p>Detailed proposals have been put forward by each Director of Service and challenged by the Senior Leadership Team, Cabinet Members and the Elected Mayor.</p>
<p>There is a risk that demand - led pressures exceed Budget provision.</p>	<p>Demand-led pressures continue in areas such as adults' and children's social care and the impact of the Living Wage on our care providers (and the price for services the Authority then has to pay) have been</p>

	taken into consideration as part of these initial Budget proposals.
There is a risk that the in-year pressures being reported through the 2023/24 performance and finance monitoring impact on the deliverability of the 2024/25 budget.	As at 30 September 2023, a pressure of £9.648m was reported against the 2023/24 Budget. The 2024/25 proposals take into account known pressures and unachieved savings identified in the 2023/24 monitoring.
There is a risk that there are insufficient levels of reserves and balances.	A full review of reserves and balances is undertaken on a regular basis as part of both the in-year monitoring and planning processes.
There is a risk that the Authority will be unable to protect its housing assets and services to tenants as a consequence of reduced income to the HRA.	<p>The budget-setting process incorporates a review of the HRA Business Plan to reflect known changes. The cost and quantity of work within the 30-year Investment Plan is revised annually to help mitigate the impact of changes. In addition, the Financial Inclusion Strategy sets out how the Authority and its partners will support its residents to better manage their finances and maximise their income. The HRA budget includes proposal to increase support to tenants in managing their ability to sustain their tenancies.</p> <p>The Authority has representation on the DLUHC and CIPFA HRA working groups. This enables specific issues to be raised and allows the Authority to comment and influence change on HRA regulation</p>
There is a risk that there may be a significant financial impact on school resources if the number of schools requesting deficit continues to rise at its current rate.	The school deficit has been identified as a priority for the Authority, headteachers and governing bodies. A programme of work has been identified, working with schools to

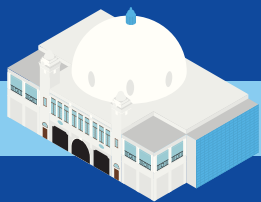
<p>This risk is currently driven in part by the number of surplus places at secondary schools.</p>	<p>improve the schools deficit position, as set to Cabinet in September 2023 in the Ambition for Education report.</p>
<p>There is a risk that the Authority may be unsuccessful in securing additional support from the ESFA to mitigate the pressures and current deficit position within the DSG</p>	<p>Internal Governance processes are in place to ensure close monitoring of the agreed Safety Valve/DSG Management Plan. Schools Forum is kept up to date with all plans that are included within the DSG Management Plan.</p>
<p>There is a risk that the DSG Deficit Statutory override will come to an end in 2025/26 leaving the Authority with a significant risk to its reserves if the level of deficit needs to be covered by General Fund Reserves</p>	<p>The Authority will continue to submit responses to consultations with the DfE and CIPFA highlight the significant risk this would be to financial sustainability for the sector.</p>
<p>There are an increasing number of councils facing equal pay claims, which could increase the likelihood of similar approaches to the Authority.</p>	<p>The national picture is being monitored closely and the Authority will continue to work with Trades Union colleagues to ensure that all parties understand the latest position and the potential impact in North Tyneside.</p>

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Our North Tyneside Plan

2021 TO 2025 | BUILDING A BETTER NORTH TYNESIDE



THE OUR NORTH TYNESIDE COUNCIL PLAN OUTLINES A VISION OF BUILDING A BETTER NORTH TYNESIDE LOOKING TO THE FUTURE; AND LISTENING TO AND WORKING BETTER FOR RESIDENTS.

The plan features five themes that reflect your priorities aimed at creating a North Tyneside that is thriving, family-friendly, caring, secure and green. Each of these five themes has a clear set of policy priorities.

Through this plan we will build on our excellent track record of delivery over the past eight years and address the key challenges we now face as a result of the COVID-19 pandemic.

It is a plan to build a better North Tyneside and to restore hope and confidence in the future where we tackle inequalities and discrimination and ensure that no-one is left behind.

It is a plan for a thriving North Tyneside – with regeneration across the whole of the borough, more good quality jobs, apprenticeships and access to skills training, support for businesses and keeping our libraries and leisure centres open as part of a vibrant cultural offer.

It is a plan for a family-friendly North Tyneside – with high-quality education, outstanding children’s services and making sure our kids have the very best start in life.

We will also be making sure we are a caring North Tyneside – with great care to everyone who needs it and support for our brilliant local community groups and the essential work they do.

It is a plan for a secure North Tyneside – tackling anti-social behaviour, investing in our roads and pavements, providing affordable homes and tackling food poverty.

And we look ahead to the very longer term – to protect our borough for generations long into the future with a green North Tyneside – increasing what can be recycled, cracking down on littering, improving ways for safe walking and cycling and planning how to make North Tyneside carbon net-zero by 2030.

This is our plan for North Tyneside but we know the council cannot deliver it all on its own. We work in partnership with our residents, our businesses, our community and voluntary sector and other key organisations such as the NHS, the police, fire and rescue services.

Norma Redfearn
Norma Redfearn CBE, Elected Mayor



Our North Tyneside Plan

2021 TO 2025

BUILDING A BETTER NORTH TYNESIDE

A thriving North Tyneside



We will regenerate the high streets of North Shields and Wallsend, and in addition to the Master Plan for North Shields, we will bring forward Master Plans for Wallsend and Whitley Bay town centre areas. We will also bring investment and improvements to the North West area of the borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents;



We will bring more good quality jobs to North Tyneside – by helping local businesses to grow and making it attractive for new businesses to set up or relocate in the borough



We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job



We will keep our libraries and leisure centres open as part of a vibrant range of cultural and sporting activities to support the health and wellbeing of our residents;



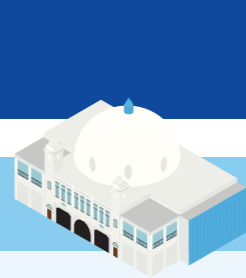
We will continue to be the destination of choice for visitors through the promotion of North Tyneside's award-winning parks, beaches, festivals and seasonal activities



We will reduce the number of derelict properties across the borough



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



A secure North Tyneside



Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour;



We will continue to invest £2m per year in fixing our roads and pavements



We will maintain the Council Tax support scheme that cuts bills for thousands of households across North Tyneside



We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty; and



We will provide 5000 affordable homes



A family-friendly North Tyneside



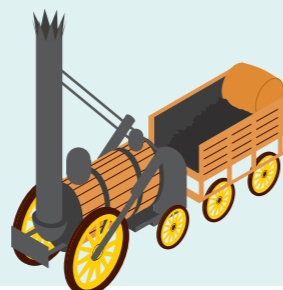
We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic



We will provide outstanding children's services, events and facilities so North Tyneside is a great place for family life



We will ensure all children are ready for school including through poverty proofing the school day – giving our kids the best start in life



A caring North Tyneside



We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic



We will work with the care provision sector to improve the working conditions of care workers;



People will be cared for, protected and supported if they become vulnerable, including if they become homeless



We will support local community groups and the essential work they do



We will work to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making



A green North Tyneside



We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes



Council environmental hit squads will crack down on littering



We will secure funding to help low income households to install low-carbon heating;



We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast



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





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Project Summaries

Appendix B (i)

Medium Term Financial Plan

November 2023



North
Tyneside
Council

Overview of this appendix

For each Project included in the MTFP, this appendix summarises the proposed approach on a consistent format setting out the following:

- **Issue** – an overview of the issue or challenge that the Project is aiming to address.
- **Solution** – an overview of the proposed action(s) to be taken to address the issue, driving service improvements, addressing growth requirements and/or identifying savings.
- **Financial impact** – includes both a summary statement of the key aspects of the financials related to the Project, together with a table summarising this in more detail. The financial impact includes both the growth/pressures arising from the Project, for example increased demand or cost of services based on current forecasts, as well as savings or additional income that is forecast to be delivered.

It should be noted that these Projects are not static and will continue to be developed during the current budget planning processes and into the medium-term. In particular, for years 2-4 of the MTFP, it is expected that further savings or income will be forthcoming, but as these cannot be forecast with certainty at this stage, they are not yet included. As the MTFP is developed, these financial improvements will allow the residual financial gap in the MTFP to be addressed.

P01 External Partnerships

Issue

Our two major partnership contracts (Equans and Capita) will expire in 2027.

Solution

Manage our contracts to make sure they represent good value for money and we are ready when they expire in 2027.

Financial Impact

Projected costs of c.£1.4m in 2027 relating to services delivered by Capita if no action is taken.

Savings of £0.4m are projected in 2027 relating to the services currently delivered by Equans.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Capita				
	Planning	0.000	0.000	0.000	0.305
	Engineering	0.000	0.000	0.000	0.655
	Property	0.000	0.000	0.000	0.460
	Equans				
	Revenues & Benefits	0.000	0.000	0.000	0.000
	Customer Services	0.000	0.000	0.000	0.000
	Savings on Contracts	0.000	0.000	0.000	(0.400)
	Total Growth	0.000	0.000	0.000	1.020
Savings	Total Savings	0.000	0.000	0.000	0.000
	Net Growth / (Savings)	0.000	0.000	0.000	1.020

P02 Buildings & Asset Management

Issue

We have a large estate which costs us more than the current budget to repair and maintain.

Solution

Assess whether we can make better use of our buildings, whether we need them all and if we can generate savings and capital receipts by selling assets we no longer need.

Financial Impact

Potential pressure of £0.5m p.a. based on existing performance and investment plans.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Repairs & Maintenance	0.500	0.500	0.000	0.000
	Total Growth	0.000	0.000	0.000	1.020
Savings	Use of Capital Receipts	(0.500)	0.000	0.000	0.000
	Additional Rental Income	0.000	0.000	0.000	(0.250)
	Total Savings	(0.500)	0.000	0.000	(0.250)
Net Growth / (Savings)		0.000	0.500	0.000	(0.250)

P03 Public Sector Reform

Issue

The public sector is evolving, with local devolution and national policy changes. We need to respond to change and opportunity, to ensure long-term sustainability of services and achieve better outcomes.

Solution

Work differently, including improvements to our digital and customer service, manage demand and be in a proactive position for any new funding opportunities in line with ONTP priorities.

Financial Impact

The workstream will re-focus existing resources to ensure we are well placed to respond to external funding opportunities.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Total Growth	0.000	0.000	0.000	0.000
Savings		0.000	0.000	0.000	0.000
	Total Savings	0.000	0.000	0.000	0.000
	Net Growth / (Savings)	0.000	0.000	0.000	0.000

P04 Inclusive Education / SEND

Issue

Despite securing £19.5m of funding, there are still pressures facing the General Fund given high numbers of Education Help and Care Plans (EHCP) and the rising cost of SEND provision.

Solution

Create a system that effectively meets need, whilst being more cost effective and managing demand.

Financial Impact

General fund base budget of £1.3m required.

Savings to the DSG of £4.9m over MTFP (£1.4m in 2024/25).

Funding of £9.8m over MTFP (£1.9m in 2024/25) if targets are met.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	SV Programme Management	0.187	0.000	0.000	0.000
	Commissioned Services Review	0.083	0.000	0.000	0.000
	ARP Review & Whole School Audit	0.105	0.000	0.000	0.000
	Preparation for Adulthood Team	0.218	0.000	0.000	0.000
	Early Years Hub	0.490	0.000	0.000	0.000
	SEND Service	0.208	0.000	0.000	0.000
	Total Growth	1.291	0.000	0.000	0.000
		£m	£m	£m	£m
Savings	Preparation For Adulthood	(0.173)	(0.208)	(0.165)	(0.164)
	ARP Review	(0.342)	(0.386)	(0.280)	0.280)
	Early Years Assessments	(0.305)	(0.305)	(0.305)	(0.305)
	MH Support in Schools	(0.305)	(0.305)	(0.305)	(0.305)
	Commissioned Services & Other	(0.277)	(0.014)	(0.012)	(0.008)
	High Needs Block Savings	(1.402)	(1.205)	(1.137)	(1.182)
	DSG Safety Valve Funding	(1.950)	(1.950)	(1.950)	(3.900)
Net General Fund Growth	1.291	0.000	0.000	0.000	

P05 Ambition For Education

Issue

There are increasing levels of maintained school deficits. Without action, there is a risk we would need to absorb this debt, which is currently in excess of £13m.

Solution

Systematically review our education system across North Tyneside so that it supports educational and financial stability.

Financial Impact

Additional funding is needed (£0.15m) for staff to drive the agreed actions and mitigate the potential significant financial risk to the General Fund.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Project Team	0.151	0.000	0.000	0.000
	Total Growth	0.151	0.000	0.000	0.000

P06 Home To School Transport

Issue

Increase in numbers using service, directly linked to high numbers of EHCP, and rising delivery costs.

Solution

Proposing policy changes to ensure we meet need at a statutory level.

Financial Impact

With a current budget pressure of £3m, there is a need for short-term growth to help deliver longer-term savings (potential for £1.6m over MTFP).

	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)
Growth	1.500	0.000	0.000	0.000
Savings				
Consider Post 16 Arrangements	(0.046)	(0.004)	(0.003)	0.000
Review denominational bus passes	0.000	(0.032)	(0.023)	0.000
Review Statutory eligibility Special Schools	0.000	(0.058)	(0.042)	0.000
2 X Independent Travel Trainers	(0.083)	(0.110)	(0.110)	(0.110)
Revised Travel arrangements PRU	(0.046)	0.000	0.000	0.000
School Operated Option	(0.096)	0.000	0.000	0.000
Review of 2/3 mile criteria ARPs at mainstream schools	(0.043)	(0.043)	(0.043)	(0.043)
Offer bus permits instead of taxis (SEND)	(0.061)	(0.062)	(0.061)	(0.062)
Increase no. PTB'S	(0.047)	(0.047)	(0.047)	(0.047)
Impact of DSG Management Plan	(0.029)	(0.148)	0.000	(0.063)
Total Savings	(0.451)	(0.504)	(0.329)	(0.325)
Net Growth / (Savings)	1.049	(0.504)	(0.329)	(0.325)

P07 Handling Childrens Finance

Issue

Increase in both volume and complexity of needs compared to pre-pandemic creating budgetary pressures. Cost of external provision is rising significantly.

Solution

Expanding the system to meet the expected need and complexity, by having the right size team, placement mix and focussing on future sustainability.

Financial Impact

£10m of additional growth pressures over MTFP (£6.4m in 2024/25).

Potential to deliver savings of £2.5m over MTFP (£1m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	External Inflation	1.493	1.055	1.097	1.141
	Children with Disabilities	0.500	0.000	0.000	0.000
	In-house Residential	0.500	0.000	0.000	0.000
	Children in Care (Growth)	2.688	0.176	0.138	0.047
	CwD Inhouse Respite	0.852	0.000	0.000	0.000
	Adoption & SGO's	0.400	0.000	0.000	0.000
	Total Growth	6.433	1.231	1.235	1.188
Savings	External Residential	(0.454)	(0.227)	(0.454)	0.000
	In-house Residential	(0.250)	(0.250)	0.000	0.000
	External Fostering	(0.090)	(0.090)	(0.045)	0.000
	External Supported Acc.	(0.190)	(0.280)	(0.190)	0.000
	Savings	(0.981)	(0.847)	(0.689)	0.000
Net Growth (Savings)	5.452	0.384	0.546	1.188	

P08 Climate and Waste

Issue

Inflation, housing growth and sustainable waste management commitments, including the new government policy on food waste, are increasing our contracts cost and creating additional pressure during the MTFP.

Solution

Prepare for the new waste policy. Continue to work with residents on behavioural change to reduce waste and increase recycling. Introduce garden waste charges, in line with LA7, but at the lowest level.

Financial Impact

Growth of £3.8m over the MTFP, partly offset by expected Government funding.

Savings of £0.7m in 2024/25, including £0.6m from garden waste.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Waste Contracts	0.000	0.144	0.000	0.252
	Food Waste Collections – Implementation (Cap)	0.000	2.140	0.000	0.000
	Food Waste Collections – Implementation (Rev)	0.000	0.274	0.956	0.025
	Total Growth	0.000	2.558	0.956	0.277
Savings	Food Waste – New Burdens	0.000	(1.274)	(0.956)	(0.025)
	EPR – New Income Stream	0.000	(0.100)	0.000	0.000
	Garden Waste	(0.600)	(0.075)	(0.063)	(0.042)
	Environmental Fees	(0.100)	(0.080)	(0.080)	(0.080)
	Total Savings	(0.700)	(1.529)	(1.099)	(0.147)
Net Growth / (Savings)		(0.700)	1.029	(0.143)	0.130
Net Growth (General Fund)		(0.700)	(0.111)	(0.143)	0.130
Net Growth (Capital)		0.000	1.140	0.000	0.000

P09 Great Landlord & Specialist Housing

Issue

Specialist housing need is causing financial pressure (homelessness, bed and breakfast and children's residential homes).

Solution

Develop alternative delivery models, including a new extra care scheme, and exploring opportunities for the HRA & Trading Company to support our objectives.

Financial Impact

Limited growth required but potential for £1.2m savings over MTFP (£0.3m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Project Delivery	0.050	0.000	0.000	0.000
	Total Growth	0.050	0.000	0.000	0.000
Savings	No use of B&B	(0.170)	(0.170)	0.000	0.000
	New extra care (40 beds)	0.000	0.000	(0.500)	0.000
	USAC Accommodation	(0.100)	(0.100)	(0.100)	(0.100)
	Other new specialist accommodation	0.000	0.000	0.000	0.000
	Total Savings	(0.270)	(0.270)	(0.600)	(0.100)
Net Growth / (Savings)		(0.220)	(0.270)	(0.600)	(0.100)

P10 Health & Social Care

Issue

Increase in both demand and complexity as well as significant inflationary pressures and recruitment challenges within the sector.

Solution

Review of discharge pathways, client contributions and developing market capacity to appropriately meet need and regular review of packages to ensure compliance with Care Act requirements.

Financial Impact

Additional growth of £23.7m over MTFP (£8.1m in 2024/25).

£7.7m of savings over MTFP (£4.7m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Care Fee Inflation	3.646	2.796	3.096	3.296
	Older persons population increases	1.400	0.700	0.900	0.900
	Transitions and discharges from long stay NHS	1.950	1.500	0.975	1.000
	Staffing - Keeping up with demand	0.560	0.160	0.160	0.160
	Staffing - DoLs and AMHPs	0.518	0.000	0.000	0.000
	Total Growth	8.074	5.156	5.131	5.356
Savings	Client contributions policy	(0.700)	0.000	0.000	0.000
	Prevention	(1.300)	(0.500)	(0.250)	0.000
	Support planning	(1.200)	(0.500)	(0.250)	0.000
	Commissioning Changes	(1.200)	(0.500)	(0.250)	0.000
	Appropriate contributions from Health	(0.250)	(0.500)	(0.250)	0.000
Total Savings	(4.650)	(2.000)	(1.000)	0.000	
Net Growth / (Savings)		3.424	3.156	4.131	5.356

P11 Financial Management

Issue

The financial management of our activities is appropriate and compliant with regulations, but could we support operational activity better?

Solution

Continue to regularly review the risk areas identified, and whether we are spending and saving in a way that supports our services, regulatory obligations, and ONT strategic plan best.

Financial Impact

Growth of £6.0m over MTFP (£3.0m in 2024/25).

Direct savings in 2024/25 of £2.7m with a further £8.3m of linked savings reported elsewhere in the MTFP.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	PFI	0.500	0.750	1.000	1.268
	Historical Income Pressures	2.448	0.000	0.000	0.000
	Project Growth	2.948	0.750	1.000	1.268
Savings	Investment Plan Financing	(1.600)	0.000	0.000	0.000
	Savings on Travel	(0.100)	0.000	0.000	0.000
	Remove Contingency	(1.000)	0.000	0.000	0.000
	Project Savings	(2.700)	0.000	0.000	0.000
Project Net Growth / (Savings)		0.248	0.750	1.000	1.268
Other Savings/ Council-wide items	Replenishment of Strategic Reserve	(1.500)	1.500	0.000	0.000
	MRP Saving Reversal	(4.098)	0.126	0.000	0.000
	Changes to Original Growth	(5.598)	1.626	0.000	0.000
	Treasury Management Strategy	(1.000)	0.250	0.250	0.000
	Reprofiling of Energy Growth	(1.721)	0.000	0.000	0.000
	Remove Council Tax Hardship	0.000	0.000	(1.520)	0.000
	Other Corporate Savings	(2.721)	0.250	(1.270)	0.000
Net Growth / (Savings)		(8.071)	2.626	(0.270)	1.268

P12 People & Workforce

Issue

The Authority employs a large workforce and needs to ensure we have the right people with the right skills at the right time.

Solution

Review our workforce, including targeted voluntary redundancy where it is right to do so, with recruitment and retention activity helping to ensure we have an appropriate mix of staff.

Financial Impact

Deliver £1.1m of sustainable savings in 2024/25, achieving a carried forward prior year business case.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Total Growth	0.000	0.000	0.000	0.000
Savings		0.000	0.000	0.000	0.000
	Total Savings	0.000	0.000	0.000	0.000
	Net Growth / (Savings)	0.000	0.000	0.000	0.000

P13 Services to Schools

Issue

National policy means our relationship with Schools is changing, therefore we need the charging policy to keep pace with that.

Solution

Adjusting the services we deliver to reflect the changing relationship, ensuring financial sustainability.

Financial Impact

Growth of £1.5m required to address residual catering pressure.

Additional income forecast to be £1.1m over MTFP (£0.4m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Catering Service Review	1.485	0.000	0.000	0.000
	Total Growth	1.485	0.000	0.000	0.000
Savings	Restate Baseline Costs	(0.114)	0.000	0.000	0.000
	Pay Allowance Recovery	(0.172)	(0.214)	(0.230)	(0.247)
	Overhead Inclusion	(0.136)	0.000	0.000	0.000
	Total Savings	(0.422)	(0.214)	(0.230)	(0.247)
	Net Growth / (Savings)	1.063	(0.214)	(0.230)	(0.247)

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Appendix B(ii) – Draft Investment Plan 2024/25 to 2028/29

Project	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000	Financing type	Total £000
GENERAL FUND INVESTMENT PLAN								
BS026 Asset Planned Maintenance	4,130	2,000	1,750	1,750	1,750	11,380	Council Contribution Capital Receipts	10,750 630
CO079 Playsites	201	83	0	0	0	284	Section 106	284
CO091 Neighbourhood Parks	90	100	0	0	0	190	Section 106	190
CO099 Rising Sun Country Park Improvements	44	0	0	0	0	44	Section 106	44
DV066 Investment in North Tyneside Trading Co	3,000	3,000	3,000	2,000	0	11,000	Council Contribution	11,000
DV073 Ambition for North Tyneside	3,376	0	0	0	0	3,376	Council Contribution	3,376
DV077 Tyne Brand Development Site	190	0	0	0	0	190	North of Tyne Combined Authority - Brownfield Housing Fund	190
DV081 North Shields Cultural Quarter	250	0	0	0	0	250	Notca Cultural & Creative Zone Funding	250
DV082 Wallsend Town & High Street Programme	600	0	0	0	0	600	Wallsend Town & High Street Fund (Notca)	600
DV084 North West Waggonways/Parks	535	0	0	0	0	535	Section 106	535
ED075 Devolved Formula Capital	1,610	610	610	610	610	4,050	Education Funding Agency (Devolved)	4,050
ED132 School Capital Allocation	3,868	3,868	3,868	3,868	3,868	19,340	Education Funding Agency (SCA)	19,340
ED190 High Needs Provision Capital Allocation	5,206	0	0	0	0	5,206	Education Funding Agency (High Needs) Education Funding Agency (DSG Safety Valve Grant)	1,000 4,206
EV034 Local Transport Plan	2,552	2,986	2,986	2,986	2,986	14,496	Dept for Transport LTP ITA Dept for Transport LTP Maint Public Transport Funding	6,874 7,482 140
EV056 Additional Highways Maintenance	3,253	2,000	2,000	2,000	0	9,253	Council Contribution Dft Pothole Funding	8,000 1,253
EV069 Vehicle Replacement	1,676	1,123	3,000	1,500	1,500	8,799	Council Contribution	8,799
EV083 Street Lighting LED	2,101	0	0	0	0	2,101	Council Contribution	2,101
EV091 Other Initiatives Climate Change	1,000	1,250	750	750	1,000	4,750	Council Contribution	4,750
EV096 Highway Maintenance Challenge Fund - Tanners Bank	250	0	0	0	0	250	Dept for Transport - Highway Maintenance Challenge Fund	250
EV100 Active Travel 3 - Permanant Seafront Scheme	6,734	0	0	0	0	6,734	Dept for Transport Active Travel Fund Tranche 3	6,734
GEN03 Contingencies	2,000	1,000	1,000	1,000	1,000	6,000	Council Contribution	6,000
GEN12 Local Infrastructure	100	100	100	100	100	500	Council Contribution	500
GEN13 Project Management	100	100	100	100	100	500	Council Contribution	500
HS004 Disabled Facilities Grant	1,869	0	0	0	0	1,869	Better Care Fund	1,869
HS051 Private Sector Empty Homes	205	206	0	0	0	411	Council Contribution	411
HS055 Home Upgrade Grant	310	0	0	0	0	310	Home Upgrade Grant (Govt)	310
IT020 ICT Strategy	1,950	1,250	1,250	1,250	1,250	6,950	Council Contribution	6,950
NEW - ALES Relocation	2,800	0	0	0	0	2,800	Council Contribution	2,800
NEW - ERP System Upgrade	4,000	0	0	0	0	4,000	Council Contribution	4,000
NEW - Royal Quays Marina Barrage	850	800	0	0	0	1,650	Council Contribution	1,650
NEW - Non Operational Portfolio	500	500	500	500	500	2,500	Council Contribution	2,500
Total Planned General Fund Investment	55,350	20,976	20,914	18,414	14,664	130,318		130,318

HOUSING REVENUE ACCOUNT (HRA) INVESTMENT PLAN

HS015 Refurbishment / Decent Homes Improvements	24,431	24,769	25,915	27,353	29,028	131,496
HS015 Climate Change and Decarbonisation Measures	3,259	3,035	3,126	3,815	3,537	16,772
HS017 Disabled Adaptations	1,599	1,315	1,328	1,341	1,355	6,938
HS039 ICT Infrastructure Works	210	112	113	114	115	664
HS044 New Build Programme	7,263	6,866	6,866	4,375	2,500	27,870
HS054 Vehicle Replacement	0	0	1,800	1,800	1,900	5,500
Total Planned HRA Investment	36,762	36,097	39,148	38,798	38,435	189,240

Total Authority Investment Plan	92,112	57,073	60,062	57,212	53,099	319,558
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General Fund Financing

Council Contribution	29,158	13,329	13,450	10,950	7,200	74,087
Council Contribution - Capital Receipts	630	0	0	0	0	630
Grants and Contributions	25,562	7,647	7,464	7,464	7,464	55,601
Revenue Contribution	0	0	0	0	0	0
Contribution from Reserves	0	0	0	0	0	0
Total General Fund Investment Plan	55,350	20,976	20,914	18,414	14,664	130,318

Housing Revenue Account Financing

HRA Resources - MRR and Revenue	33,238	31,568	34,409	35,550	37,035	171,800
HRA - Grants and Contributions	719	0	0	0	0	719
HRA - Contribution from Reserves	0	0	1,800	600	500	2,900
HRA - Capital Receipts	2,805	4,529	2,939	2,648	900	13,821
Total HRA Investment Plan	36,762	36,097	39,148	38,798	38,435	189,240

Total Authority Investment Plan - Resources	92,112	57,073	60,062	57,212	53,099	319,558
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Project	Project Title	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
	<u>Housing</u>						
HS002	HRA Schemes	36,762	36,097	39,148	38,798	38,435	189,240
	Made up of:-						
HS015	Decency Refurbishments	19,114	19,385	20,401	22,229	23,795	104,924
HS017	Disabled Adaptations	1,599	1,315	1,328	1,341	1,355	6,938
HS015	Climate Change / Decarbonisation Measures	3,259	3,035	3,126	3,815	3,537	16,772
HS015	Capitalisation of Major Repairs	1,296	1,308	1,322	1,335	1,348	6,609
HS015	Furniture Pack Scheme	526	531	537	542	547	2,683
HS015	Asbestos Works	318	322	325	329	331	1,625
HS015	Energy Efficiency & Environmental Improvements	214	216	218	220	221	1,089
HS015	Fencing / Walling / Offstreet parking / Landscaping	367	385	397	409	421	1,979
HS039	ICT Strategy (including Unified Systems Project)	210	112	113	114	115	664
HS015	Garages (Renovation/Demolition)	128	135	139	143	147	692
HS015	Water Pipe Renewals/Fire Damage Reinstatement	137	139	140	141	143	700
HS015	Apprentice Costs & CLAs	534	579	614	651	682	3,060
HS015	Footpaths & Communal Areas & Fire Doors	845	780	803	829	852	4,109
HS015	Project Management Fee	481	495	510	525	541	2,552
NEW Code	Vehicle Replacement Programme	0	0	1,800	1,800	1,900	5,500
NEW Code	Stock Condition Programme	471	494	509	0	0	1,474
HS044	Potential New Build	7,263	6,866	6,866	4,375	2,500	27,870
	Total: Housing	36,762	36,097	39,148	38,798	38,435	189,240
	TOTAL	36,762	36,097	39,148	38,798	38,435	189,240

FINANCING

HOUSING

Council Contribution

Capital Receipts	2,805	4,529	2,939	2,648	900	13,821
Vehicle Replacement Reserve	0	0	1800	600	500	2,900
Other Funds eg Green Fund, RTB Admin Surplus etc	130	80	130	200	0	540
Revenue Contributions	15,550	16,155	18,512	19,032	20,440	89,689
Total Council Contribution	18,485	20,764	23,381	22,480	21,840	106,950
Grant Contributions	719	0	0	0	0	719
Depreciation / Major Repairs Reserve	578	15,333	15,767	16,318	16,595	81,571

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Prudential Indicators

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Medium Term Financial Plan

November 2023



North
Tyneside
Council

2024–2029 Prudential Indicators

Introduction

- 1.0 The Local Government Act 2003 requires the Authority to adopt the CIPFA Prudential Code and produce prudential indicators. The framework established by the Prudential Code is designed to support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation. In exceptional cases the Prudential Code should provide a framework which will demonstrate that there is a danger of not ensuring this, so that the local authority concerned can take timely remedial action.
- 1.1 The Prudential Code indicators have been prepared in accordance with the principles outlined in the latest 2021 Prudential Code.
- 1.2 The Prudential Code requires authorities to consider capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudential approach to capital expenditure, investment and debt. The draft Capital Investment Strategy is included as Appendix B (v) to this report.
- 1.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The Prudential Code does not include suggested indicative limits or ratios. These will be for the local authority to set itself. Each indicator either summarises the expected capital activity or introduces limits upon that activity

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and reflects the outcome of the Authority's underlying investment appraisal systems.

- 1.4 Within this overall prudential framework there is an impact on the Authority's treasury management activity as it will directly impact on borrowing and investment activity. The draft Treasury Management Strategy for 2024/25 is included as Appendix C to this report.
- 1.5 The Prudential Code requires the following matters to be taken into account when setting or revising the prudential indicators:
 - a) Service Objectives – e.g. strategic planning for the Authority
 - b) Stewardship of assets – e.g. asset management strategy
 - c) Value for money – e.g. options appraisal
 - d) Prudence and sustainability – e.g. implications of external borrowing
 - e) Affordability – e.g. impact on Housing rents
 - f) Practicality – e.g. achievability of the forward plan
- 1.6 Matters of affordability and prudence are primary roles for the Prudential Code.
- 1.7 The revenue consequences of capital expenditure relating to the HRA must be paid for from HRA resources.
- 1.8 Capital expenditure can be paid for through capital receipts, grants etc, but if these resources are insufficient then any residual capital expenditure will add to the Authority's underlying borrowing need.
- 1.9 The key risks to the plans are that the level of funding, such as capital receipt levels or revenue contributions may change as capital receipts are reliant on an active property market.

- 1.10 The indicators cover:
- Affordability;
 - Prudence;
 - Capital expenditure;
 - External debt; and
 - Treasury management.
- 1.11 Prudential indicators are required to be set as part of the Financial Planning and Budget process. Any revisions must be reported through the financial management process.
- 1.12 The prudential indicators for the forthcoming and future years must be set before the beginning of the forthcoming year. They may be revised at any time, following due processes and must be reviewed, and revised if necessary, for the current year when the prudential indicators are set for the following year.
- 1.13 The following sets down the draft Prudential Indicators as calculated and proposed for North Tyneside Council for 2024–2029. The indicators include those for the Housing Revenue Account.

Prudential Indicators for Affordability

- 1.14 The fundamental objective in considering affordability of the Authority's Investment Plan is to ensure that the total capital investment of the Authority remains within sustainable limits, and in particular to consider the impact on the "bottom line" and hence Council Tax and for the HRA housing rents – both of which cannot be cross subsidised to support operations. Affordability is ultimately determined by a judgement on acceptable Council Tax or housing rent levels.

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- 1.15 In considering the affordability of its Investment Plan, the Authority is required to consider all the resources that are currently available and estimated for the future, together with the totality of the Investment Plan, revenue income and revenue expenditure forecasts for the forthcoming year and following two years (as a minimum). The Authority is also required to consider known significant variations beyond this timeframe. This requires the development of rolling revenue forecasts as well as capital expenditure plans. In line with the Medium Term Financial Plan and the Investment Plan, five-year forecasts have been provided for the prudential indicators.
- 1.16 When considering affordability, risk is an important factor to be considered. Risk analysis and management strategies should be taken into account.
- 1.17 Looking ahead for a five year period, the following is a key prudential indicator of affordability:
- the ratio of financing costs to net revenue stream for both the General Fund and Housing Revenue Account (HRA).

Ratio of financing costs to net revenue stream

- 1.18 This indicator identifies the trend in the cost of capital (predominately external interest and MRP) as a proportion of the net revenue budget for the General Fund and housing income for the HRA and is shown in Table 1 below:

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Table 1: Ratio of Financing Costs to Net Revenue Stream

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est.	Est.	Est.	Est.	Est.	Est.
General Fund	10.91%	11.43%	11.91%	12.29%	12.74%	13.64%
HRA	25.17%	21.48%	21.10%	18.07%	17.98%	19.60%

- 1.19 The above indicator shows costs for all borrowing, both supported and unsupported. It also includes the financing costs of PFI schemes and leases. A new accounting standard for leasing (IFRS16) was due to come into force for Local Authorities from 1 April 2020 due to the Covid-19 pandemic this was further delayed until 1 April 2024. Under this new standard leases that have previously been treated as operating leases and expensed to the revenue account on an annual basis, will now be required to be added to the authority's balance sheet. Work is ongoing to calculate the actual impact of this change on the cost of borrowing, with an estimate of £5m assumed at this stage. It should be noted that there is not expected to be a bottom-line impact to the revenue budget as a result of this change.
- 1.20 To enhance the information available for decision-making we have also provided a local indicator to show the proportion of the budget that is spent on unsupported borrowing within the General Fund. This is shown in Table 2 below:

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Table 2: Ratio of Financing Costs for prudential (unsupported) borrowing to Net Revenue Stream

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est.	Est.	Est.	Est.	Est.	Est.
General Fund	5.90%	6.99%	8.47%	9.01%	9.43%	10.30%

- 1.21 The cost of capital related to past and current capital programmes has been estimated in accordance with proper practices. Actual costs will depend on the phasing of capital expenditure and prevailing interest rates and will be closely managed and monitored on an ongoing basis. Any reprogramming in the Investment Plan, whether planned or unplanned, may delay the impacts of debt financing costs to future years.

Prudential Indicators for Prudence

- 1.22 A key indicator of prudence is that, over the medium term, gross debt will only be used for a capital purpose. Under the Code the underlying need to borrow for a capital purpose is measured by the Capital Financing Requirement (CFR). Gross debt includes external borrowing and also other liabilities including PFI schemes and Finance Leases.

Gross debt and Capital Financing Requirement (CFR)

- 1.23 This key indicator shows that gross debt is not expected to exceed the total CFR including additional capital requirements for 2023/24 to 2028/29, for the General Fund and HRA combined.
- 1.24 The CFR can be understood as the Authority's underlying need to borrow money long term for a capital purpose. The CFR is simply the total historic outstanding capital expenditure which has not yet been

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paid for from either revenue or capital resources. The CFR will increase annually by the amount of capital expenditure which is not immediately paid for by grants, contributions, direct revenue funding or capital receipts. The General Fund CFR will also be reduced each year by the amount of Minimum Revenue Provision (MRP) that is set aside in the revenue budget. In addition, the CFR may be reduced by additional voluntary contributions in the form of capital receipts or revenue contributions. The HRA business plan includes provision to reduce the HRA CFR in this way.

- 1.25 The CFR also includes any other long-term liabilities eg PFI schemes and finance leases. As outlined in paragraph 1.19 above the new accounting standard for leasing (IFRS16) now comes into force for Local Authorities from 1 April 2024. This means that leases that have previously been treated as operating leases and expensed to the revenue account on an annual basis, are now required to be added to the authority's balance sheet. An initial estimate of the impact of this change (c.£80m) has been added to the CFR. Work is ongoing to confirm this estimate and the impact of this change on the CFR and this position will continue to be updated in readiness for its implementation.

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Table 3: Gross external debt compared to CFR

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s
External Borrowing	422,376	414,527	393,443	384,868	380,599	372,599
Other Liabilities (including PFI and Finance Leases)	100,971	96,181	91,040	85,544	79,673	73,395
Total Gross Debt	523,347	510,708	484,483	470,412	460,272	445,993
Capital Financing Requirement	605,932	619,684	616,058	613,818	607,815	595,591

Prudential Indicators for Capital Expenditure

Estimate of capital expenditure

- 1.26 This indicator requires reasonable estimates of the total capital expenditure to be incurred during the current financial year and at least the following three financial years.
- 1.27 The proposed Investment Plan is included in the Annex to the report and the figures below are based on that report. A full breakdown of individual projects is shown in Appendix B (ii).

Table 4: Capital Expenditure

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s
General Fund	76,582	55,350	20,976	20,914	18,414	14,664
HRA	34,539	36,762	36,097	39,148	38,798	38,435
Total	111,121	92,112	57,073	60,062	57,212	53,099

- 1.28 There is a risk of cost variations to planned expenditure against the Investment Plan, arising for a variety of reasons, including continued inflationary pressures, tenders coming in over/under budget, changes to specifications, slowdown/acceleration of project phasing. There is also the possibility of needing to bring urgent and unplanned capital works into the Investment Plan. These risks are managed by project officers on an ongoing basis, by means of active financial and project monitoring, they will be overseen by the Investment Programme Board and any changes will be made in accordance with Financial Regulations.
- 1.29 The availability of financing from capital receipts, grants and external contributions also carries significant risks. These risks are particularly relevant to capital receipts, where market conditions are a key driver to the flow of funds, causing problems in depressed or fluctuating market conditions. There is a much-reduced reliance on capital receipts in the proposed plan.

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Estimate of Capital Financing Requirement (CFR)

1.30 In accordance with best professional practice the Authority does not associate borrowing with particular items or types of expenditure. The Authority has a number of daily cash flows, both positive and negative, and manages its treasury position in terms of its borrowing and investments in accordance with the approved Treasury Management Strategy. In day to day cash management no distinction can be made between revenue cash and capital cash. Over the long term external borrowing may only be incurred for capital purposes.

Table 5: Capital Financing Requirement

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s
General Fund	314,175	331,730	332,308	332,339	329,183	321,575
HRA	291,757	287,954	283,750	281,479	278,633	274,017
Total	605,932	619,684	616,058	613,818	607,815	595,591

1.31 The above indicator shows the total borrowing requirement, both supported and unsupported. To enhance the information available for decision-making we have provided a local indicator to show the Capital Financing Requirement for unsupported borrowing. This is shown in Table 6 below:

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Table 6: Capital Financing Requirement for Unsupported Borrowing

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s
General Fund	179,422	199,993	203,794	207,271	208,796	208,120
Total	179,422	199,993	203,794	207,271	208,796	208,120

Prudential Indicators for External Debt

Authorised limit for total external debt

- 1.32 For the purposes of this indicator the authorised limit for external debt is defined as the authorised limit for borrowing plus the authorised limit for other long-term liabilities.
- 1.33 This indicator requires the Authority to set, for the forthcoming financial year and following years, an authorised limit for total external debt, separately identifying borrowing from other long-term liabilities such as PFI and Finance Leases.
- 1.34 The authorised limit represents the maximum amount the Authority may borrow at any point in time in the year. It has to be set at a level the Authority considers is “prudent” and has to be consistent with the plans for capital expenditure and financing.
- 1.35 This limit is based on the estimate of the most likely, but not worse case, scenario with additional headroom to allow for operational management, for example unusual cash movements.
- 1.36 As outlined in paragraphs 1.19 and 1.28 above the new accounting standard for leasing (IFRS16) comes into force for Local Authorities from 1 April 2024. An uplift has been applied to the external and operational boundaries to allow for this change. Work is ongoing to calculate the actual impact of the change. This will be reported through the Financial Management reports to Cabinet.
- 1.37 Full Council will be requested to approve these limits and to delegate authority to the Chief Finance Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option appraisal and best value for money for the Authority.
- 1.38 Any such changes made will be reported to the Cabinet at its next meeting following the change.

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Table 7: Authorised Limit for External Debt

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s
Borrowing	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Long-term Liabilities	235,000	210,000	210,000	210,000	210,000	210,000
Total	1,235,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000

1.39 The Chief Finance Officer reports that these Authorised Limits are consistent with the Authority's current commitments, existing plans and the proposals in this 2023/24 budget report for capital expenditure and financing, and in accordance with its approved Treasury Management Policy Statement and Practices.

Operational Boundary for total external debt

1.40 The proposed operational boundary is based on the same estimates as the authorised limit. However, it excludes the additional headroom which allows for unusual cash movements.

1.41 The operational boundary represents a key management tool for in year monitoring by the Chief Finance Officer. Within the operational boundary, figures for borrowing and other long term liabilities are identified separately. Full Council will be requested to delegate authority to the Chief Finance Officer, within the total Operational Boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long-term liabilities, in a similar fashion to the Authorised Limit.

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- 1.42 Any such changes will be reported to the Cabinet at its next meeting following the change.

Table 8: Operational Boundary for External Debt

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s	Est. £000s
Borrowing	550,000	550,000	550,000	550,000	550,000	550,000
Other Long-Term Liabilities	185,000	185,000	185,000	185,000	185,000	185,000
Total	735,000	735,000	735,000	735,000	735,000	735,000

Prudential Indicators for Treasury Management

Adoption of the CIPFA Code of Practice for Treasury Management

- 1.43 The Authority has an integrated Treasury Management Strategy and has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. North Tyneside Council has, at any point in time, a number of cash flows, both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved Treasury Management Strategy and Practices.

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Upper limits on interest rate exposure 2024-2029

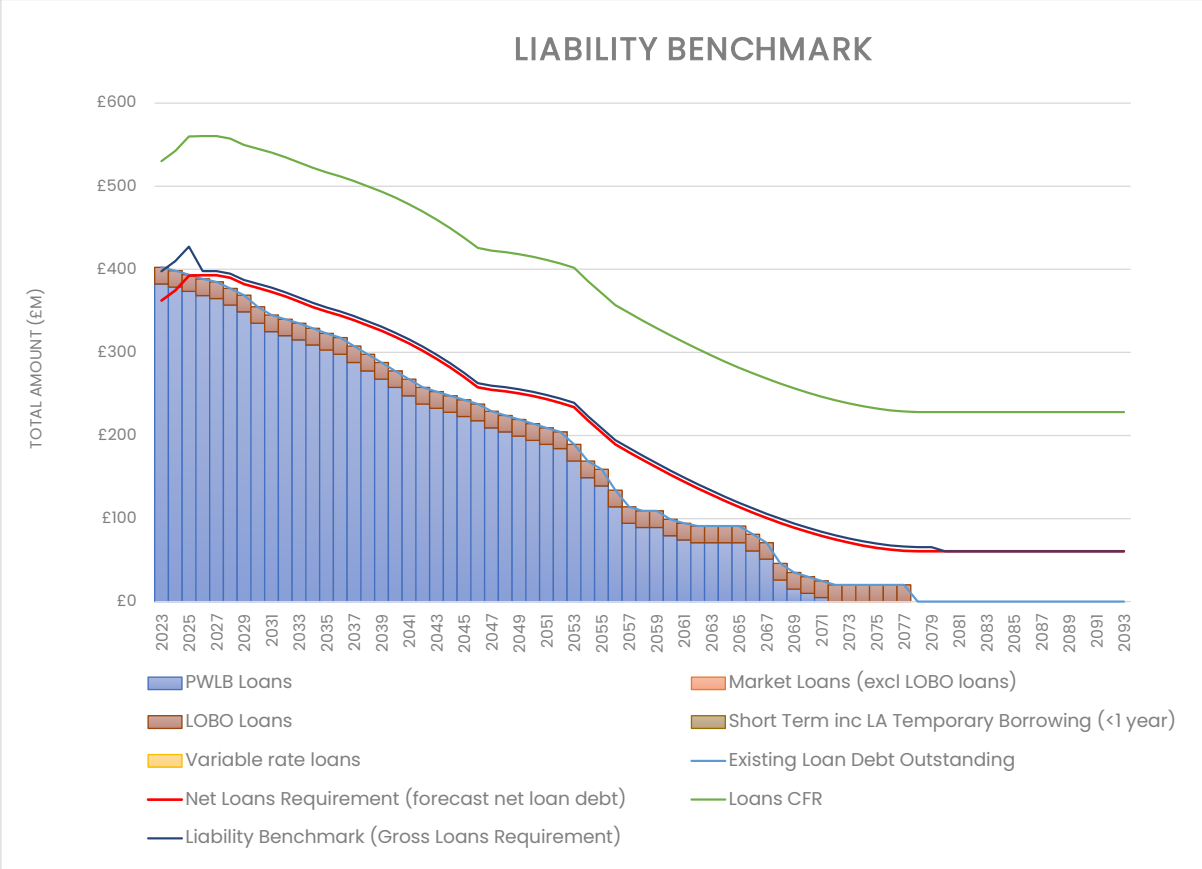
- 1.44 Full Council will be requested to set an upper limit on its fixed interest rate exposures for 2024/25 through to 2028/29 of 100% of its net outstanding principal sums.
- 1.45 Full Council will be requested to set an upper limit on its variable interest rate exposures for 2024/25 through to 2028/29 of 50% of its net outstanding principal sums.
- 1.46 The proposals to set upper and lower limits for the maturity structure of the Authority's borrowings are as follows:

Table 9: Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate

	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months to 2 years	50%	0%
2 years to 5 years	50%	0%
5 years to 10 years	75%	0%
10 years to 20 years	100%	25%
20 years to 30 years	100%	25%
30 years to 40 years	100%	25%
40 years to 50 years	100%	25%

Liability Benchmark

- 1.47 The Authority estimates and measures the liability benchmark for the full debt maturity profile of the Authority. The benchmark maps the existing debt maturity profile and how minimum revenue provision (MRP) and other cash flows impact on the future debt requirement. The liability benchmark is not a single measure but presents as a chart of four balances as follows:
- Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
 - Loans CFR: calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP, taking account of approved prudential borrowing.
 - Net loans requirement: the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
 - Liability benchmark (or gross loans requirement) equals net loans requirement plus short-term liquidity allowance.
- 1.48 The benchmark is to be analysed as follows; where actual loans are less than the benchmark indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which may result in excess cash requiring investment.
- 1.49 The Benchmark for North Tyneside Council demonstrates a long-term 'under borrowed' position. This aligns with the current strategy to minimise long-term external borrowing costs by using 'internal borrowing'.



Capital Strategy

2023 – 2033

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North
Tyneside
Council

North Tyneside Council – Capital Strategy

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- 10 Asset Management
- 11 Debt, borrowing, investments and treasury management
- 12 Investments for the service of commercial purposes
- 13 Other Long-Term Liabilities
- 14 Knowledge and skills
- 15 Conclusion



1 Introduction

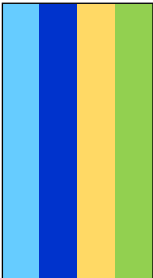
- 1.1 The Capital Strategy provides a high-level overview of how capital expenditure, capital financing and treasury management actively contribute to the infrastructure and provision of services for the benefits of North Tyneside's communities.
- 1.2 The overall aim of the Capital Strategy is to ensure that capital investment plans are affordable, prudent, and sustainable and they contribute towards the delivery of the Authority's strategic approach to building a better North Tyneside, outlined within Our North Tyneside Plan (Appendix 1).
- 1.3 Local Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003. The Prudential Code was updated by CIPFA in 2021 and provides a framework which supports local strategic planning, local asset management planning and proper option appraisal.
- 1.4 A key element of the Code is that Local Authorities should have a long-term capital strategy in place that sets out the long-term context in which capital and revenue decisions are made and gives appropriate consideration to both risk and reward and the impact on the achievement of priority outcomes.
- 1.5 The Authority's Capital Strategy takes a long-term view and covers the period from 2023 to 2033 and has been prepared to ensure compliance with the requirements of the Prudential Code, addressing the following key areas:
- Capital expenditure
 - Debt, borrowing, investments and treasury management
 - Investments for service of commercial purposes
 - Other long-term liabilities
 - Knowledge and skills
- 1.6 The Capital Strategy is under significant financial pressure as a result of market volatility following Brexit, COVID-19 and the conflict in the Ukraine. The extent of the impact and implications are still evolving, given pressures on supply chains which are impacting upon the delivery timing and costs of planned investment. The Strategy must therefore include an element of flexibility to respond to changes and risks within the market and manage resources effectively.

2 Objectives of the Capital Strategy

- 2.1 The Capital Strategy determines the Authority’s approach towards developing the Investment Plan, helping to ensure that capital resources are used in an efficient and effective manner to achieve medium and long-term strategic objectives.
- 2.2 The Authority’s Capital Strategy ensures that Environmental, Social and Governance (ESG) considerations are embedded within the decision-making process.
- 2.3 The Investment Plan represents a significant commitment of the Authority’s resources to either purchase new assets or enhance existing assets to support the effective delivery of the Authority’s services and promote wider economic and housing regeneration.
- 2.4 Key objectives include:
- Providing a framework within statutory legislation to support capital decision making and ongoing management and monitoring to ensure the Investment Plan remains affordable, sustainable, proportionate and prudent over the long-term;
 - Outline the process to identify, programme and prioritise potential capital schemes;
 - Providing a long-term view of capital expenditure plans and associated risks to the Authority;
 - Consider resources and funding options over the longer term to minimise the impact upon the Authority’s revenue budget.

3 Capital Expenditure

- 3.1 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year.



‘Expenditure that results in the acquisition of, or construction of, or the addition of subsequent costs to assets (tangible or intangible) in accordance with proper practices’

Local Government Act 2003 – Capital Expenditure

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3.2 To qualify as capital expenditure, expenditure must be directly attributable to an asset and:

- Results in the acquisition, construction or improvement of an asset
- Is separately identifiable and measurable
- Results in a measurable benefit to the Authority for a period of more than 12 months

3.3 In Local Government, this also includes spending on assets which may be owned by other bodies and loans or grants awarded to other bodies for capital purposes provided this is not an investment primarily to generate a yield for the Authority.

3.4 The Authority's Capitalisation Policy (set out in Appendix 2) is audited as part of the production of the Statutory Accounts.

3.5 The majority of the Authority's non-current assets are properties that are used to support service delivery. As at 31 March 2022 the Authority's land, buildings and infrastructure asset base of over 450 properties has a current use Balance Sheet value of approximately £241 million, approximately 945 kilometres of highways and bridges, subways, culverts and other structures with a historic value of £179 million, council housing stock comprising almost 15,000 properties with a balance sheet value of £675 million and ICT and other equipment with a balance sheet value of £15m. In addition the Authority has an interest in assets of companies in which the Authority has a financial interest in terms of equity and loans.

4. Strategic Priorities

4.1 All investment within the Investment Plan must be clearly aligned to the Authority's strategic approach to Building A Better North Tyneside. The Our North Tyneside Plan sets out the Authority's ambitions for making North Tyneside an even greater place to live, work and visit by 2025. The plan outlines a vision of building a better North Tyneside, looking to the future and listening to and working better for residents.

4.2 The Our North Tyneside Plan builds on the Authority's work over the last eight years and addresses the key challenges faced as a result of the COVID-19 pandemic. It is a plan to build a better North Tyneside and to restore hope and confidence in the future which seeks to tackle inequalities and discrimination and ensure no-one is left behind. **Page 311**

4.3 There are five key themes within the Our North Tyneside Plan, each with specific areas of work and clear priorities as set out in Appendix 1.



4.4 The Authority will continue to work collaboratively in partnership with our residents, our businesses, our community and voluntary sector as well as our regional partners, the North of Tyne Combined Authority and other key organisations like the NHS, the police, fire and rescue services to help deliver the Our North Tyneside Plan.

4.5 The development of the Investment Plan has clear links to the Authority's Medium Term Financial Plan and revenue budget. To ensure the Investment Plan remains affordable, sustainable and prudent over the long-term, the whole life capital and revenue implications of each capital project are considered prior to determining whether a scheme can be supported and accommodated from within the Authority's financial plans.

4.6 Within the Investment Plan, the key focus includes supporting schemes which:

- Deliver policy priorities
- Maintain existing assets
- Generate ongoing savings through invest-to-save initiatives
- Facilitate regeneration and enhance key strategic infrastructure
- Maximise the use of external funding

4.7 The Authority has a series of key strategies which support the delivery of the Our North Tyneside Plan and provides more detailed guidance and priorities for the development of specific projects, set out in the following table.

Our North Tyneside Plan	
Thriving	<ul style="list-style-type: none"> • Strategic Economic Plan • Employment and Skills Strategy • Inclusive Economy Strategy • Estates Strategy • Our Ambition for North Tyneside • North Shields Master Plan
Secure	<ul style="list-style-type: none"> • Local Plan and Master Plans • Transport Strategy <ul style="list-style-type: none"> ○ Highways Asset Management Plan ○ Network Management Plan • Housing Strategy <ul style="list-style-type: none"> ○ Strategic Housing Market Assessment ○ Strategic Land Availability Assessment ○ Housing Revenue Account Business Plan ○ Housing Revenue Account Asset Management Plan • Flood Alleviation <ul style="list-style-type: none"> ○ Flood Risk Management Strategy ○ Coastal Strategy
Caring and Family Friendly	<ul style="list-style-type: none"> • Joint Strategic Needs Assessment • Health and Wellbeing Strategy • Community Safety Strategy • Ambition for Education • Children and Young People Plan
Green	<ul style="list-style-type: none"> • Climate Emergency <ul style="list-style-type: none"> ○ Climate Emergency Action Plan ○ Low Carbon Plan 2016 - 2027 • 10-Year Plan for Waste
Organisation	<ul style="list-style-type: none"> • Medium Term Financial Plan • Asset Management Plan • Treasury Management Strategy • ICT Digital Strategy

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- 4.8 For any capital investment the Authority takes into consideration environmental, social and governance factors (ESG), which are embedded within the Authority's core strategies and reporting arrangements, with a view to influencing and delivering positive change within the Borough.
- 4.9 The Authority is committed to setting an example with regard to tackling climate change and reducing carbon emissions, which requires ongoing investment in a range of environmental and sustainable improvements including:
- Upgrading our buildings to improve their energy efficiency, including installing LED lighting, solar PV, replacing boilers and improving insulation measures
 - Investing in our systems and infrastructure to support agile working and the growth of the digital economy
 - Infrastructure improvements to support additional sustainable transport measures
- 4.10 The Authority provides a range of services with significant social value to the residents of the Borough, many of which require capital investment through the Investment Plan. This includes investment in areas such as the provision of social housing, schools, parks, playgrounds and green infrastructure as well as ensuring that the procurement approaches for major capital investment incorporate social value considerations. In addition, capital investment proposals also undertake Equality Impact Assessments as part of the decision-making process.

5. Investment Plan Governance

- 5.1 To ensure available resources are managed in the optimum way, the Authority considers and plans the Investment Plan as part of the service and revenue budget planning process within the Medium Term Financial Plan framework.
- 5.2 The Authority has a range of mechanisms in place to ensure the effective management of capital resources to deliver the Authority's strategic priorities including:
- Democratic decision making and scrutiny provide political direction and ensure accountability around investment decisions including:
 - *Full Council* – responsible for approving the Capital Strategy, Treasury Management Strategy and Investment Plan

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- *Cabinet* – responsible for setting the corporate framework and political priorities to be reflected in the Investment Plan, recommending projects for inclusion and monitoring delivery of the Investment Plan throughout the year
- Investment Programme Board – responsible for considering specific project proposals and recommending approval of schemes and variances to Cabinet
- Officer groups which bring together multi-disciplinary professional expertise from across the Authority helping to develop and scrutinise capital schemes, preparing business cases and to establish project boards for major and complex schemes as appropriate to ensure effective delivery.

5.3 Introducing schemes to the Investment Plan has a specific approved governance process which involves progressing through a series of Gateways, outlined in Appendix 3, which are considered by the Investment Programme Board.

5.4 As part of the approval process, all schemes will be required to develop a robust business case detailing full capital costs and full life revenue costs, including provision for ensuring that assets are maintained and that the financial implications are reflected in the Authority's financial plans. This will be provided as part of the Gateway 2 submission to the Investment Programme Board for approval prior to commencement of the scheme.

6. **Setting the Investment Plan**

6.1 The Investment Plan is set for a five-year period and reviewed annually alongside the development of the Authority's revenue budget. The review process considers the position on existing commitments, ensuring these remain a priority for the Authority, as well as considering the introduction of additional priority schemes. Any variation to the Investment Plan, including the introduction of additional schemes, will consider the resourcing implications and potential delivery arrangements.

6.2 The Authority manages the introduction of new capital schemes through the Gateway process, with the details of proposed schemes being outlined on Gateway forms supported by individual business cases which are considered by Officer groups and reported to Investment Programme Board in advance of progressing to Cabinet and Council for consideration.

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- 6.3 Individual project proposals must demonstrate a strong alignment with the Authority's strategic priorities and consider the associated financial implications and risks, including an analysis of:
- Project delivery timescales and estimated cashflows
 - Projected financial implications across the lifetime of the scheme (whole life costs)
 - Projected outcomes, both financial and non-financial
- 6.4 The projected financial implications of any capital investment decision must be incorporated into the Authority's Capital Financing Requirement and Medium-Term Financial Plan to ensure that a scheme is affordable and sustainable.
- 6.5 A key principle is that all investment decisions should ensure that risks are fully understood, with appropriate strategies in place to manage risks effectively. All capital projects are required to align to the Authority's risk management framework.
- 6.6 During the year, Investment Programme Board consider requests to vary existing capital commitments and to introduce additional schemes, which follow the same assessment process and are considered by Cabinet for inclusion in the Investment Plan.
7. **Monitoring the Investment Plan**
- 7.1 Capital schemes within the Investment Plan are monitored by project managers, supported and co-ordinated by finance. This process considers delivery against the original programme, budget allocation, funding sources and agreed outputs.
- 7.2 Project managers are responsible for effective control and monitoring of their projects ensuring:
- Only genuine capital expenditure is charged to the project;
 - Capital expenditure is properly attributable to the specific project;
 - Capital expenditure is within the agreed budget, or approval is sought for any variations;
 - Expenditure profiles are realistic and subject to regular review and formal approval is sought to adjust this where required;
 - Risks relating to the project are considered, recorded, communicated and monitored;

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- The projected outcomes of the scheme are achieved.

- 7.3 Where capital schemes are more complex, a multi-disciplinary project group may be established to oversee the effective delivery of the scheme. This may also be supplemented by external specialist advice where it is deemed this is necessary.
- 7.4 A formal monitoring report on the progress of schemes within the Investment Plan is taken to Investment Programme Board on a monthly basis, which provides information on delivery progress, risks and captures any potential changes. Any changes are underpinned by the Gateway governance process (Appendix 3) which formally records any variance to the existing approved schemes. Formal reports are also taken relating to the outturn ensuring that Investment Programme Board understand the impact of the capital investment and outputs that have been achieved in any particular year.
- 7.5 Cabinet receives bi-monthly monitoring reports and must provide formal approval to additional resource allocations, changes to existing schemes relating to amounts, financing arrangements, delivery timing or outputs.

8. Longer-Term Planning

- 8.1 The Investment Plan is based upon a five-year planning cycle, aligning with the Authority's medium-term financial plan. However, the Prudential Code requires a longer-term consideration of the Authority's capital investment requirements, acknowledging that this will involve a high degree of estimation at this stage and that specific proposals will evolve.
- 8.2 The Investment Plan, approved by Council in February 2022 covers the period to 2026/27 and amounts to almost £330m, with £173m of General Fund schemes and £157m within the Housing Revenue Account.
- 8.3 Potential additional capital projects will be identified through the Gateway process however there are elements of recurring capital investment which will be necessary to continue to ensure effective service delivery beyond the Investment Plan period. This includes investment in areas such as:
- Highways – improvement and maintenance of the Authority's highway assets including roads, bridges, footpaths and traffic signal equipment

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- Property – improvement and maintenance of the Authority’s operational buildings utilised to support service delivery
- Vehicles – acquisition of vehicles, including refuse collection vehicles, to support service delivery
- IT equipment and infrastructure – improvement and replacement of the IT infrastructure and devices to ensure effective and secure service delivery

8.4 This has resulted in the following projections for future capital investment programmes beyond the existing Investment Plan term:

Asset Group (£m)	Investment Plan	Years 6 – 10
Highways	10.0	10.0
Council Property	13.0	10.0
Vehicles	8.0	10.0
IT Infrastructure	6.0	10.0
Total Projected	37.0	40.0

9. Capital Funding Sources

9.1 There are a range of external and internal funding sources that the Authority considers to support the delivery of the Investment Plan. These primarily include:

- External grants and contributions
- Capital receipts generated from the sale of assets
- Contribution from revenue resources
- Prudential borrowing
- Institutional investment

External Grants and Contributions

9.2 The Authority actively explores external funding opportunities to support the delivery of priority schemes within the Investment Plan. This can include the use of grants awarded on a formula basis from Government departments or as a result of competitive funding applications to Government departments or other grant awarding bodies such as Heritage Lottery, Local Enterprise Partnerships or the North of Tyne Combined Authority.

9.3 As part of the Investment Programme Board governance the Authority reviews each external funding opportunity to understand the associated conditions and risks that may pass to the Authority to manage as part of scheme delivery.

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9.4 The Authority receives significant contributions from Developers as part of the planning process to support additional development and mitigate the impact locally. This includes Section 106 contributions, Community Infrastructure Levy and Section 278 contributions towards highways improvements. Any associated conditions relating to these contributions are addressed when developing specific project proposals and monitored as part of the delivery of the Investment Plan.

Capital Receipts

9.5 The Authority has a significant property estate the majority of which is held for operational purposes to ensure the effective delivery of the Authority's core services. However, strategic reviews of the portfolio can result in identifying properties which are deemed surplus to requirements and can be sold.

9.6 The proceeds arising from the sale of the Authority's assets are used to support the Investment Plan to fund the delivery of the Authority's priorities. The Authority has a planned and structured approach towards managing the disposal of assets, overseen by the Strategic Property Group.

9.7 The Authority does not commit capital receipts in advance of realisation and does not ring-fence the use of receipts to specific schemes except where regulations may require this. Typically, the following options will be considered when determining the optimum allocation of receipts:

- Repayment of existing debt
- Mitigating the need for future borrowing requirements to deliver the Investment Plan
- Funding transformational projects which will deliver significant efficiency savings
- Funding additional capital investment

Revenue Contributions

9.8 Capital investment can be financed directly from the Authority's revenue budget. However, the current pressures on the Authority's revenue budget limit the extent of this type of funding in the General Fund.

9.9 The Housing Revenue Account business plan utilises significant revenue contributions to fund investment in the Authority's housing stock. These contributions are transferred via a ring-fenced Major Repairs Reserve.

Prudential Borrowing

- 9.10 Under the Prudential Code the Authority is able to borrow to fund capital investment provided it can be demonstrated that the borrowing is prudent, affordable and sustainable. The Authority is unable to utilise borrowing to support any investment which is primarily for yield.
- 9.11 The level of borrowing that can be supported is dependent on the availability of revenue resources required to fund the associated financing costs, with the need to identify a long-term source of revenue to meet these payments. This position is reviewed as part of developing robust business cases for each project, considering the ongoing revenue implications of every investment decision.
- 9.12 The Authority makes provision for the repayment of the principal element of the borrowing through the Minimum Revenue Provision (MRP) which is charged to the revenue budget each year. The Authority considers the MRP policy on an annual basis as part of setting the revenue budget, with the calculation aligned to the useful life of the assets to which the borrowing relates in accordance with the guidance.
- 9.13 As part of complying with the Prudential Code several indicators are considered by full Council, showing ratios of costs and levels of borrowing. These indicators are monitored on an ongoing basis and reported formally to Cabinet and Council to ensure investment plans remain within agreed parameters.

Institutional and Alternative Investment

- 9.14 Whilst not currently actively pursuing this type of funding arrangement, the Authority may also consider long-term financing arrangements as an alternative to the use of prudential borrowing as a means to facilitate additional regeneration within the Borough.
- 9.15 This type of funding, typically involving UK Pension Funds with strong Environmental, Social and Governance credentials, also requires a long-term revenue commitment which means the Authority must fully understand the risks involved and the likely performance of the underlying asset. Any decision to explore alternative investment opportunities would be subject to Cabinet approval as part of developing the specific project.

10. **Asset Management**

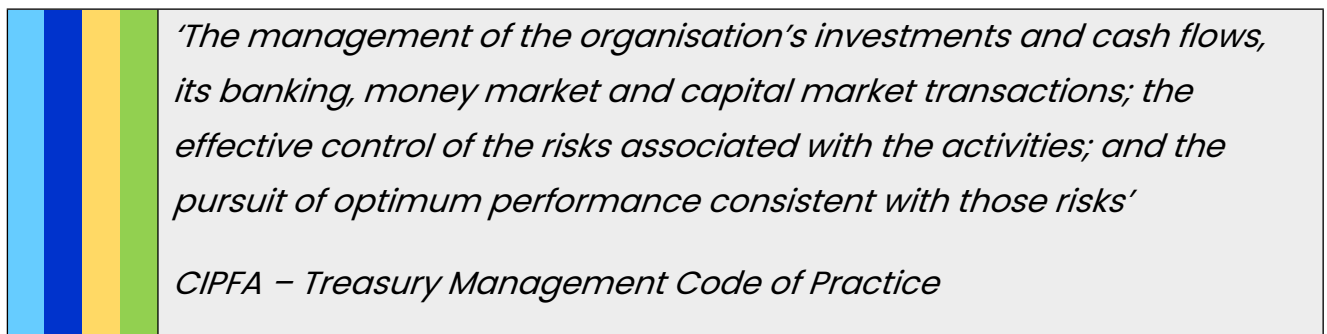
- 10.1 It is essential to understand the need, utilisation, condition and the investment and operating costs associated with the Authority's asset portfolio to ensure the effective use of the Authority's resources.

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- 10.2 To ensure that capital assets continue to be of long-term use, the Authority has approved asset management plans in place for property assets with the intention to create a sustainable, efficient and fit-for-purpose portfolio of assets. A disposal strategy is also in place to find alternative beneficial uses for any assets which are deemed surplus to requirements.
- 10.3 The Authority also has asset management plans in place for highways and other infrastructure assets which guide investment decisions and seek to align spending plans with other key priorities as part of a co-ordinated and targeted approach to maximise value.

11. Debt, borrowing, investments and treasury management

- 11.1 CIPFA define Treasury Management in the Treasury Management Code of Practice as follows:



- 11.2 The Treasury Management role is to keep sufficient but not excessive cash available to meet the Authority's spending needs, while effectively managing the risks involved. Surplus cash is invested until it is required, while a shortage of cash will be met by borrowing to avoid excessive credit balances or overdrafts in the bank account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent and the Authority holds cash reserves. Revenue cash surpluses are often offset against capital cash shortfalls to reduce the overall borrowing requirement.
- 11.3 The Authority's Treasury Management Strategy specifies how the Authority manages its treasury activities and includes the Authorities borrowing and investment strategies as well as specifying the Authority's risk appetite.

Borrowing Strategy

- 11.4 The borrowing strategy outlines the options available to fund the Capital Financing Requirement (CFR), which is the Authority's underlying need to borrow,

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and how the risks around borrowing will be managed. Prudential Indicators are set annually as part of the Authority’s revenue budget and these help to ensure that the Investment Plan remains affordable, sustainable and prudent by setting maximum levels of borrowing, interest rates exposure and the total borrowing maturity exposure per period.

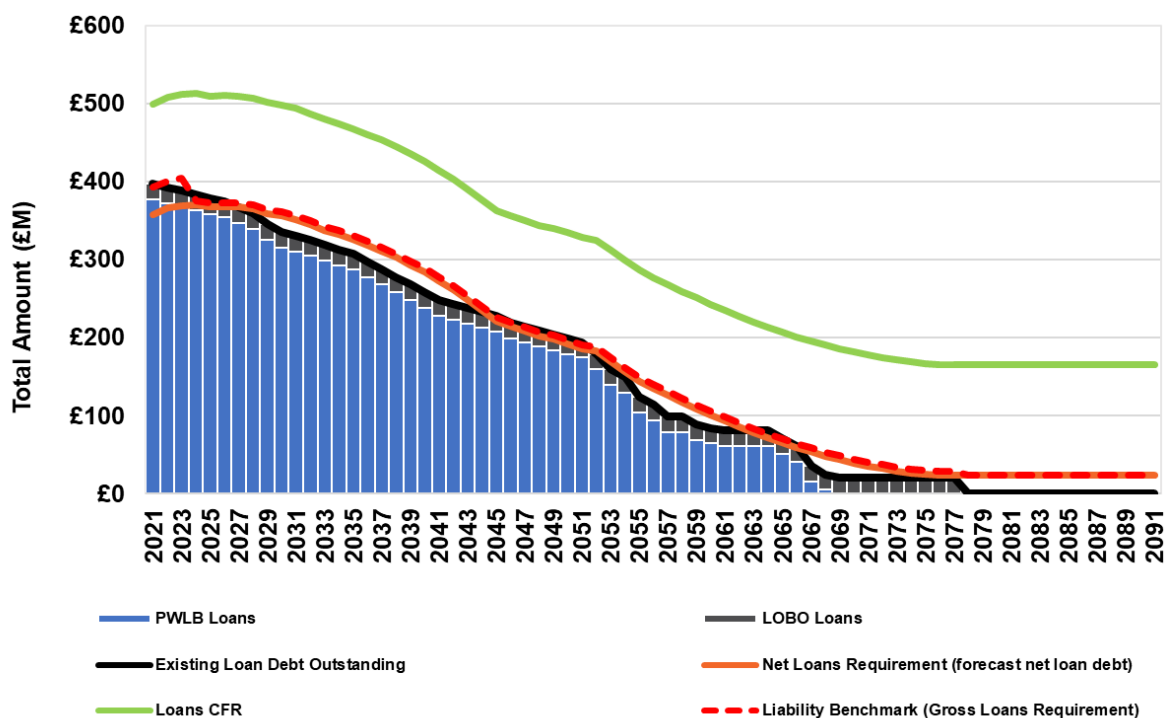
11.5 The following table shows the estimated net revenue cost of debt charges and future borrowing levels that will be required to meet the CFR over the 10-year timeframe of the Capital Strategy. This includes assumptions on longer-term investment requirements beyond the existing Investment Plan but does not include other long-term liabilities such as PFI schemes.

£m	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Capital Financing Requirement (Excl PFI)	499.5	506.9	512.5	517.3	516.9	519.8	519.1	516.3	510.0	506.6
Existing External Debt	398.4	393.4	388.4	384.9	376.9	368.9	355.0	345.0	340.0	335.0
Additional External Debt Requirement	101.0	113.4	124.1	132.4	140.0	150.9	164.1	171.3	170.0	171.6
Net Debt Charges	12.8	13.4	13.8	14.2	14.7	15.1	15.4	15.7	16.0	16.4

Liability Benchmarking

11.6 To compare the Authority’s actual borrowing to its underlying need to borrow a liability benchmark has been calculated using the Authority’s loans and Capital Financing Requirement less its underlying cash investments.

Liability Benchmark



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11.7 The liability benchmark indicates that the Authority will be under-borrowed against its requirements. This will mean that additional borrowing will be required but the Authority will manage that by monitoring interest rates and identifying the optimum borrowing opportunities in accordance with its Treasury Management Strategy. There may be occasions when the Authority will opt to actively be under-borrowed to avoid excessive interest rate costs through the use of internal resources.

Borrowing Limits

11.8 The Authority sets an affordable borrowing limit (also known as the authorised limit for external debt) each year to comply with the Prudential Code. A lower operational boundary is also set as a warning level should debt approach the limit. An indication of these based on the Investment Plan is set out in the table below:

£m	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Authorised Limit for External Debt										
Borrowing	1,040	1,020	1,010	1,000	980	960	940	920	900	880
PFI and Leases	135	235	235	235	235	235	235	235	235	235
Total	1,175	1,255	1,245	1,235	1,215	1,195	1,175	1,155	1,135	1,115
Operational Boundary for External Debt										
Borrowing	520	520	520	520	520	520	520	520	520	520
PFI and Leases	115	185	185	180	175	175	175	175	175	175
Total	635	705	705	700	695	695	695	695	695	695

12. Investments for service of commercial purposes

12.1 The Authority has not entered into any non-treasury financial investments which are purely to generate a commercial return. The Authority does own a portfolio of tenanted non-operational units, such as industrial units and retail units which generate a source of revenue income, however these have been held for a number of years and are retained primarily to support the Authority's priorities around local employment and regeneration. As such, the key risk exposure relates to void periods and reductions in rental income.

12.2 There are currently no plans to enter into a non-treasury financial investment primarily to obtain a revenue return. However, if the opportunity arose the long-term financial implications and potential risks would be assessed as part of the due diligence process and any arrangement would require Cabinet approval.

13. Other long-term liabilities

13.1 Local Authorities may take on liabilities and hold investments where this forms part of service delivery. Whilst these are not included within the Investment Plan they are included within the wider Capital Strategy to provide an overarching view of the Authority's financial position.

13.2 As at 31st March 2022 the Council held £105.361m long-term liabilities in respect of PFI schemes;

- Sheltered Accommodation £70.711m
- Schools £20.614m
- Joint Service Centres £10.115m
- Street Lighting £3.921m

14. Knowledge and skills

14.1 Officers and Councillors involved in the decision-making process regarding capital expenditure, borrowing and investment matters are required to have an appropriate level of skills and knowledge to make informed decisions.

14.2 The Authority employs experienced, professionally qualified officers which include qualified accountants from CIPFA, ACCA and CIMA with commitments to Continued Professional Development. In addition, the Authority ensures that key officers involved in the delivery of schemes within the Investment Plan from other disciplines also have the required professional standing and suitable experience to effectively manage risk.

14.3 The Authority also utilises Link Asset Services to provide additional advice and support regarding treasury management decisions and provide additional specialist knowledge.

14.4 Where individual capital schemes are complex or higher-risk in their nature the Authority will engage with specialist advisors where necessary to assist with the due diligence process which could include assisting with developing business cases, project appraisal or delivery advice and support. The outcome of this advice will form part of the reports to senior officers and Councillors as part of the decision-making process.

14.5 Treasury management and capital training is available to Officers and Councillors including formal training delivered by external advisors as well as in-house presentations and briefings on specific and relevant issues.

15. Conclusion

- 15.1 The Capital Strategy is a reporting requirement of the CIPFA Prudential Code, most recently updated in 2021, and this Strategy summarises how capital expenditure, capital financing and treasury management activity contribute towards the infrastructure and provision of services for the residents of the Borough.
- 15.2 The Capital Strategy takes account of the Authority's vision to build a better North Tyneside and helps to ensure that any new investment is considered within the context of growth in a financially and environmentally sustainable manner.
- 15.3 The Capital Strategy provides an overview of how associated risk is managed and the implications for future financial sustainability, ensuring that the impact of capital investment plans are aligned with the Authority's Medium Term Financial Plan and the ongoing financial challenges that the Authority faces.

Our North Tyneside Plan

2021 TO 2025

BUILDING A BETTER NORTH TYNESIDE

A thriving North Tyneside



We will regenerate the high streets of North Shields and Wallsend, and in addition to the Master Plan for North Shields, we will bring forward Master Plans for Wallsend and Whitley Bay town centre areas. We will also bring investment and improvements to the North West area of the borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents;



We will bring more good quality jobs to North Tyneside – by helping local businesses to grow and making it attractive for new businesses to set up or relocate in the borough



We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job



We will keep our libraries and leisure centres open as part of a vibrant range of cultural and sporting activities to support the health and wellbeing of our residents;



We will continue to be the destination of choice for visitors through the promotion of North Tyneside's award-winning parks, beaches, festivals and seasonal activities



We will reduce the number of derelict properties across the borough



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

A secure North Tyneside



Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour;



We will continue to invest £2m per year in fixing our roads and pavements



We will maintain the Council Tax support scheme that cuts bills for thousands of households across North Tyneside



We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty; and



We will provide 5000 affordable homes

A family-friendly North Tyneside



We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic



We will provide outstanding children's services, events and facilities so North Tyneside is a great place for family life



We will ensure all children are ready for school including through poverty proofing the school day – giving our kids the best start in life

A caring North Tyneside



We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic



We will work with the care provision sector to improve the working conditions of care workers;



People will be cared for, protected and supported if they become vulnerable, including if they become homeless



We will support local community groups and the essential work they do



We will work to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making

A green North Tyneside



We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes



Council environmental hit squads will crack down on littering



We will secure funding to help low income households to install low-carbon heating;



We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast



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

Appendix 2 – Capitalisation Policy

Expenditure on the acquisition of a non-current asset, or expenditure that adds to rather than simply maintains the value of a non-current asset is capitalised on an accruals basis and classed as a non-current asset on the Authority's balance sheet provided that the benefits to the Authority and the services it provides will last for a period of more than one year.

Expenditure that should be capitalised will include expenditure on the:

- Acquisition, reclamation or enhancement of land;
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;
- Acquisition, installation or replacement of plant, machinery and vehicles;
- Replacement of a component of a non-current asset that has been treated separately for depreciation purposes and depreciated over its individual useful life.

In this context, enhancement means the carrying out of works that are intended to:

- Significantly lengthen the useful life of the asset; or
- Significantly increase the open market value of the asset; or
- Significantly increase the extent to which the asset can or will be used for the purposes of the Authority.

The Authority capitalises expenditure on developing and implementing computer software and licenses as an intangible asset, provided that the expected life exceeds one year.

The Authority capitalises dedicated Project Management costs where this is directly linked to the delivery of a major project included within the Investment Plan.

All capital expenditure creating or enhancing a non-current asset will be recorded in the Authority's Asset Register where the asset can be separately identified. Some expenditure may also relate to assets owned by a third party rather than the Authority and this is capitalised as Revenue

Appendix B(v) – Capital Strategy

Funded from Capital under Statute (REFCUS) in accordance with accounting regulations.

The Authority's de-minimis level is £10,000 for land, buildings and infrastructure and £6,000 for equipment, except for certain external funding regimes where different levels of capitalisation are specified.

All expenditure is capitalised using capital accounts and is financed at the year-end, as long as the scheme has been approved through the Authority's Investment Plan. This includes programmes of spending such as purchase of fleet vehicles, ICT equipment, strategic maintenance or health and safety schemes, where individual project spend could be less than the current de-minimis level.

Appendix 3 – Investment Plan Governance: Gateway Process

Investment Programme Board	
<p>The purpose of the Gateway process is to ensure that all necessary approvals are secured at all key stages of any Capital project – this also includes regional projects. Project Officers are responsible for the completion and submission of all Gateway Forms to the Strategic Investment and Property Team and must include sign off by the relevant Cabinet Member. The team will then ensure that all Gateway Forms are presented to IPB as required.</p>	
Gateway 0	<p>Purpose: A brief submission to demonstrate that a mandate exists, the project or programme has been prioritised and an outline business case has been developed. There is a requirement to convey how far the idea has been developed in terms of feasibility.</p>
Strategic Fit	<p>Role: The submission will be scrutinised by the IPB in terms of strategic fit, corporate priorities, available capital resources and estimated revenue implications. This allows the Project Officer to commence the detailed feasibility stage.</p>
Gateway 1	<p>Purpose: This document constitutes a formal bid for capital investment for inclusion in the Investment Plan. It should provide sufficient information to enable effective financial and technical scrutiny ahead of further review at strategic and member level. Figures on cost and funding should be as accurate as possible. At Gateway 1 there is a focus on viability, affordability, procurement and delivery. The initial submission of the Gateway 1 form will be considered by a sub-group of IPB. This will ensure that all projects are aligned to the Authority’s Our North Tyneside Plan and that any financial or other implications are addressed prior to consideration by the full IPB Board</p>
Feasibility	<p>Role: The IPB will scrutinise the bid in terms of its financial and technical viability and management of risk. The IPB will be briefed on outcomes and recommended actions and may wish to prioritise, amend or modify the submission in light of these comments. The IPB provide recommendations to Cabinet to form part of the budget setting and financial management processes.</p>
Gateway 2	<p>Purpose: This stage provides formal approval to spend the Authority’s resources and must be secured before any capital expenditure is incurred on a programme / project. This template brings together all the information needed for an appraisal and approval to be given. If the request varies from the previous Gateway, either in terms of expenditure, funding or both then any variance must be explained and justified. In addition, this Gateway Form must provide information on the spend profile which will then be monitored as part of the overall investment plan.</p>
Approval and Delivery	

	<p>Role: Officers in both the Strategic Investment & Property Team and the Client Finance Team will complete final checks to confirm that relevant information has been submitted correctly and appears reasonable and in accordance with the business case.</p>
<p>Gateway 3 Exception Report</p>	<p>Purpose: This submission addresses variances from the approved position which could include project delays, financial concerns or new information that may now have an impact on the project. Information contained in this submission should provide the IPB with information on the project and the specific issues as to why the matter has been escalated to the IPB and must include a revised spend profile. A Gateway 3 submission may be required on more than 1 occasion subject to the issues / matters that may / may not be raised regarding a particular project. The relevant Project Officer responsible for the project will be expected to attend the IPB to present the Gateway 3 submission.</p> <p>Role: The submission will be scrutinised by the IPB in terms of the wider strategic fit, corporate priorities together with the associated implications for capital resources and revenue budgets, prior to submission to Cabinet or Council as required.</p>
<p>Page 33 Gateway 4 Project Close</p>	<p>Purpose of Document: The purpose of this document is to confirm financial completion, transfer or the abandonment of a project and to report on the status of associated records. Completion of all relevant sections is mandatory to enable consolidated reporting on the Investment Plan, helping to confirm scheme outputs and any relevant lessons that have been learned and which can then inform the delivery of similar schemes in the future.</p> <p>Role: The Investment Programme Board will provide scrutiny and review this submission including for capital accounting and financial closure purposes.</p>

Flexible Use of Capital Receipts Strategy 2023/24 – 2024/25

Appendix B(iv)



North Tyneside Council

Flexible Use of Capital Receipts Strategy

1. Introduction

- 1.1 This report provides background relating to the statutory guidance on the flexible use of Capital Receipts and its application within this Authority.
- 1.2 The use of capital receipts to fund the costs of service transformation expected to deliver a long-term benefit, rather than applying revenue resources or reserves, allows for available revenue resources to be directed to service areas to facilitate further service redevelopment and helps to mitigate the financial pressures of the Authority.

2. Background

- 2.1 Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not allowed by the regulations.
- 2.2 The Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.
- 2.3 In February 2021, the Secretary of State confirmed that Authorities would have freedom to use capital receipts from the sale of their own assets (to entities outside of their Group structure) since 2016/17 to help fund the revenue costs of transformation projects. The direction confirms that Local Authorities can treat as capital expenditure, expenditure which:

Appendix B(iv) – Flexible Use of Capital Receipts Strategy

- i. is incurred by the Authorities that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners; and
- ii. is properly incurred by the Authorities for the financial years that begin on 1 April 2022, 1 April 2023 and 1 April 2024.
- iii. is not incurred with respect to redundancy payments, except where such redundancy costs are necessarily incurred and limited to the amounts available as statutory redundancy payments.

2.4 To utilise this additional freedom, the Authority must act in accordance with the Statutory Guidance issued by the Secretary of State which requires the Authority to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy and to report on progress.

3. Flexible Use of Capital Receipts Strategy

3.1 The Authority is free to determine which projects will be most effective, with the guidance confirming that:

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.

3.2 The guidance provides a range of example projects, including:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;

Appendix B(iv) – Flexible Use of Capital Receipts Strategy

- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities;
- Aggregating procurement on common goods and services where possible;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
- Integrating public facing services across two or more public sector bodies (for example children’s social care or trading standards) to generate savings or to transform service delivery.

3.3 As part of developing the Authority’s Medium Term Financial Plan (MTFP) a number of specific workstreams have been identified to tackle the areas of the highest pressures facing the Authority and to explore opportunities to be more efficient. Progress on these workstreams is overseen by the Authority’s Senior Leadership Team and the agreed workstreams include the following key areas:

Project Ref	Project Title
PR05	Inclusive Education / SEND
PR06	Ambition for Education
PR07	Home to School Transport
PR08	Handling Childrens Finance
PR09	Climate and Waste
PR10	Great Landlord and Specialist Housing
PR11	Health and Social Care (Public Health and Adults)
PR13	Corporate Accounting
PR14	People Strategy
PR16	Schools SLAs

Appendix B(iv) – Flexible Use of Capital Receipts Strategy

- 3.4 Within these workstreams the Authority has identified a number of opportunities which involve planned investment in 2024/25 which is expected to generate ongoing efficiency savings. These specific projects are summarised at Appendix A.
- 3.5 The list is not definitive and as work progresses on each of the workstreams then additional opportunities may be identified which will be reflected in an updated Strategy and reported as part of the existing Performance and Financial Monitoring reporting framework.
- 3.6 The Authority has a total of £8.5m of capital receipts available which have been generated since the flexibility has been available and the position will continue to be monitored during the term.
- 3.7 The Authority has not currently assumed the use of these capital receipts to fund existing planned capital investment, meaning there is no impact on the Prudential Indicators associated with the application of the capital receipts to be applied to meet transformational costs.

Appendix A – Proposed Projects

Project	Description	Service Transformation / Savings	Service	Cabinet Portfolio	Planned Use of Receipts (£'000)
In-house children's home	Pilot scheme to deliver in-house provision relating to Children with complex care needs rather than commissioning external placements.	£150k+ p.a. potentially if two children can be supported through in-house provision.	Children's Services	Supporting and Protecting Children	300
In-house Residential provision	Pilot scheme to implement a new approach to staffing models to create a shared team resource and reduce the reliance on overtime.	Spend on overtime has exceeded £1m+ in recent years, placing significant pressure on the Authority's revenue budgets.	Children's Services	Supporting and Protecting Children	500
Case review team	Pilot scheme to introduce a case review team to undertake care package reviews, releasing capacity from social workers and ensuring care packages are aligned to specific needs.	Potential to generate savings of £400k+ by identifying and reducing over provision.	Adult Social Care	Adult Social Care	280

Appendix B(iv) – Flexible Use of Capital Receipts Strategy

Project	Description	Service Transformation / Savings	Service	Cabinet Portfolio	Planned Use of Receipts (£'000)
Home to School Transport	Investment in a range of measures aimed at reducing direct service provision, including the provision of Independent Travel Trainers and expanded use of Personal Transport Budgets.	Potential to generate £100k+ of annual revenue savings	Commissioning and Asset Management		500

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Treasury Management Strategy, Annual Investment Statement and Credit Criteria 2024/25

Appendix C



North
Tyneside
Council

1.0 Treasury Management Strategy for 2024/25

1.1 The proposed Strategy for 2024/25 in respect of the following aspects of the treasury management function is based upon treasury management officers' view on interest rates, supplemented with market forecasts provided by the Authority's treasury advisor, Link Asset Services. This strategy covers:

- Training;
- Use of External Advisors;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy;
- Creditworthiness; and
- Non-Treasury Investments

2.0 Training

2.1 The CIPFA Code requires the responsible officer to ensure that Officers and Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

3.0 Treasury Management Advisors

3.1 The Authority uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

3.2 Whilst the Authority has external treasury management advisors it recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of its external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, its treasury advisers.

3.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment

and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

4.0 Investment and Borrowing Rates

4.1 Markets remain volatile due to strong inflationary pressures. The Bank of England have been increasing rates to combat rising prices. On 3 August 2023, the Bank of England's MPC voted to raise rates to 5.25%, and rates have been held at 5.25% at the subsequent MPC meeting. The Bank's monetary policy committee meets every month to decide interest rate policy. The MPC continue to monitor closely indications of persistent inflationary pressures and resilience in the economy. Monetary policy aims to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, in line with the Committee's remit.

5.0 Borrowing Strategy

5.1 The Authority's capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent since 2019/20 as investment returns have remained low and counterparty risk is relatively high.

However, with interest rates on an upwards trajectory, the Authority has to review borrowing requirements whilst considering the risk of interest rates rising. Pushing up the cost of borrowing to the Authority.

5.2 The Authority's borrowing strategy will give consideration to new loans in the following order of priority:

- The cheapest borrowing and lowest risk approach is internal borrowing. By continuing to maintain a relatively low level of cash balances the risk of investment is reduced. However, in view of the overall forecast for long-term borrowing rates to remain stagnant over the next few years, consideration will be given to weighing the short-term advantage of internal borrowing against potential long-term costs if the opportunity is missed for taking loans at long-term rates which may be higher in future years;
- Temporary borrowing from money markets or other local authorities;

- Long-term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintain an appropriate balance between PWLB and market debt in the debt portfolio;
- PWLB borrowing for periods under ten years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt; and
- PWLB borrowing for periods of longer than ten years may be explored.

5.3 The principal risks that impact on the Strategy are the security of the Authority's investments and the potential for sharp changes to long and short-term interest rates. Officers, in conjunction with the Authority's treasury advisor, will continue to monitor the financial standing of banks and building societies, and the level of interest rates, both those prevailing and forecast.

5.4 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Resources will monitor the interest rates in financial markets and adopt a pragmatic approach to changing circumstances, reporting any decisions to Cabinet or full Council, as appropriate, at the next available opportunity. Such circumstances include a situation where:

- If it were felt that there was a significant risk of a sharp fall in long and short-term interest rates, then long-term borrowings will be postponed, and potential rescheduling from fixed rate funding into short-term funding will be considered; or
- If it were felt there was a significant risk of a much sharper rise in long and short-term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

6.0 Policy on borrowing in advance of need

- 6.1 The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.
- 6.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

7.0 Debt Rescheduling

- 7.1 As short-term borrowing rates will be considerably cheaper than longer-term interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). Any position taken via rescheduling will be in accordance with the strategy position outlined above.
- 7.2 In order to generate the most attractive debt rescheduling opportunities, it is proposed that the strategy for 2023/24 should remain flexible. The reason for any rescheduling to take place may include:
- the generation of cash savings and / or discounted cash flow savings at minimum risk;
 - to help fulfil the strategy outlined above; and
 - to enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 7.3 All rescheduling will be reported to Cabinet as part of the next financial management report at the meeting following its action.

Annual Investment Strategy

8.0 Investment policy – management of risk

- 8.1 The Department for Levelling Up, Housing and Communities (DLUHC) and Chartered Institute of Public Finance and Accountancy (CIPFA) have extended the meaning of 'investments' to include both financial and non-financial investments. This section of the report deals solely with financial investments. Non-financial investments, essentially the purchase of income yielding assets, are covered later in the report.
- 8.2 The Authority's investment policy has regard to the following:
- DLUHC (formerly MHCLG's) Guidance on Local Government Investments;
 - Treasury management in the public services, 2021 edition Code of practice and cross sectoral guidance notes;
 - Treasury management in the public services, 2021 edition Guidance notes
- 8.3 The Authority's investment priorities are:
- a) the security of capital;
 - b) the liquidity of its investments; and,
 - c) Yield (return).
- 8.4 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are their short-term and long-term ratings;
 2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its

- advisors to maintain a monitor on market pricing such as credit default swaps and overlay that information on top of the credit ratings;
3. Other information sources used will include the financial press, share prices and other such information pertaining to the banking sector in order to establish a robust scrutiny process on the suitability of potential investment counterparties;
 4. This Authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in within the Investments and Credit Criteria under the categories of 'specified' and 'non-specified' investments:
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year; and
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and are more complex instruments which require greater consideration by members and officers before being authorised for use.
 5. The Authority has determined that it will limit the maximum total exposure to non-specified investments as being 25%;
 6. Lending limits for each counterparty will be set through applying the matrix table within the Investments and Credit Criteria table;
 7. Transaction limits are set for each type of investment in within the Investments and Credit Criteria table;
 8. This Authority will set a limit for its investments which are invested for longer than 365 days;
 9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating;
 10. This Authority has engaged external consultants to provide advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year;

11. All investments will be denominated in sterling; and
 12. Following the introduction of IFRS 9 as a result of the type of type of investments the Authority holds, there has been no material impact on the Authority's financial statements.
- 8.5 The Authority will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.
- 8.6 There have been no changes in risk management policy from last year, and the above criteria are unchanged.

9.0 Investment Strategy

- 9.1 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. Greater returns are usually obtainable by investing for longer periods. While most cash flow balances are required in order to manage day to day cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed:

If it is thought that the Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as short-term or variable; or

Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

- 9.2 A prudent approach will be taken with all investments being made on a short-term basis; in the current economic climate. This will primarily be achieved through investing with selected banks and funds which meet the Authority's credit rating criteria, as set out in Appendix E.
- 9.3 At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

10.0 Creditworthiness Policy

- 10.1 The Authority applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody’s and Standard & Poor’s. The credit ratings of counterparties are supplemented with the following overlays:
- Credit watches and credit outlooks from credit rating agencies;
 - Credit default swaps (CDS) spreads to give early warning of likely changes in credit ratings; and
 - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 10.2 The modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration of investments.
- 10.3 The Link Asset Services’ creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system; it does not give undue preponderance to one agency’s ratings.
- 10.4 The Authority is alerted to changes to ratings of all three agencies through its use of the Link Asset Services creditworthiness service:
- If a downgrade results in the counterparty no longer meeting the Authority’s minimum criteria, its further uses as a new investment will be withdrawn immediately; and
 - In addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website. Extreme market movements may result in downgrade of an institution or removal from the Authority’s lending list. Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information on any external support for banks to help support its decision-making process.

11.0 Investment Instruments and Credit Criteria

- 11.1 Investment instruments used for the prudent investment of the Authority's cash balances are listed below under the 'Specified' and 'Non-Specified' Investment categories.
- 11.2 Specified Investments are those investments offering high security and liquidity. All such investments will be in sterling, with a maximum maturity of one year, meeting the minimum 'high' rating criteria where applicable. Table 1 below shows the credit rating criteria used to select with whom the Authority will place funds.
- 11.3 The minimum credit ratings criteria the Authority use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available or other market information, to support their use.
- 11.4 Group Limit – A group limit is the maximum exposure that can be held in total across a group of entities which fall within a single parent. For example, Bank of Scotland PLC falls within the group of Lloyds Bank PLC, therefore no more than £10m can be invested across the group. A Group limit of £10m will not be exceeded.
- 11.5 Non-specified Investments – are all sterling denominated, with maturities in excess of one year. A maximum of 25% may be held in aggregate in non-specified investments. Table 2 below shows the counterparties with whom the Authority will place funds.

Table 1: Specified Investments and Credit Criteria

	Credit Criteria	Maximum Deposit	Maximum Period
UK Government Debt Management Office (DMADF)	N/A	£75m	6 months
UK Local Authorities	N/A	£10m each	1 year
UK Government Treasury Bills	UK Sovereign Rating	£10m	1 year
Term deposits with individual bank or building society entity	Blue /Orange Red Green No Colour	£5m each	12 months 6 months 100 days Not for use
Certificate of Deposits with banks and building societies	Blue /Orange Red Green No Colour	£5m each	12 months 6 months 100 days Not for use
Money Market Funds *(CNAV, LVNAV, VNAV)	AAA	£5m each	Liquid

*CNAV- Constant Net Asset Value

LVNAV- Low Volatility Net Asset Value

VNAV- Variable net Asset Value

Table 2: Non-Specified Investments

	Credit Criteria	Maximum Deposit	Maximum Period
UK Local Authorities	N/A	£5m each	3 years

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Treasury Management Practices 2024/25

Appendix D



This section contains the schedules that set out the details of how the Treasury Management Practices (TMPs) are put into effect by this organisation.

Background

CIPFA recommends that an organisation's treasury management practices (TMPs) include those of the following that are relevant to its treasury management powers and the scope of its treasury management activities:

- TMP1 Risk management.
- TMP2 Performance measurement.
- TMP3 Decision making and analysis.
- TMP4 Approved instruments, methods and techniques.
- TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements.
- TMP6 Reporting requirements and management information arrangements.
- TMP7 Budgeting, accounting and audit arrangements.
- TMP8 Cash and cash flow management.
- TMP9 Money laundering.
- TMP10 Training and qualifications.
- TMP11 Use of external service providers.
- TMP12 Corporate governance.

This section contains the schedules which set out the details of how the Treasury Management Practices (TMPs) are put into effect by the Council. There are no major changes to practices from prior year.

TMP 1 – Risk Management

- 1.1 The Authority regards a key objective of its treasury management and other investments activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all external investments including investment properties.
- 1.2 The Director of Resources (Section 151 Officer) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Authority's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting Requirements and Management Information arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

[1] Credit and Counterparty Risk Management

- 1.3 Credit and counterparty risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current resources.
- 1.4 The Authority regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisation's with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP 4 Approved Instruments Method and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements. The Authority will also give regard to investments which relate to ESG (Environmental, Social and Governance), this is still a developing area and ESG investment will be reviewed on a case-by-case basis.

- 1.5 Further details of the Authority's credit and counterparty limits are available within the Authority's Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy (AIS).

[2] Liquidity Risk Management

- 1.6 Liquidity risk is the risk that cash will not be available when it is needed, that ineffective risk management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will therefore be compromised.
- 1.7 The Authority will ensure it has adequate, not excessive, cash resources, borrowing arrangements, overdraft, or standby facilities to enable it at all times to have the level of funds available to it which is necessary for the achievement of its business service objectives.
- 1.8 The Authority will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.
- 1.9 The Treasury Management team shall seek to minimise the balance held in the Authority's main bank accounts at the close of each working. Borrowing or lending shall be arranged in order to achieve this aim.
- 1.10 A £1m overdraft at 2.5% over base has been agreed with Barclays Bank as part of the banking services contract. The overdraft is assessed on a group basis for all the Authority's accounts.
- 1.11 The Authority accesses temporary loans through brokers on the London Money Market, the Authority's own bank, banks and other local authorities.

[3] Interest Rate Risk Management

- 1.12 The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Authority's finances, against which the Authority has failed to protect itself adequately. The Authority will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing

its interest revenues, in accordance with the amounts provided in its budgetary implications.

- 1.13 Consideration will be given to dealing from forward periods depending upon market conditions.
- 1.14 The Authority will use callable deposits as part of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non-Specified Investments appended to the Annual Investment Strategy.

[4] Exchange rate risk management

- 1.15 The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Authority's finances, against which the Authority has failed to protect itself adequately.
- 1.16 It will manage its exposure to fluctuations in exchange rates so as to minimize any detrimental impact on its budgeted income/expenditure levels.

[5] Inflation Risk Management

- 1.17 The Authority will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

[6] Refinancing Risk Management

- 1.18 The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Authority for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.
- 1.19 The Authority will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Authority as can reasonably be achieved in the light of market conditions prevailing at the time.
- 1.20 The Authority will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid

overreliance on any source of funding if this might jeopardise achievement of the above.

1.21 The Authority will establish through the Prudential and Treasury Indicators the amount of debt maturing in any year/period.

1.22 Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous, and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reason for any rescheduling to take place will include;

- The generation of cash savings at minimum risk
- To reduce the average interest rate
- To amend the maturity profile and balance volatility of the debt portfolio

1.23 The Director of Resources (Section 151 Officer) will prepare a five-year plan for capital expenditure for the Authority. The investment plan will be used to prepare a five-year revenue budget for all forms of financing charges. The Director of Resources (Section 151 Officer) will also draw up a capital strategy report which will give a longer-term view.

1.24 The definition of capital expenditure and long-term liabilities used in the Code will follow recommended accounting practices as per the Code of Practice on Local Authority Accounting.

1.25 In consideration of affordability of its investment plans, the Authority will consider all the resources currently available for the future together with the totality of its investment plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax and housing rent levels. It will also consider affordability in the longer term beyond the three-year period.

[7] Legal and Regulatory Risk Management

1.26 The risk that the Authority itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Authority suffers losses accordingly.

1.27 The Authority will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties to whom it deals in such activities.

In framing its credit and counterparty policy it will ensure that there is evidence of counterparties' power, authority and compliance in respect of the transactions they may effect with the organization, particularly to duty of care and fees charged.

1.28 The Authority recognises that future legislative or regulatory changes may impact on its treasury management activities and will seek to minimise the risk of these impacting adversely on the Authority.

1.29 The treasury management activities of the Authority shall comply fully with legal statute, guidance, Codes of Practice, and the financial regulations of the Authority. These are listed as appendix 1 of this document.

1.30 The Authority's power to borrow and invest are contained in legislation.

- Investing: Local Government Act 2003, section 12
- Borrowing: Local Government Act 2003, Section 1

1.31 Schedule 1, provided as part of this document provides additional detail on the arrangement to achieve and manage the Treasury Management Practices detailed above.

TMP 2 – PERFORMANCE MEASUREMENTS

- 2.1 The Authority has a number of approaches to evaluating treasury management decisions;
- Periodic reviews carried out by the treasury team
 - Reviews of our treasury management advisers
 - Annual review at the end of the year as reported to Full Council
 - Mid-year Treasury Management monitoring update to Cabinet
- 2.2 The treasury management team holds reviews with our consultants regularly to review the performance of the investment and debt portfolio.
- 2.3 An Annual Treasury Report is submitted to Cabinet each year after the close of the financial year which reviews the performance of the debt/investment portfolios. The report contains the following:
- Total debt and investments at the beginning and close of the financial year and average interest rate
 - Borrowing strategy for the year compared to actual strategy
 - Investment strategy for the year compared to actual strategy
 - Explanation for variance between original strategies and actual
 - Debt restructuring done in year
 - Actual borrowing and investment rates available through the year
 - Compliance with Prudential and Treasury Indicators
- 2.4 When data becomes available, comparative reviews are undertaken to see how the performance of the Authority on debt and investments compares to other authorities with similar size portfolios. The Authority are part of Link Asset Services Benchmarking group. The Authority's investment performance is benchmarked against other Local Authorities.
- 2.5 Investment performance is reviewed on a weighted average basis against other Local Authorities.
- 2.6 Tenders are normally awarded on a 3-year basis with the option to extend for a further year. The process for advertising and awarding contracts will be in line with the Council's Contract Standing Orders.
- 2.7 Banking services will be retendered or renegotiated every 5 years with an option to extend for further years.

2.8 The Council will use money broking services in order to make deposits or to borrow and will establish charges for all services prior to using them.

2.9 The Authority's policy is to appoint professional treasury management consultants.

2.10 The Authority has not appointed external investment fund managers.

TMP 3 – DECISION-MAKING AND ANALYSIS

3.1 The Authority will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions for both learning and accountability.

3.2 Records to be kept

- The treasury section has a transaction register in which all investment and loan transactions are recorded. The following records will be retained;
- Daily cash balances
- Market rates
- Payment documents for all money market transactions
- Brokers confirmation for investment and borrowing transactions
- PWLB borrowing confirmations

3.3 Processes to be pursued.

- Daily cash flow analysis
- Debt and maturity analysis
- Ledger reconciliation

3.5 In respect of every treasury management decision made the Authority will;

- Above all be clear about the nature and extent of the risks to which the Authority may become exposed
- Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- Be content that the documentation is adequate both to deliver the Authority's objectives and protect the Authority's interests, and to deliver good practice
- Ensure that third parties are judged satisfactory in the context of the Authority's creditworthiness policies, and that limits have not been exceeded
- Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.

3.6 In respect of borrowing and other funding decisions, the Authority will;

- Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- Consider the alternative form of funding, interest rate bases available and the most appropriate periods to fund and repayment profiles to use;

- Consider the ongoing revenue liabilities created and the implications for the Authority's future plans and budgets.

3.7 In respect of investment decisions, the Authority will:-

- Consider the optimum period considering cash flow availability and prevailing market conditions;
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Authority to changes in the value of its capital;

TMP 4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1 Approved Activities of the Treasury Management Operation

- Borrowing
- Lending
- Debt repayment and rescheduling
- Consideration, approval and use of new financial instruments and treasury management techniques
- Managing the underlying risk associated with the Council's capital financing and surplus funds activities
- Managing cash flow
- Banking activities
- Leasing

4.2 Approved Instruments for Investments refer to the current Annual Investment Strategy. The latest version is provided as part of the budget setting suite of documents or available from the Treasury Management Officer.

4.3 Markets in Financial Instruments Directive 2014, commonly known as MIFID II Requirements, since 3 January 2018, UK public sector bodies have been defaulted to "retail" status under the requirements of MIFID II. However, for each counterparty it is looking to transact with, (e.g. financial institution, fund management operator, broker), there remains the option to opt up to "professional" status, subject to meeting certain requirements specified by MIFID II and that it has the appropriate level of knowledge and experience and decision making processes in place in order to use regulated investment products.

4.4 MIFID II does not cover term deposits so local authorities should not be required to opt up to professional status. However, some non-UK banks do not have the

necessary regulatory permissions to deal with retail clients, so opting up to professional status would be required.

- 4.5 For investing in negotiable investment instruments, money market funds and other types of investment funds, which are covered by MIFID II, a schedule is maintained of all counterparties that the treasury management team are authorised to place investments with. This specifies for each investment instrument and for each counterparty, whether the authority has been opted up to professional status.
- 4.6 A file is maintained for all permissions applied for the received for opt ups to professional status specifying name of the institution, instrument, date applied for the and date received.
- 4.7 A separate file is maintained for confirmations that there is an exemption from having to opt up to professional status for the regulated investment.

4.3 Approved Techniques

- The use of structured products such as callable deposits
- Forward dealing
- LOBOs – lenders option, borrower's option borrowing instrument

- 4.4 Capital finance will only be raised in accordance with the Local Government and Housing Act, 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	✓	✓
Market (long-term)	✓	✓
Market (temporary)	✓	✓
Local Authorities	✓	✓
Overdraft		✓
Internal (capital receipts & Revenue balances)	✓	✓
Leasing	✓	✓
Municipal Bond Agency	✓	✓

4.5 Other Methods of Financing

- Government and EC Capital Grants
- Lottery monies

- PFI/PPP
- Operating Leases

4.5 Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Director of Resources has delegated powers in accordance with Financial Regulations, Standing Orders, and the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

4.6 The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

4.6 Borrowing Limits are detailed within the current Treasury Management Strategy Statement and Prudential and Treasury Indicators.

TMP 5 – ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

5.1 Treasury Management activities will be properly structured in a clear and open method and a rigorous discipline of segregation of duties will be enforced to ensure effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance.

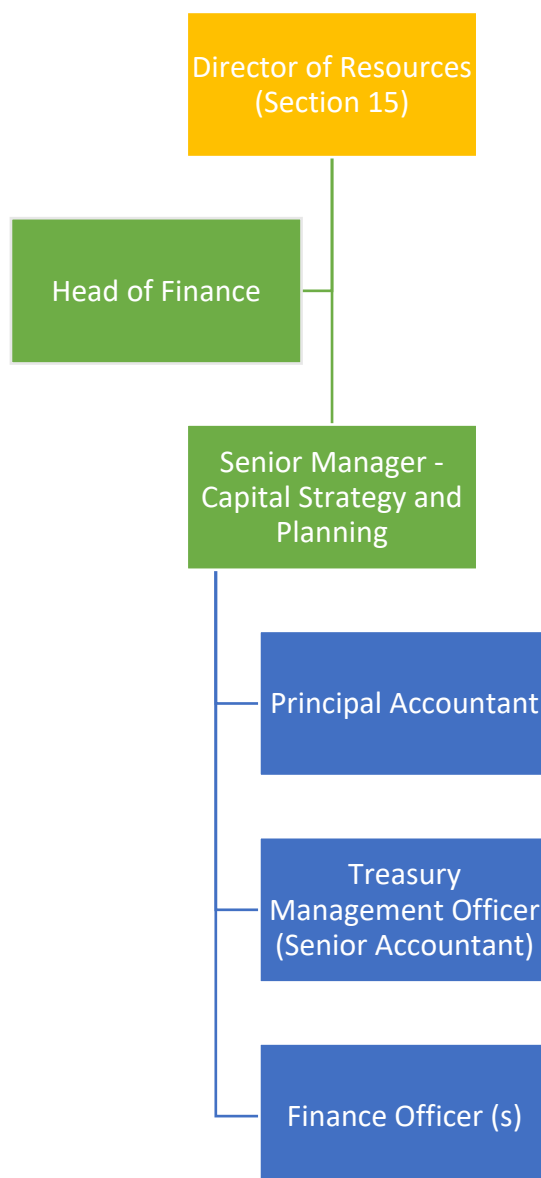
5.2 The principles on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

5.3 Council will receive and review reports on treasury management activities, the annual treasury management strategy and the annual treasury management report.

5.4 The Director of Resources will be responsible for amendments to the organisations adopted clauses, treasury management policy statement and treasury management practices.

5.5 Council will consider and approve the treasury management budget as part of the overall budget setting process for the Authority.

- 5.6 The Director of Resources will approve the segregation of responsibilities.
- 5.7 The Director of Resources will receive and review external audit reports and put recommendations to the Audit Committee.
- 5.8 The Director of Resources in accordance with Financial Regulations will decide approving the selection of external service providers and agreeing terms of appointment.
- 5.9 The Director of Resources has delegated powers to take all decisions on borrowing, investment, financing and banking and all activities in this respect will be carried out by suitably trained staff.
- 5.10 Treasury Management Organisation Chart



5.11 The Director of Resources may delegate powers to borrow and invest to members of staff. The Treasury Management Officer will conduct all dealing transactions, the Principal Accountant and Finance Officer(s) act as temporary cover for leave/sickness.

5.12 Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Resources to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

5.13 A list of brokers is maintained within the Treasury Team and a record of all transactions recorded against them.

5.14 The Authority rotates business between brokers.

5.15 It is not the Authority's Policy to record brokers conversations

5.16 Preliminary instructions are given by telephone followed by email confirmation, a payment transfer will be made online in Barclays.net to be completed by 1700 on the same day.

5.17 For each deal undertaken with brokers, a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

TMP 6 – REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

- 6.1 The Authority will ensure that regular reports are prepared and considered on the implementation of the treasury management policies
- 6.2 Annual reporting requirements before the start of the year: -
- Review of the organisation's approved clauses, treasury management policy statement
 - Treasury Management Strategy report on proposed treasury management statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement
 - Capital/Treasury Strategy to cover the following:-
 - Give a longer-term view of the capital programme and treasury management implications thereof beyond the three year time horizon for detailed planning;
 - An overview of treasury and non-treasury investments to highlight the risks and returns involved in each and the balance between both types of investments;
 - The Authorities risk appetite and specific policies and arrangements for non-treasury investments
 - Schedule of non – treasury investments.
 - Mid-year review
 - Annual review report after the end of the year
- 6.3 The Treasury Management Strategy sets out the expected treasury activities for the forthcoming financial year. This strategy will be submitted to Cabinet for approval before the commencement of each financial year.
- 6.4 The formulation of the Annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this organisation may decide to postpone borrowing if fixed interest rates are expected to fall or borrow early if fixed interest rates are expected to rise.
- 6.5 The Treasury Management Strategy Statement is concerned with the following elements:
- Prudential and Treasury Indicators
 - Current Treasury portfolio position
 - Prospects for interest rates
 - Borrowing requirement
 - Borrowing strategy

- Policy in borrowing in advance of need
- Debt rescheduling
- Investment strategy
- Creditworthiness policy
- MRP policy
- Policy on use of external providers
- Extraordinary treasury issue

6.6 The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable) and highlight sensitivities to different scenarios.

6.7 The outcome of debt rescheduling undertaken and reported to Cabinet as soon as possible after completion of the exercise.

6.8 At the same time as the Council receives the Treasury management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following;

- The Council's risk appetite in respect of security, liquidity and optimum performance
- The definition of high credit quality to determine what are the specified investments as distinct from non-specified investments.
- What specified and non-specified instruments the Council will use
- The Authority's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthiness counterparties for its approved lending list
- Which credit rating agencies the Authority will use
- How the Authority will deal with the changes in ratings, rating watches and rating outlooks
- Limits of individual counterparties and group limits
- Interest rate outlook

6.9 The Annual Minimum Revenue Provision Statement. This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

6.10 The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.

6.11 The responsible Officer is responsible for incorporating these limits into the Annual Treasury management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to full Council.

6.12 Treasury management activities will be reviewed on a six-monthly basis. This review considers the following;

- Activities undertaken.
- Variations from agreed policies
- Interim performance report
- Regular monitoring
- Monitoring of treasury management indicators for local authorities

6.13 An annual report will be presented to Cabinet at the earliest practicable meeting after the end of the financial year. This report will include the following;

- Transactions executed and their revenue effects
- Report on risk implications of decisions taken and transactions executed
- Compliance on agreed policies and practices, and on statutory/regulatory requirements
- Performance report
- Compliance with CIPFA Code recommendations
- Monitoring of treasury management indicators

6.14 Reports will be published online on the Authority's website in accordance with each meeting agenda.

TMP 7 – BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- 7.1 The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.
- 7.2 The Council has also adopted the principles set out in CIPFA's 'Treasury Management in the Public Services – Code of Practice', together with those of its specific recommendations that are relevant to this Council's treasury management activities.
- 7.3 Strategic Finance will prepare an annual budget for treasury management, which will bring together all the costs involved in running the function, together with associated income.
- 7.4 The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.
- 7.5 List of information requirements of External Auditors
- Reconciliation of loans in the financial ledger to treasury management records
 - Maturity analysis of loans outstanding
 - Certificates for new long-term loans taken out in the year
 - Reconciliation of loan interest, discounts received, and premiums paid to financial ledger by loan type
 - Calculation of loans fund interest and debt management expenses
 - Details of interest rates applied to internal investments
 - Interest accrual calculation
 - Principal and interest charges report from the treasury management workbooks
 - Annual Treasury Report
 - Treasury Management Strategy Statement and Prudential and Treasury Indicators
 - Calculation of Minimum Revenue Provision

TMP 8 CASH AND CASH FLOW MANAGEMENT

- 8.1 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this Council will be under the control of the responsible officer and will be aggregated for the cash flow and investment management purposes.
- 8.2 Cash flow projections will be prepared on a regular and timely basis. The annual and monthly cash flow projections are prepared from the previous year's daily cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.
- 8.3 The Authority has access to all its daily banking transactions via the online Banking System. All transactions are checked to source data. A formal bank reconciliation is undertaken daily by Income Management colleagues.

TMP 9 – MONEY LAUNDERING

- 9.1 Money Laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are;
- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
 - Being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property
 - Acquiring, using or possessing criminal property
- 9.2 These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include;
- Failure to disclose money-laundering offences
 - Tipping off a suspect, either directly or indirectly
 - Doing something that might prejudice an investigation – for example, falsifying a document

9.3 The Terrorism Act 2000, act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

9.4 The Money Laundering Regulations 2012, 2015 and 2017 require organisations pursuing relevant business are required to do the following;

- Identify and assess the risks of money laundering and terrorist financing
- Have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures;
- train relevant staff in the subject;
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken;
- report their suspicions.

9.5 Local Authorities and Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under to POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes.

Accordingly, the Authority will do the following;

- evaluate the prospects of laundered monies being handled by them;
- determine the appropriate safeguards to be put in place;
- require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- make all its staff aware of their responsibilities under POCA
- appoint a member of staff to whom they can report any suspicions
- in order to ensure compliance is appropriately managed, this Authority will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for

monitoring compliance with procedures and method of communicating procedures and other information to personnel

- the officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures shall be a requirement that all services and departments implement this corporate policy and procedures.

9.6 The Council is alert to the possibility that it may become the subject of an attempt to involve it in transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are properly trained. A copy of the Council's anti money laundering policy is available on the Council's intranet site and from Legal Services.

9.7 The Authority does not accept loans from individuals.

9.8 All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on www.fca.gov.uk

9.9 When repaying loans, the procedures in 9.10 will be followed to check the bank details of the recipient.

9.10 In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on the approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on www.fsa.gov.uk.

9.11 All transactions will be carried out by BACS or CHAPs for making deposits or repaying loans. Counterparty repayment details will be checked on kept on file.

TMP 10 – STAFF TRAINING AND QUALIFICATIONS

- 10.1 The Authority recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals: –
- Treasury management staff employed by the Authority
 - Members charged with governance of the treasury management function
- 10.2 All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Professional Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.
- 10.3 Training may also be provided on the job and it will be the responsibility of the Treasury Management Officer to ensure that all staff receive the level of training appropriate to their duties. This will also apply to staff who from time to time cover for absences from the treasury management team.
- 10.4 Details of staff training needs will be identified, as part of the training needs analysis undertaken during staff Individual Performance Review.
- 10.5 Treasury Management seminars will be attended as appropriate.
- 10.6 Where the Chief Finance Officer is a member of the CCAB accountancy body, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.
- 10.7 Members charged with governance also have a responsibility to ensure that they have the appropriate skills and training for their role. Treasury Management will ensure relevant members have training available regularly.

TMP 11 – USE OF EXTERNAL SERVICE PROVIDERS

- 11.1 The Authority will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.
- 11.2 It will also ensure that the skills of the in-house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.
- 11.3 Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.
- The quality financial press
 - Market data
 - Information on government support for banks, and
 - The credit rating of that government support
- 11.4 The Authority's banking provision is provided by Barclays Bank PLC.
Contactable at; Barclays Bank PLC, Newcastle City, Newcastle upon Tyne, NE1 7AF.
Tel: 0345 734 5345
- 11.5 The contract commenced November 2016 and ran for 5 years until November 2021. Due to COVID-19 the Authority has exercised an option to extend the contract until November 2024 whilst a Banking framework is developed and implemented by a Procurement Agency.
- 11.6 The Council will use money brokers for temporary borrowing and investment and long-term borrowing. It will seek to give an even spread of business amongst the approved brokers, however will prioritise value for money provided by the broker.
- 11.7 List of brokers used by the Authority;
- Martin Brokers (UK) plc
 - Tradition UK Limited
 - Icap Tullett Probon

- BCG/Sterling
- King & Shaxton
- Imperial Treasury Services

11.8 The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on the approved lending list etc.

11.9 The supplier of external treasury advisory service is Link Treasury Services. Their address is: 65 Gresham Street, London, EC2V 7NQ

11.10 The contract commenced 1st March 2023 for 24 months until 28 February 2025 any option to extend will be inline with the terms agreed within the contract.

11.11 Cost of the current service is maintained within the Treasury Team.

11.12 The Authority receives a credit rating service through the treasury management consultants, the cost of which is included in the consultant's annual fee.

TMP 12 – CORPORATE GOVERNANCE

12.1 The Authority is committed to the pursuit of proper corporate governance throughout its business and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

12.2 The Council has adopted and implemented the key recommendations of the CIPFA Code of Practice on Treasury Management This is considered vital to the achievement of proper corporate governance in treasury management.

12.3 The following documents are published as part of the budget setting process and documents available on the Authority's website.

- Treasury Management Policy Statement
- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue provision policy statement

- Annual Treasury Review Report
- Annual accounts and financial instruments disclosure notes
- Annual budget
- Capital Plan
- Minutes of Council/Cabinet/Committee meetings
- Capital Strategy

Schedule 1 – Compliance arrangements

- S.1 The Authority gives consideration to the latest Prudential Code (2021 Edition) with regards to debt for yield.
- S.2 It will make available the scheme of delegation of treasury management activities which states which officers carry out these duties and also a copy of officer's authorised signatories.
- S.3 Lending shall only be made to counterparties on the Approved Lending list. The list has been compiled using advice from the Authority's treasury advisers based upon credit ratings supplied by Fitch, Moody's and Standard & Poor's, and live market data.
- S.4 The responsible officer shall take appropriate action with the Council, the Chief Executive Officer and the Leader of the Council to respond to and manage appropriate political risks such as change of majority group, leadership in the Council, change of Government and any other necessary risks.
- S.5 The Monitoring Officer is the Head of Legal; the duty of this officer is to ensure that the treasury management activities of the Authority are lawful.
- S.6 The Chief Finance Officer (Section 151 Officer) is the Director of Resources; the duty of this officer is to ensure that the financial affairs of the Authority are conducted in a prudent manner and to report to Council any concerns as to the financial prudence of its actions or its expected financial position.
- S.7 The Authority will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements.
- S.8 The Authority will;
- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimise such risks.
 - Staff will not be allowed to take up treasury management activities until they have received training in procedures and are then subject to an adequate and appropriate level of supervision.
 - An up-to-date record of all transactions, limits etc must be maintained by the treasury function.

- S.9 The Authority will demonstrate compliance with statutory power and regulatory requirements for all treasury activities, if required to do so, to all parties with whom it deals on such activities.
- S.10 The Scheme of Delegation to Officers sets out the delegation of duties to officers. All loans and investments are negotiated by the responsible officer or authorised persons.
- S.11 A detailed register of loans and investments is maintained in the treasury section. This is checked to the ledger balances online (Barclays.net) and balance sheet reports.
- S.12 Cash flow forecasting records are maintained and support the decision to lend or borrow.
- S.13 Dealing confirmations are received and checked against the dealer's record for the transaction.
- S.14 Transactions placed through the brokers are confirmed by the brokering deal confirmation showing details of the loan/investment arranged. Written confirmation is received and checked against the dealer's record for the transaction.
- S.15 The loans register is updated to record all lending and borrowing.
- S.16 The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Authority internally.
- S.17 Workbooks maintained and updated by Treasury colleagues for the purpose of PWLB loan management calculates periodic interest payments of PWLB and other long-term loans.
- S.18 The Treasury Management cashflow workbook prompts the Treasury Officer that money borrowed, or lent is due to be repaid.
- S.19 All lending is only made to institutions on the Approved List of Counterparties.
- S.20 All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- S.21 Counterparty limits are set for every institution that the Authority invests with.

- S.22 There is a separation of duties in the section between dealers and the checking and authorisation of all deals.
- S.23 The Authority's bank has a list of Council officials who are authorised signatories for treasury management transactions as well as those authorised to contact Barclays.
- S.24 No member of the treasury team is an authorised signatory.
- S.25 The on-line banking system can only be accessed by a password and use of an authentication reader or use of the 'Barclays App'.
- S.25 There is adequate insurance cover for employees involved in loans management and accounting.
- S.26 The bank reconciliation is carried out, which reconciles the daily balance from the bank statement to the financial ledger.
- S.27 The treasury management workbook balances are proved to the balance sheet ledger codes at the end of each month and at the financial year end.
- S.28 Working papers are retained for audit inspection.
- S.29 We have complied with the requirements of the Code of Practice on Local Authority Accounting and will account for the fund as Fair Value through Profit and Loss. As a result, all gains and losses and interest (accrued and received) will be taken to the Comprehensive Income and Expenditure Statement.
- S.30 The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Authority's treasury management workbooks.
- S.31 The treasury management workbooks automatically calculate periodic interest payments of PWLB and other term loans. This is used to check amounts paid to lenders.
- S.32 Average weighted capital loans fund interest rates and debt management expenses are calculated using information from the financial ledger and treasury management workbooks

- S.33 Key treasury management colleagues have been provided with business continuity plan (BCP) contingencies.
- S.34 All computer files are backed up as necessary, the core banking system is accessible remotely as well as without need to access the server.
- S.35 The Authority has 'Fidelity' insurance cover with Maven Public Sector. This covers the loss of cash by fraud or dishonesty of employees.
- S.36 The Annual Investment Strategy manages the risk of adverse market fluctuations may have on the value of the principal sums an organisation borrows and invests. This is through the setting of limits on investment instruments where the principal value can fluctuate.

APPENDIX 1

References to Relevant Statutes and Regulations

Statutes

- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- S.I. 2004 no. 3055 The Local Authorities (Capital Finance and Accounting) (Amendment) (England) (No. 2) Regulations 2004
- S.I. 2006 no. 521 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- S.I. 2008 no. 414 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Localism Act 2011
- S.I. 2012 no. 265 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012
- S.I. 2012 No. 711 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012

- S.I. 2012 No. 1324 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012
- S.I. 2012 No. 2269 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 4) Regulations 2012
- S.I. 2013 no. 476 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2013
- S.I. 2015 no. 234 Accounts and Audit Regulations 2015
- There has not been an issue of a Local Authorities (Capital Finance and Accounting) (England) Regulations statutory instrument in 2005, 2011 and 2016
- S.I. 2017 no. 536 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2017
- S.I. 2018 no. 1207 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2018
- Statutory Guidance on Investments 2018
- Statutory Guidance on MRP 2018
- 2019 No. 394 Exiting the European Union financial services: The Money Market Funds (Amendment) (EU Exit) Regulations 2019
- S.I. 2019 no. 396 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019

Guidance and codes of practice

- CIPFA Local Authority Capital Accounting – a reference manual for practitioners latest year Edition
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- CIPFA’s Treasury Management Codes of Practice and Guidance Notes 2021,
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2021
- CIPFA Prudential Code for Capital Finance in Local Authorities – guidance notes for practitioners 2021

LAAP Bulletins

- IFRS – Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice

PWLB circulars on Lending Policy

- The UK Money Markets Guide. (was formerly known as the Financial Conduct Authority's Code of Market Conduct)
- The Council's Standing Orders relating to Contracts
- The Council's Financial Regulations
- The Council's Scheme of Delegated Functions

Appendix E(i)

Housing Revenue Account – Revised HRA Business Plan 2024–2028

	2023/24 Forecast Outturn	2024/25 Draft Budget	2025/26 Draft Budget	2026/27 Draft Budget	2027/28 Draft Budget
	£m	£m	£m	£m	£m
Rent, Garages and Service Charge Income	(67.229)	(72.752)	(74.761)	(76.852)	(79.002)
PFI Credits - North Tyneside Living	(7.693)	(7.693)	(7.693)	(7.693)	(7.693)
Rent from Shops, Offices etc.	(0.426)	(0.434)	(0.434)	(0.434)	(0.443)
Interest on Balances	(0.285)	(0.300)	(0.300)	(0.300)	(0.300)
Contribution from Balances	(0.313)	(0.163)	0.000	(0.101)	0.000
Total Income	(75.946)	(81.342)	(83.188)	(85.380)	(87.438)
Capital Financing Charges	11.074	9.679	10.255	9.036	9.189
Management Costs	12.085	13.189	13.094	13.138	13.400
Repair and Maintenance	14.869	15.975	16.339	16.704	17.076
PFI Contract Costs – North Tyneside Living	9.836	9.887	9.941	9.995	10.050
Revenue Support to Strategic Investment	11.609	15.550	16.155	18.512	19.032
Depreciation / Major Repairs Account (MRA)	14.220	14.719	15.234	15.767	16.318
Bad Debt Provision	0.773	0.827	0.852	0.877	0.904
Transitional Protection	0.030	0.316	0.306	0.296	0.295
Management Contingency	0.200	0.200	0.200	0.200	0.200
Tenancy Sustainment Fund	1.250	1.000	0.750	0.000	0.000
Pension Fund Deficit Funding	0.000	0.000	0.000	0.855	0.872
Contribution to Balances	0.000	0.000	0.062	0.000	0.102
Total Expenditure	75.946	81.342	83.188	85.380	87.438

Appendix E(i)

HRA Balances £m	2023/24	2024/25	2025/26	2026/27	2027/28
Estimated HRA Balances Brought Forward	(3.315)	(3.002)	(2.839)	(2.901)	(2.800)
Contribution to/(from) HRA	0.313	0.163	(0.062)	0.101	0.102
Estimated HRA Balances Carried Forward	(3.002)	(2.839)	(2.901)	(2.800)	(2.902)

Housing Revenue Account Financial Plan, Reserves and Contingency Movement 2024-2028

HRA Forecast Expenditure Plan	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Original Base Budget	0.383	0.163	(0.062)	0.100
Add:				
Pressures and Growth				
North Tyneside Living (NTL) – Unitary charge	0.114	0.118	0.120	0.123
Depreciation (formerly MRA)	0.499	0.515	0.533	0.553
Housing Investment Plan-revenue support	3.962	0.607	2.356	0.519
Pension Fund Deficit Funding	0.000	0.000	0.855	0.017
Revenue Repairs – 2024-25 Pay Award & Rebasing re 2023-24 Pay Award & Establishment	0.638	0.259	0.264	0.269
Revenue Repairs – Apprentices Succession Plans	(0.018)	0.031	0.021	0.021
Revenue Repairs – Additional White Paper Responsibilities	0.150	0.000	0.000	0.000
Revenue Repairs – Increased Material and Operational Costs	0.390	0.105	0.107	0.109
Increased Energy Costs – Communal Areas & Blocks	0.406	0.015	0.013	0.013
NTL – Sheltered Housing Officers – Job Evaluation & Rebasing	0.118	0.000	0.000	0.000
General Management 2024-25 Pay Award & Rebasing re 2023-24 Pay Award, Establishment and Price Inflation	0.735	0.238	0.237	0.242
ICT Strategy – Unified Systems Review Project Costs	0.119	(0.356)	(0.215)	0.000
Social Housing Regulator Fees	0.073	0.001	0.001	0.002
NTL PFI Contract Monitoring Costs	0.046	0.007	0.007	0.007

Appendix E (ii)

Transitional Protection – Rent and Service Charges	0.287	(0.010)	(0.010)	0.000
Bad Debt Provision	0.054	0.025	0.026	0.026
Total – Pressures and Growth	7.568	1.555	4.318	1.901

HRA Forecast Expenditure Plan	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Efficiency Savings				
Council Dwellings – Rebasing and Rent Increase	(4.711)	(1.846)	(1.922)	(1.976)
Temporary and Dispersed Accommodation – Rebasing & Rent Increase	(0.033)	(0.014)	(0.014)	(0.015)
Garage & Other Rents – Rebasing & Rent Increase	(0.050)	(0.017)	(0.018)	(0.027)
Interest on Balances	(0.225)	0.000	0.000	0.000
Service Charges – Furniture Packs – Rebasing & Rent Increase	(0.094)	(0.039)	(0.041)	(0.042)
Service Charges – Other – Rebasing & Rent Increase	(0.895)	(0.094)	(0.096)	(0.099)
Treasury Management – Existing Debt & DME	(0.153)	(0.112)	0.000	(0.108)
Treasury Management – Debt Set Aside (MRP Equivalent)	(1.262)	0.688	(1.180)	0.293
Treasury Management – New Debt Interest & Temp Borrowing	0.000	0.000	(0.039)	(0.032)
North Tyneside Living – contribution to/from Reserve Monitoring Costs	(0.064)	(0.065)	(0.067)	(0.069)
Repairs Budget–impact of stock reductions	(0.051)	(0.031)	(0.027)	(0.028)
Total – Efficiency Savings	(7.538)	(1.530)	(3.405)	(2.103)

Appendix E (ii)

HRA Forecast Expenditure Plan	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Reserves & Contingencies				
General Management Contingency – Review-Tenancy Sustainment	(0.250)	(0.250)	(0.750)	0.000
Repairs Contingency - Review	0.000	0.000	0.000	0.000
Total – Reserves & Contingencies	(0.250)	(0.250)	(0.750)	0.000
Revised Base Budget	0.163	(0.062)	0.101	(0.102)

HRA Revenue Balances	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Changes in Contingencies	0.000	0.000	0.000	0.000
Contribution to/(from) Balances	(0.220)	0.225	(0.162)	0.202
TOTAL	(0.220)	0.225	(0.162)	0.202

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2024/25 Budget Engagement Strategy

North Tyneside Council is committed to being an organisation that works better for residents and to ensure that it listens and cares. This commitment includes giving residents and other key stakeholders an opportunity to be involved in the Authority's Financial Planning and Budget process.

The Authority's overall approach to engagement ensures that the public have opportunities to have their say throughout the year, through a series of different methods, including engaging with the Elected Mayor, Cabinet and ward members and through activities such as the Big Community Conversation.

In all of its engagement activity, the Authority is committed to ensuring that residents with protected characteristics, as set out in the 2010 Equality Act, can participate. In line with this, an Equality Impact Assessment has been undertaken on the 2024/25 Budget Engagement Strategy and this is available on request.

In line with the proposed 2024-2028 Financial Planning and Budget Process, engagement on Cabinet's initial budget proposals will take place from November 2023 to January 2024. The engagement approach is set out below.

Target Audiences

The aim of the Budget Engagement Strategy is to reach different sectors of the population through an approach that encompasses engagement with residents as a whole and customers/users of services as well as particular groups of people, including those with protected characteristics. The approach also ensures reach with particular interest groups such as children and young people and council housing tenants.

The Engagement Strategy also ensures targeted activity with the following specific external and internal stakeholder groups:

External stakeholder groups

- North Tyneside Strategic Partnership
- Businesses
- Schools and education sector
- Voluntary and community sector (including faith groups)
- Ethnic Diversity Community Task Force
- Our North Tyneside Voice members

Internal stakeholder groups:

- Elected Members
- Staff
- Strategic Partners (Equans and Capita)
- Trade Unions

Approach

The Authority's approach aims for maximum reach by offering a range of different opportunities for people to have their say. In line with the Authority's corporate engagement strategy, the approach will be consistent with the following principles:

- Inclusive - making sure that everyone can engage in the process;
- Clear - being clear on the aims of the engagement activity at the outset and the extent to which residents and others can be involved;
- Integrated - ensuring that engagement activities are joined up with the relevant decision-making processes;
- Tailored - aiming to better understand our audience and using different methods appropriately to enable and encourage people to be involved;

- Feedback - giving feedback through agreed channels when engagement activity is completed; and
- Timely - aiming to give enough notice to make opportunities available to all and taking into account those times when it is more appropriate to engage depending on the target audience.

Budget engagement activity for the 2024/25 budget will comprise of:

- promotion of Our North Tyneside Voice in the Winter edition of the council magazine, highlighting upcoming budget engagement as something members of Our North Tyneside Voice will have the opportunity to have their say on.
- in November 2023, publishing information about Cabinet's initial budget proposals providing clear information about the Financial Planning and Budget process. This will be published online via the Council's website and at front line locations including the Community Conversation Corners in the six Community Hubs. Feedback will be able to be provided by residents and others via a questionnaire either on-line or at these front-line locations. This will be supported by communications activity via posters in key Council facilities, the media and social media and other relevant outlets to ensure that people know how they can get involved.

There will also be opportunities for face-to-face engagement with lead officers and Cabinet members. Building on the approach to engagement last year, these face-to-face sessions will comprise:

- two in-depth sessions with members of Our North Tyneside Voice (which any resident can join). These sessions will provide people with the opportunity to gain an understanding of the Authority's Budget and to be able to appraise in detail the initial budget proposals and then provide feedback; and

- engagement sessions for the following internal and external stakeholder groups
 - staff
 - businesses
 - schools
 - children and young people
 - community and voluntary sector
 - Trade Unions,
 - North Tyneside Strategic Partnership
 - Ethnic Diversity Community Task Force
 - groups representing people with protected characteristics under the Equality Act 2010.

2024-2028 Financial Planning and Budget Process

Timetable of Key Milestones for 2024/25

Date / Meeting	Detail
27 November 2023 Cabinet	Cabinet considers its 2024-2028 initial Budget proposals in relation to General Fund, Schools, Housing Revenue Account & Investment Plan for 2024-2029.
28 November 2023	Notice of Objection process for the 2023/24 Budget commences.
28 November 2023	Budget and Council Plan engagement process begins. Ends in January 2024.
28 November 2023 Scrutiny Process	Scrutiny of the 2024-2028 Financial Planning and Budget process.
11 December 2023 Overview & Scrutiny Co-ordination and Finance Committee	Overview & Scrutiny Co-ordination and Finance Committee consider Cabinets Initial Budget Proposals for 2024-2028 Financial Planning and Budget and Council Plan process.
Mid December 2023	Estimated timing of the 2024/25 Provisional Local Government Finance Settlement.
15 January 2024 Overview & Scrutiny Co-ordination and Finance Committee	Overview & Scrutiny Co-ordination and Finance Committee considers the results of its review of the 2024-2028 Financial Planning and Budget and Council Plan process.
22 January 2024 Cabinet	2024/25 Council Tax Base agreed by Cabinet

Appendix G

Date / Meeting	Detail
29 January 2024 Cabinet	Cabinet approves the final proposals in relation to the 2024/25 Housing Revenue Account budget and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2023/24). In addition, Cabinet will agree the Annual Housing Rent policy for 2024/25.
29 January 2024 Cabinet	Cabinet considers its Budget proposals for 2024-2028 in relation to General Fund Revenue, Schools & Investment Plan for 2024-2029, taking into account feedback received as part of Budget Engagement and any recommendations from Overview and Scrutiny and Policy Development Committee.
30 January 2024 Overview & Scrutiny Co-ordination and Finance Committee	Overview & Scrutiny Co-ordination and Finance Committee/Budget Study Group as appropriate considers Cabinet's final Budget proposals.
5 February 2024 Cabinet	Cabinet meeting to consider any recommendations of the Overview and Scrutiny Budget Study Group following its review of the Cabinets 2024/25 Budget and Council Tax proposals.
13 February 2024	4pm deadline for responses to the Authority's Notice of Objection
15 February 2024 Council	Cabinet submits to the Council its estimates of amounts for the 2024-2028 Financial Plan and 2024/25 Budget & Council Tax levels.
19 February 2024 (if required) Cabinet	Cabinet Meeting to consider any objections to Cabinet's Budget and Council Plan proposals.

Appendix G

Date / Meeting	Detail
	<p>The Cabinet meeting on 19 February 2024 is now a scheduled meeting with other items of business and will proceed even where no objections are approved.</p>
<p>29 February 2024 (if required) Council</p>	<p>Council meeting to agree the Budget for 2024/25, the Council Tax level for 2024/25 and the Investment Plan for 2024-2029</p> <p>The Council meeting on 29 February 2024 is now a scheduled meeting with other items of business and will proceed even where no objections are approved.</p>

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Draft Reserves and Balances Policy 2024/25

Appendix H

Date: 27 November 2023 Version: VI Author: Jon Ritchie



North
Tyneside
Council

1.0 Reserves and Balances

1.1 The Reserves and Balances Policy represents good financial management and should be followed as part of the annual Financial Planning and Budget process, Budget Monitoring and Final Accounts.

2.0 Application

2.1 The general principles set out in this Reserves and Balances Policy apply to North Tyneside Council's General Fund and to the Housing Revenue Account.

3.0 The Existing Legislative/Regulatory Framework

3.1 The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

3.2 The Local Government Finance Act 1992 and Local Government Act 2003 set out a range of safeguards to mitigate against local authorities over-committing themselves financially. These include:

- the balanced budget requirement;
- Chief Finance Officers' section 114 powers;
- the external auditors' responsibility to review and report on financial standing;
- the requirement for the Chief Finance Officer to report to full Council on the robustness of budget estimates and the adequacy of reserves in the Authority balance sheet; and
- the requirement for the Authority to regularly monitor its budget.

3.3 Generally, the balanced budget requirement is sufficient discipline for the majority of local authorities. This requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer in England and Wales to report to all the authority's councilors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114

notice by the Chief Finance Officer cannot be taken lightly and has serious operational implications. Indeed, the authority's full council must meet within 21 days to consider the section 114 notice and during that period the authority is prohibited from entering into new agreements involving the incurring of expenditure.

- 3.4 Local Authority Accounting Practice (LAAP) Bulletin 99 (released July 2014) sets out guidance to local authority chief finance officers on the establishment and maintenance of reserves and balances. The Bulletin states that its guidance "represents good financial management and should be followed as a matter of course". The guidance covers the legislative and regulatory framework relating to reserves; types of reserves; the principles to be used to assess the adequacy of reserves and the Chief Finance Officer's advice to full Council.
- 3.5 Guidance on specific levels of reserves and balances is not given in statute, the published guidance or by the Chartered Institute of Public Finance and Accountancy (CIPFA) (the recognised accountancy body for local government finance) or the Audit Commission. There is no statutory minimum level of reserves. It is up to local authorities themselves to set their own level of reserves and balances on the advice of the Chief Finance Officer.
- 4.0 The Role of the Director of Resources (Chief Finance Officer)**
- 4.1 Within the existing statutory and regulatory framework, it is the responsibility of the Director of Resources (in his role as Chief Finance Officer) to advise the Authority about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.
- 4.2 The Authority then, acting on the advice of the Chief Finance Officer, must make its own judgements on the level of reserves and balances taking into account all the relevant local circumstances. These include the operational and financial risks, and the arrangements in place to manage them, including adequate and effective systems of internal control. The duties of the Chief Finance Officer in relation to the level of reserves are covered by the legislative framework described in 3 above. Under the Local Government Act 2003, the Chief Finance Officer must report to the full

Council on the adequacy of reserves (section 25) and reserve transactions must be taken account of within the required budget monitoring arrangements (section 28).

5.0 Types of Reserves

5.1 Reserves can be held for four main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities; and
- A reserve in respect of grants.

5.2 In addition, since 2003/04 the Authority has held a Strategic Reserve in its balance sheet. This has been used to manage significant financial pressures which can arise in year, or between years, for example to manage the significant pressures arising from equal pay settlements and costs of non statutory redundancy payments. The reserve has also been used to support the General Revenue budget in periods where the Authority's finances are in transition.

5.3 The Authority also holds a pensions reserve as required under International Accounting Standard 19 – Employee Benefits. This is a specific accounting mechanism used to recognise the Authority's share of pension fund liabilities in its balance sheet. As this is a reserve which arises from an accounting standard it is not available to finance expenditure of the Authority.

5.4 For each reserve held by the Authority there should be a clear protocol setting out:

- the reason for/purpose of the reserve;
- how and when the reserve can be used;
- procedures for the reserve's management and control; and,

- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

5.5 This Reserves and Balances Policy ensures that when establishing reserves, North Tyneside Council complies with the Code of Practice on Local Authority Accounting in the United Kingdom (The Code) and in particular the need to distinguish between reserves and provisions.

6.0 Policy and Principles to Assess the Adequacy of Reserves

6.1 The principles used by the Chief Finance Officer to assess the adequacy of unallocated general reserves when setting the budget ensure that account is taken of the strategic, operational and financial risks facing the authority.

6.2 Setting the level of reserves is just one of several related decisions in the formulation of the financial strategy and the budget for a particular year. This is carried out as part of the Authority's Financial Planning and Budget Process. Account is taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements. In addition to the cash flow requirements of the authority the following factors are considered:

- The treatment of inflation and interest rates;
- Estimates of the level and timing of capital receipts;
- The treatment of demand led pressures;
- The treatment of planned efficiency savings / productivity gains;
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital investment developments;
- The availability of other funds to deal with major contingencies and the adequacy of provisions; and
- The general financial and economic climate in which the Authority operates.

6.3 The Authority holds two types of reserves:

- General unearmarked reserves (the Authority's General Fund Balances); and
- Earmarked reserves held for specific purposes.

- 6.4 It is the current policy of North Tyneside Council for the *General Fund unearmarked reserves* (the General Fund Balances) to be held at a level of at least £7.000m. This is reviewed at least annually, during the setting of the budget. Factors which are taken into account during the review include; the level of balances as a percentage of the net revenue requirement, budget management and monitoring procedures, risk levels and financial projections for future years.
- 6.5 The level of each *earmarked reserve* is assessed separately with reference to the specific liabilities that the reserve represents. This is done in consultation with relevant officers. Individual earmarked reserves are assessed to ensure their adequacy in relation to factors that have become known since the previous year. It is the policy of North Tyneside Council to ensure that the Financial Planning and Budget Process takes account of any need to increase particular reserves due to factors which may arise and to fully account for these factors.
- 6.6 As one of the Authority's earmarked reserves, *the Strategic Reserve* is a significant part of the Authority's strategic financial management, often used to finance large pressures which can arise outside of the Authority's regular budget setting and financial management processes. As such, it has been used to address major spending issues and it is therefore the objective of the Authority to maintain the Strategic Reserve at a level of £10.000m over the medium term. The Revenue Budget Outturn for 2022/23 was reported to the Cabinet in June 2023, and represented a net overspend on the cost of services of £6.081m. The Strategic Reserve was utilised to fund that overspend, reducing the remaining balance to £6.345m. This resulted in the Strategic Reserve balance falling below the level of £10.000m at the start of 2023/24. The Medium-Term Financial Plan for 2024-2028 contains planned replenishments to bring the reserve back to this level by 2027/28.
- 6.7 The use of the Strategic Reserve to balance budgets (either revenue or capital) should be very closely considered in line with LAAP (Local Authority Accounting Practice note) 99, which states that, although "balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. It is not normally prudent for reserves to be

deployed to finance recurrent expenditure". In principle, although the Strategic Reserve may, under certain circumstances, be used to balance the budget of the Authority, it should not be used as a year-on-year measure to support ongoing revenue spend. The level of the Strategic Reserve and the potential calls against it will therefore be reviewed on a continuous basis, and in the context of the overall financial planning process of the Authority.

6.8 Unless expressly agreed by Cabinet as part of the Budget process, the level of balances and reserves will be reviewed by the Chief Finance Officer and Deputy Chief Finance Officer during the final accounts process in consultation with the Elected Mayor, Cabinet Member for Finance and Resources and relevant officers. In addition, the regular budget monitoring process carried out by the Authority throughout the year will report on any changes in the level of balances or reserves. In-year and year-end transfers either into or out of a reserve must be authorised by the Chief Finance Officer and Deputy Chief Finance Officer in consultation with the Elected Mayor and Cabinet Member for Finance and Resources. Full documentation should be retained for all movements into and out of the reserves and balances.

6.9 The Reserves and Balances Policy is set in the context of the Authority's Financial Planning and Budget Process and does not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, in the longer term it is not prudent for reserves to be deployed to finance recurrent expenditure: and where such action is being taken this will be made explicit and an explanation given as to how the recurrent expenditure will be funded in the longer term. Advice will be given by the Chief Finance Officer on the adequacy of reserves over the lifetime of the financial plan. This is addressed in the Financial Planning and Budget Process.

7.0 The Reporting Framework

7.1 The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Compliance with this Reserves and

Balances Policy assists in allowing the Chief Finance Officer to be satisfied that there is proper stewardship of public funds.

- 7.2 The level and utilisation of reserves is determined formally by the full Council at its meetings to approve the annual budget and the final accounts. These decisions are informed by the advice and judgement of the Chief Finance Officer.
- 7.3 The Reporting Policy of North Tyneside Council is:
- The Financial Planning and Budget process report to the full Council, which sets the Authority budget for the following year, includes a statement showing the proposed use of, or contribution to, general and earmarked reserves for the year ahead. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure.
 - In addition, as part of the budget report to full Council the Local Government Act 2003 requires the Chief Finance Officer to make a statement to full Council on the robustness of the budget estimates and the adequacy of reserves in relation to the forthcoming financial year and the period of the authority's financial strategy (the four-year Financial Planning and Budget Process). Where reserves are being used to finance recurrent expenditure, this will be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of, and expected need for, reserves over the lifetime of the financial strategy.
 - The Authority's annual statement of accounts includes a required note on the level of reserves in the balance sheet, showing opening balance, net movement in year and year-end balance. Significant reserve movements are explained in the Chief Finance Officer's foreword to the accounts and the covering report to full Council which accompanies the presentation of the accounts. In addition, the performance and financial management outturn report for the year, which is presented to Cabinet for approval, and subsequently to the Overview and Scrutiny Co-ordination and Finance Committee

(OSC&FC), includes a full listing of all reserves and an explanation of any significant movements in individual reserves.

- The regular in-year performance and financial management reports to Cabinet and OSC&FC include details of any transactions affecting the Authority's reserves.

8.0 Good Governance

It is essential that the Authority takes responsibility for ensuring the adequacy of reserves and provisions when they set the budget. This will be subject to the advice of the Chief Finance Officer and the arrangements for reviewing and reporting on the level of reserves and balances as set out above.

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Glossary of Terms

Asset Management Strategy	Asset Management Strategy is a high-level document that guides the overall investment in existing and new assets within an organisation. Being a strategy, it explores long term issues and ensures that the overall plan is linked to the key "strategic" priorities of the organisation.
Authorised Limit	Borrowing is prohibited beyond this limit. This limit reflects the level of borrowing that, while not desired or sustainable, could be required with some headroom for unexpected cash flow movements. It includes both temporary borrowing for cash flow purposes and long-term borrowing to finance capital expenditure.
Balances	The reserves of the Authority, both revenue and capital, which represent the accumulated surplus of income over expenditure on any of the funds.
Bank Rate	The Official Bank rate paid on commercial bank reserves i.e. reserves placed by commercial banks with the Bank of England as part of the Bank's operations to reduce volatility in short-term interest rates in the money markets.
Better Care Fund (BCF)	A pooled Budget arrangement between the Authority and the regional Intergrated Care System (ICS), which aims to bring greater integration between health and social care.
B/Fwd	The balance in the Statement of Accounts that has been brought forward from the previous period, normally the previous financial year.
Borrowing	Refers to external borrowing.
Budget	A plan of expected expenditure and income over a set period of time for example the Authority's revenue budget covers a financial year.
Budget Holder	A nominated officer in a Service area who has responsibility for the control and monitoring of a particular Budget.
Budget Manager	A nominated officer in a Service area who has responsibility for the control and monitoring of the budgets within a service area.
Budget Monitoring	The analysis and reporting of expenditure/ income against budget. Budget monitoring is carried out by Service area alongside the Finance Service on a monthly basis.
Budgetary Control	The use of budget monitoring information to manage the Budget and bring spend in on target for the year.

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<p>Business Rates</p>	<p>Business Rates also known as Non Domestic Rates (NDR) is a charge levied upon all non-domestic properties. The rateable value of non-domestic premises is determined by the Valuation Office Agency (part of the Inland Revenue). This rateable value is multiplied by a national multiplier (set each year by central Government) to arrive at the gross annual amount each business must pay. This can be reduced by reliefs, dependent on the size and circumstances of the business, to arrive at the net amount payable.</p> <p>Business Rate Retention Regulations were introduced in April 2013. These determine the proportion of Business Rates retained by Local Authorities and its preceptors or transferred to Central Government.</p>
<p>Capital Financing</p>	<p>The resources required to fund capital payments e.g.</p> <ul style="list-style-type: none"> • borrowing • the application of useable capital receipts • a direct charge to revenue • the application of a capital grant or contribution.
<p>Capital Financing Requirement (CFR)</p>	<p>This measures the Authority's underlying need to borrow for a capital purpose. It is a calculation of capital costs less funding from capital receipts, grants, and contributions to give the balance to be funded by borrowing. The Authority needs to ensure that over the medium-term net borrowing does not exceed the CFR. The capital financing requirement is one of the indicators that must be produced as part of the CIPFA prudential code.</p>
<p>Capital Investment / Expenditure</p>	<p>The total amount spent on capital including all those items capitalised under statute e.g. equal pay and grants to third parties.</p>
<p>C/Fwd</p>	<p>The balance in the Statement of Accounts that is "carried forward" to a future period, normally the next financial year.</p>
<p>CIPFA</p>	<p>Chartered Institute of Public Finance and Accountancy, which is the leading accountancy body for public services.</p>
<p>ICS (previously CCG)</p>	<p>Intergrated Care System – a regional NHS body which commissions community and hospital-based healthcare for a local area. Previous local Clinical Commissioning Group's combined to form a regional ICS.</p>

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Consumer Price Index (CPI)	The index has been designed as a macro-economic measure of consumer price inflation. The official measure is calculated each month by taking a sample of goods and services that a typical household might buy, including food, heating, household goods and travel costs. It forms the basis for the Government's inflation target, which the Bank of England's Monetary Policy Committee is required to achieve.
Contingencies	Sums set aside as a provision for liabilities which may arise in the future, but which cannot be determined in advance.
Cost Centre	A code created in the General Ledger to record expenditure and income for a particular activity. For example, a library or a school.
Council Tax	The main source of local taxation for local authorities. It is a banded property tax (using 1 April 1991 property values), which is levied on households within its area by the billing authority and is set annually for the properties in its area. Council Tax income is paid into the billing authority's Collection Fund for distribution to precepting authorities and for use by the billing authority's own General Fund.
Counterparty	The organisations responsible for repaying the Authority's investment upon maturity and for making interest payments.
Credit Default Swap (CDS)	These contracts reflect the market perception of an institution's credit quality unlike credit ratings, which often focus on a longer-term view. CDS contracts can be compared with insurance, as a buyer of a CDS pays a premium insuring against a debt default.
Credit Rating	This is a scoring system that lenders use and publish to determine how credit worthy individuals and businesses are.
DLUHC	Department for Levelling Up, Housing and Communities.
Debt	The sum of borrowing and other long-term liabilities.
Debt Management Office (DMO)	Debt Management Office (DMO) is the executive agency responsible for carrying out UK Government's debt management.
Depreciation	The gradual conversion of the cost of an asset into an operational expense over the asset's estimated useful life. Depreciation reflects a reduction in the book value of the asset due to obsolescence or wear and tear and it spreads the purchase cost proportionately over a fixed period to match the income generated by the asset.

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DfE	Department for Education.
DWP	Department for Work and Pensions.
External debt	All borrowing, whether for capital or revenue purposes.
Fees and Charges	Income arising from the provision of a service.
Financial Regulations	Rules that set out the financial policies of the Authority and help to ensure that the assets of the Authority are protected and properly deployed.
Financial Year	1 April to 31 March.
Forecast Out-turn	A prediction of the final income and expenditure based at the year-end.
General Ledger (GL)	The prime financial record for the Authority. The General Ledger records all the expenditure incurred and all the income generated by the Authority.
Gilts	The UK Government issues gilts in order to finance public expenditure. They are generally issued for a set period and pay a fixed rate of interest for this period.
Holding Accounts	These are accounts within the General Ledger relating to a specific building or service (internal to the Authority) where costs are collected then shared out to the users of the building or service.
Housing Revenue Account (HRA)	Those authorities with a council-owned housing stock have a duty to maintain an additional account called the Housing Revenue Account (HRA). The HRA specifically accounts for spending and income relating to the management and maintenance of the council-owned housing stock. By law it must be kept separate from other Authority accounts.
IFRS	International Financial Reporting Standards – the basis on which the Authority’s accounts are prepared from 2010/11 onwards.
IBCF	Improved Better Care Fund is a Grant paid directly to Local Authorities as part of their main Local Government Finance Settlement to support Adult Social Care in ways which also benefit Health.
Journal Transfer	A journal transfer is used to correct miscoded transactions or to allocate costs/income within or across Service areas in the General Ledger.

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Lenders Option Borrowers Option (LOBOs)	A form of long-term borrowing where loans run at a fixed rate of interest for a fixed period, after which the Lender has the option to ask for repayment or change the interest rate on pre-determined dates. If the Lender decides to exercise the option to change the interest rate, the borrower can then decide whether to accept the new terms or repay the loan.
LGPS	Local Government Pension Scheme.
Local Government Finance Settlement	<p>The Local Government Finance Settlement is the annual distribution of funding determined by the Government and debated by Parliament. It has two key elements:</p> <ol style="list-style-type: none"> 1. A Provisional Local Government Finance settlement, which is normally received in December. This is then subject to a specific Government Consultation. 2. A Final Local Government Finance settlement that is normally received in late January / early February after the government has had time to consider the representations made to the Provisional Local Government Finance Settlement.
Long Stop Control	The Secretary of State may, by direction, set limits in relation to the level of borrowing of money by a particular local authority to ensure that the authority does not borrow more than it can afford.
Long term	A period of one year or more.
Major Repair Allowance (MRA)	Before Self Financing was introduced in April 2012, the rent payable across to Central Government as part of subsidy was calculated taking into account several factors including a major repairs allowance, which was intended to ensure that councils retained sufficient money to be able to maintain their housing assets.
Maturity	The date when an investment or loan is repaid, or the period covered by a fixed term investment or loan.
Monetary Policy Committee (MPC)	This is a body set up by the Government in 1997 to set the repo rate (commonly referred to as being base rate). Their primary target (as set by the Government) is to keep inflation within plus or minus 1% of a central target of 2% in two years' time from the date of the monthly meeting of the Committee. Their secondary

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	target is to support the Government in maintaining high and stable levels of growth and employment.
Money Market	This is where financial instruments are traded. Participants use it as a means for borrowing and lending in the short term, with maturities that usually range from overnight to just under a year.
Minimum Revenue Provision (MRP)	Minimum Revenue Provision (MRP) is statutory requirement to make a charge to the Council's General Fund to make provision for the repayment of the Council's past capital debt and other credit liabilities
National Living Wage	The National Living Wage is an obligatory minimum wage payable to workers in the United Kingdom aged over 25, which came into effect on 1 April 2016.
Net Revenue Stream	This is the net revenue Budget.
Operational Boundary	This is the most likely, prudent view of the level of gross external indebtedness. External debt includes both borrowing and long-term liabilities (e.g. finance leases and PFI), with separate boundaries having to be identified for each of these. It encompasses all borrowing, whether for capital or revenue purposes.
Other Long-Term Liabilities	The sum of the amounts on the face of the Balance Sheet that are classified as liabilities and are for periods in excess of 12 months, other than borrowing repayable within a period in excess of 12 months e.g. finance leases, PFI and Longbenton transferred debt.
"Pay to stay"	Pay to Stay was the name of a government policy in the United Kingdom whereby council tenants earning £30,000 (£40,000 in London) would have to pay "market or near market rents".
PFI	The private finance initiative is a way of creating "public-private partnerships" by funding public infrastructure projects with private capital.
Precept	The levy determined by precepting authorities on billing authorities. It requires the billing authority to collect income from council taxpayers on their behalf. In the case of North Tyneside Council, the precepting authorities are the Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority.

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Profiling	A method by which budgets are spread across the year to reflect patterns of spend.
Projections	A forecast of expenditure and income to the year-end based on known commitments and trends.
Prudential Borrowing	See Unsupported borrowing.
Prudential Code	The current system of financial controls for capital financing introduced on 1 April 2004 that local authorities are required to operate within.
Public Works Loan Board (PWLB)	Part of the Government's Debt Management Office, making long-term funds available to local authorities on prescribed terms and conditions.
Quantitative Easing	The printing of money by the country's central bank in order to increase the supply of money.
Reprogramming	Refers to changes to the timing of projects in the Investment Plan between years.
Reserves	Amounts which are set aside in the accounts to meet expenditure which the Authority may decide to incur in a future period, but which are not allocated to specific liabilities that are certain or very likely to occur. Earmarked reserves are allocated to a specific purpose or area of spending. Unallocated reserves are often described as 'balances', and usually arise as unplanned surpluses of income over expenditure. This will include the House Building Fund, Strategic Reserve, Insurance Reserve and the Support Change Fund Programme.
Revenue Expenditure	Expenditure on the day-to-day running costs of a service for example employees and transport.
Revenue Support Grant (RSG)	A central government grant paid to each local authority to help to finance its general expenditure, as opposed to specific grants.
Right to Buy	The Right to Buy scheme is a policy in the United Kingdom (with the exception of Scotland since August 1st 2016) which gives secure tenants of councils and some housing associations the legal right to buy, at a large discount, the council house they are living in
RPI – Retail Price Index	The Retail Price Index (RPI) is published on a monthly basis, and it shows the changes in the cost of living. It reflects the movement of prices in a representative sample of goods and services used regularly, such as food, housing, clothing,

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	household goods and transport. Items considered the most important are given a higher weighting in the overall index.
S256 agreements	Legal agreements that allow Health to transfer money to Local authorities using powers listed under Section 256 (S256) of the Health & Social Care Act
Self-Financing	Housing Revenue Account (HRA) self-financing commenced in April 2012. Local housing authorities from this date were able to fully retain the money they received in rent in order to plan and provide services to their current and future tenants and in return took on a level of historical debt.
SEN	The term 'special educational needs' has a legal definition, referring to children who have learning problems or disabilities that make it harder for them to learn than most children of the same age.
Service Area	Groups of related cost centres.
Settlement Funding Assessment	For individual local authorities, this comprises of the Revenue Support Grant for the year in question and the Baseline Funding Level.
Short-term	A period of less than one year.
SLT	Senior Leadership Team – this includes the Chief and Deputy Chief Executive and all Heads of Service.
Subjective	A subjective is a code within the General Ledger that indicates the type of expenditure incurred, for example basic pay. A subjective can also be used to record the type of income generated, for example rents and fees.
Supported Borrowing	This is borrowing to fund expenditure in the Investment Plan where the annual financing costs of such borrowing are supported by government through formula grant. No new supported borrowing has been awarded since 2010/11.
Trading Account	These accounts within the General Ledger hold the values of both the cost and income of a traded or recharged service e.g. cleaning or transport. Customers can be internal or external to the Authority.
Transitional Protection	North Tyneside agreed that for those tenants who were already residents of an NTC sheltered property at the point of the Sheltered Housing PFI works would have their rent held at the level they paid before the investment.
Treasury Management	The management of the Authority's cash flows, its banking, money market and capital market transactions; the effective

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	control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
Unitary charge	A PFI contract bundles the payment to the private sector as a single ('unitary') charge for both the initial capital spend and the ongoing maintenance and operation costs.
Universal Credit	Universal Credit is a social security benefit in the United Kingdom introduced in 2013 to replace six means-tested benefits and tax credits: income-based Jobseeker's Allowance, Housing Benefit, Working Tax Credit, Child Tax Credit, income based Employment and Support Allowance and Income Support.
Unsupported Borrowing	This relates to borrowing to fund expenditure where the annual financing costs have to be met from the Authority's own revenue resources. This is also known as prudential borrowing.
Variance	The difference between net budgeted expenditure and income compared to net actual expenditure and income i.e. the actual or predicted overspend or underspend against Budget.
Virement	A transfer of budgets from one area of the Budget to another.
Yield	Return on an investor's capital investment.
Yield Curve	Graph plotting the yield of all bonds of the same credit quality with maturities ranging from the shortest to the longest available. If the resulting curve shows that short-term yields are lower than longer-term yields, then it is called a positive yield curve. If short-term yields are higher than longer-term yields it is called an inverted yield curve. If there is little difference between short and long-term yields, then it is a flat yield curve.

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Change Equality Impact Assessment (EqIA)

1. Proposal details		
Name of the policy/project/process being assessed (subsequently referred to as project)	North Tyneside Council Budget Engagement	
Purpose of project	The purpose of the budget engagement is to reach different sectors of the population through an approach that encompasses engagement with residents as a whole and customers/users of services, as well as particular groups of people, including those with protected characteristics. The approach also ensures reach with particular interest groups, such as businesses, and children and young people. This will allow as wide a range as possible to have the opportunity to comment on the budget proposals and put forward their views for consideration. Engagement will be via digital, online, in-person and printed material.	
Who is the project intended to benefit?	Residents of the borough and stakeholders.	
What outcomes should be achieved?	Residents and stakeholders will gain an understanding of the council's budget setting process and have the opportunity to share their views on the council's budget proposals for 2024-25.	
Version of EqIA	1.0	
Date this version created	27/10/2023	
Confidential	no	
Directorate	Corporate Strategy and Customer Services	
Service	Participation, Advocacy and Engagement	
	Name	Service or organisation
Principal author	Angela Melvin	North Tyneside Council
Additional authors	Marie Stern-Peltz	North Tyneside Council

2. Groups impacted

Does the project impact upon?		If yes, what is the estimated number impacted and the level of impact this will have on the group (high, medium, low)?
Service users	yes	There are approximately 209,000 residents in the borough the majority of whom are service users (medium).
Carers or family of service users	yes	Our residents include carers and they will be invited to have their say as part of the overall engagement programme. Some budget proposals may affect users of specific services (medium).
Residents	yes	The budget engagement programme will encourage as many residents (approx. 209,000 people live in the borough) as possible to participate (medium).
Visitors	no	
Staff	yes	Council staff (over 3,000 people) will be invited to share their views as part of the overall budget engagement programme (medium).
Partner organisations	yes	Partners and key stakeholders will be invited to take part in the budget engagement programme, this will include VCS organisations (medium).

3. Evidence gathering and engagement		
	Internal evidence	External evidence
What evidence has been used for this assessment?	<p>Feedback from previous general engagement, including Big Community Conversation 2023.</p> <p>Feedback from previous budget engagement programmes.</p> <p>Profile of the borough population, available via https://my.northtyneside.gov.uk/category/1114/population</p>	
Have you carried out any engagement in relation to this proposal?	yes	

<p>If yes of what kind and with whom? If no, why not?</p>	<p>Two focus groups with residents and tenants who are members of Our North Tyneside Voice. They gave specific feedback on the materials and information used in last year's budget engagement.</p>
<p>Is there any information you don't have?</p>	<p>no</p>
<p>If yes, why is this information not available?</p>	

4. Impact on groups with different characteristics			
Legally protected characteristics	Potential positive impact identified	Potential negative impact identified	Description of the potential impact and evidence used in the assessment (mitigations are not included here)
<p>Age</p>	<p>yes</p>	<p>yes</p>	<p>Based on previous engagement:</p> <ul style="list-style-type: none"> • We understand that some older people may need information provided in accessible formats. • People of an age likely to have childcare responsibilities can experience barriers to engagement due to time/availability. • People of working age may not be able to attend daytime sessions; or older people may not wish to attend night time sessions. • Children and young people will require information presented in an accessible way to aid understanding. • Young adults will be encouraged to take part if the engagement materials are relatable to them.

Disability	yes	yes	<ul style="list-style-type: none"> Based on previous engagement activities, we understand there are a range of mobility and sensory disabilities, along with neurodiverse or learning needs, which would affect someone's ability to take part in engagement activities. For example, access to a building where in-person sessions take place – either due to transport access or physical access to the building. People with neurodiverse or learning needs may require support to travel to an in-person session or participate during it. Information will need to be presented in a clear and accessible way.
Gender reassignment	yes	yes	People undergoing gender reassignment may feel barriers to participation at some venues, for example if they have previously been used for activities which are not welcoming, or supportive of people with this characteristic.
Marriage & civil partnership	no	no	N/A
Pregnancy & maternity	yes	yes	People with this characteristic may find it difficult to find time to participate, eg due to timing of activities.
Race	yes	yes	Based on previous engagement experience, we understand that English may not be someone's first language and some venues may not be suitable for in-person engagement, eg places of worship or those serving alcohol.
Religion or belief	yes	yes	Certain days of the week, or specific dates, may impact people of some faiths being able to participate.

Sex	yes	yes	Based on previous engagement experience, we understand that women are more likely to participate in engagement.
Sexual orientation	yes	yes	People of all sexual orientations may feel barriers to participation at some venues, for example if they have previously been used for activities which are not welcoming, or supportive of people with their own sexual orientation.
Intersectionality	yes	yes	People with more than one protected characteristic may not feel confident to participate or attend an in-person event, for example if they were disabled and did not speak English as their first language they would require a range of different support to participate in engagement.
Non-legally protected characteristics			
Carers	yes	yes	People with this characteristic may find it difficult to find time to participate, eg due to timing of activities.
Socio-economic disadvantage	yes	yes	<ul style="list-style-type: none"> • People with this characteristic may experience barriers to participation due to lack of digital access or opportunities to access information. • They may not be able to afford transport to an in-person event.

5. Achievement of the Authority's public sector equality duty		
Will the proposal contribute to any of the following?		If yes, how?
Eliminate unlawful discrimination, victimisation and harassment	N/A	
Advance equality of opportunity between people who share a protected	yes	We will be offering residents and stakeholders the opportunity to participate in budget engagement which is accessible and carried

characteristic and those who do not		out via different methods to suit different audiences.
Foster good relations between people who share a protected characteristic and those who do not	yes	Budget engagement will include focused and inclusive options, giving participants the opportunity to share their own experiences and opinions. This can help increase understanding between people with different characteristics.

6. Negative impacts		
Potential negative impact	Can it be reduced or removed?	If yes how? If no, why not and what alternative options were considered and not pursued?
Engagement activities are not accessible to people with different mobility, sensory or neurodiverse considerations.	yes- reduced	<ul style="list-style-type: none"> • Engagement and associated communications will use a range of methods including digital, paper-based, telephone and in-person, with reasonable adjustments to support stakeholders to participate. • Written materials will include our access statement to help us identify and respond to specific needs. • Venues used for in-person engagement will be fully accessible. • Any images used will reflect diverse communities. • Staff will be briefed to ensure people who attend any in-person sessions are supported to participate. • Interpreters can be provided for those with hearing impairments. • Large print information or information in other formats can be provided. • Functions such as subtitles and audio will improve accessibility of online information. • There is a potential negative impact for people with learning disabilities,

		<p>due to the nature of the information being provided. We will invite people to let us know if they need support to take part and will work on an individual basis to provide this.</p>
<p>Engagement activities are not accessible to people whose first language is not English.</p>	<p>yes- reduced</p>	<ul style="list-style-type: none"> • Our access statement included on written materials will help identify any language support needs. • Translations of written materials can be provided. • Interpreters can be provided for in-person events. • Information can be circulated via community leaders who might also be able to support with indicating language needs.
<p>Engagement venues may not be seen as accessible by those with certain religious beliefs.</p>	<p>yes- removed</p>	<p>In-person engagement activities will not take place at places of worship, or where alcohol is served.</p>
<p>Engagement materials may not be accessible to all age groups.</p>	<p>yes- reduced</p>	<ul style="list-style-type: none"> • Engagement and associated communications will use a range of methods including digital, paper-based, telephone and in-person. • These will be developed to be age-appropriate to the audiences involved, eg our Youth Council. • Any images used will reflect different age groups.
<p>Engagement times and venues may not be seen as accessible by older people, carers, or people with pregnancy or maternity characteristics.</p>	<p>yes- reduced</p>	<ul style="list-style-type: none"> • Engagement and associated communications will use a range of methods including digital, paper-based, telephone and in-person. • In-person activities will be held in venues with accessible toilet and breastfeeding facilities.

		<ul style="list-style-type: none"> • In-person activities will be scheduled to try and make them as accessible as possible to as wide an audience as possible, however if people are unable to attend there are a variety of other options to provide feedback.
Engagement venues may not be seen as safe places to visit.	yes- reduced	<ul style="list-style-type: none"> • Engagement activities will be held in accessible, safe, venues. • Residents will be able to take part in online engagement if they prefer. • Residents will have an option to telephone to share their views.
Digital engagement methods are not accessible to those without online access.	yes- reduced	<ul style="list-style-type: none"> • Engagement and associated communications will use a range of methods including digital, paper-based, telephone and in-person. • Engagement will be promoted widely by the council and our partners, including the VCS sector. • Information and paper surveys will be available in our six Community Hub venues. • Paper copies can be provided on request to individuals or groups.
People with more than one protected characteristic may not feel confident to participate in formal engagement.	yes- reduced	<ul style="list-style-type: none"> • Engagement and associated communications will use a range of methods including digital, paper-based, telephone and in-person. • Engagement activities will be held in accessible, safe, venues. • Communications will encourage people to take part in a welcoming way, to inspire confidence among people who may not have engaged with us previously.

7. Action plan				
Actions to gather evidence or information to improve NTC's understanding of the potential impacts on people with protected characteristics and how best to respond to them	Responsible officer name	Responsible officer service area	Target completion date	Action completed
Reach out to local disability groups to encourage them and their service users to participate. This will include carers.	Marie Stern-Peltz	Corporate Strategy	28/11/2023	in progress
Involve the Ethnic Diversity Community Taskforce in reaching ethnic minority audiences, encouraging them to participate.	Marie Stern-Peltz	Corporate Strategy	04/12/2023	in progress
Involve the Ethnic Diversity Community Taskforce in reaching different faiths, encouraging them to participate.	Marie Stern-Peltz	Corporate Strategy	04/12/2023	in progress
Actions already in place to remove or reduce potential negative impacts	Responsible officer name	Responsible officer service area	Impact	
The six Community Hub venues are located across the borough and include displays of current engagement	Angela Melvin	Corporate Strategy	reduce	

programmes and paper copies of any surveys.					
Information about all council engagement activities is routinely shared on social media, online, in the council magazine and to Our North Tyneside Voice subscribers.	Angela Melvin	Corporate Strategy		reduce	
Our North Tyneside Voice subscribers are invited to participate in engagement. ONTV has been advertised widely online, regularly in the council magazine, as part of the Big Community Conversation and at the Have Your Say displays in our six Community Hubs.	Angela Melvin	Corporate Strategy		reduce	
Information about council engagement activities is routinely shared as relevant with partner organisations and the VCS sector.	Angela Melvin	Corporate Strategy		reduce	
Actions that will be taken to remove or reduce potential negative impacts	Responsible officer name	Responsible officer service area	Impact	Target completion date	Action completed
Ensure budget engagement materials are clearly written and understandable.	Angela Melvin	Corporate Strategy	reduce	27/11/2023	in progress
We will use our accessibility statement to ask people to let us	Angela Melvin	Corporate Strategy	reduce	27/11/2023	in progress

know if they need materials in another format, or to access the engagement in another way.					
Communications about the budget engagement will be shared across different digital platforms and be accessible at in-person events and with paper copies.	Angela Melvin	Corporate Strategy	reduce	28/11/2023	in progress
We will only use accessible venues for in-person engagement. Taxis can be provided for participants who need assistance with transport to an in-person event.	Angela Melvin	Corporate Strategy	remove	31/01/2024	in progress
Actions that will be taken to make the most of any potential positive impact	Responsible officer name	Responsible officer service area		Target completion date	Action completed
We will share best practice with colleagues to ensure future engagement replicates positive impacts.	Angela Melvin	Corporate Strategy		29/02/2024	in progress
New contacts from groups representing people with protected characteristics will be kept up to date with future engagement opportunities.	Marie Stern-Peltz	Corporate Strategy		30/11/2024	in progress
Actions that will be taken to monitor the equality impact of this proposal once it is implemented	Responsible officer name	Responsible officer service area		Target completion date	Action completed

We will use demographic data on the accompanying survey to assess the engagement as it progresses, to ensure we are collecting the views of people with different characteristics; if not, we will take action to target specific groups.	Marie Stern-Peltz	Corporate Strategy	05/01/2024	in progress
All staff involved in budget engagement will have sight of the EqIA assessment.	Angela Melvin	Corporate Strategy	27/11/2023	in progress
Date review of EqIA to be completed	Responsible officer name	Responsible officer service area		
31/05/2024	Angela Melvin	Corporate Strategy		

8. Outcome of EqIA	
Outcome	Please explain and evidence why you have reached this conclusion:
Continue with amendments	This EqIA is a working document and may need to be amended once budget engagement begins to reflect any issues that may arise.

9. Corporate Equality Group member approval	
Do you agree or disagree with this assessment?	Agree
If disagree, please explain why?	
Name of Corporate Equality Group Member	Anne Foreman
Date	30/10/2023

10. Director/ Head of Service approval	
Do you agree or disagree with this assessment?	Agree

If disagree, please explain why?	
Name of Director/Head of Service	Jon Ritchie- Director of Resources
Date	30/10/2023

Please return the document to the Author and Corporate Equality Group member.

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North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Report of the Overview and Scrutiny Co-ordination and Finance Committee's Scrutiny Task and Finish Group – Emergency Care in North Tyneside

Portfolio(s):	Elected Mayor	Cabinet Member(s):	Dame Norma Redfearn, Elected Mayor
	Public Health and Wellbeing		Councillor Karen Clark
	Adult Social Care		Councillor Janet Hunter

Report from Service Area: Governance

Responsible Officer: Jon Ritchie, Director of Resources (Tel: 0191 643 5720)

Wards affected: All

PART 1

1.1 Executive Summary:

A motion was agreed by full Council on 16 March 2023 regarding emergency healthcare provision in North Tyneside. In response to that motion, the Elected Mayor requested the Chair of Overview and Scrutiny Co-ordination and Finance Committee (OSCFC) to consider establishing a Scrutiny Task and Finish Group to take forward the matters set out in that motion. This was agreed by the Chair of OSCFC.

This report has an Appendix that sets out the findings and recommendations from the cross-party Scrutiny Task and Finish Group established in Summer 2023 to examine emergency healthcare provision in North Tyneside. The Task and Finish Group has found that:

- (a) An excellent standard of emergency care and urgent treatment is available to North Tyneside residents
- (b) More work could be done to improve public awareness in North Tyneside on the differences between emergency care and urgent treatment – and when, how and where to access each type of care
- (c) Public transport, particularly to the Northumbria Specialist Emergency Care Hospital (NSECH) site in Cramlington, is likely to impact upon the accessibility of that site for some North Tyneside residents when visiting the hospital for non-emergency purposes (travel for emergency care would be expected to be available by ambulance).

The cross-party Task and Finish Group has made recommendations related to these findings, for Cabinet’s consideration, which are set out in the Appendix to this report. The OSFC requests that Cabinet publishes a response to the findings and recommendations of its Task and Finish Group in accordance with the requirements of the Local Government Act 2000.

1.2 Recommendation(s):

It is recommended that Cabinet:

Considers and formulates a response to the findings and recommendations of the Overview and Scrutiny Co-ordination and Finance Committee’s Task and Finish Group on the provision of emergency healthcare provision in North Tyneside presented to Cabinet in the Appendix of the report.

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 19 October 2023.

1.4 Council Plan and Policy Framework

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

A caring North Tyneside – we will work to reduce inequality

A secure North Tyneside – We will tackle health and socio-economic inequalities across the borough

1.5 Information:

Background

- 1.5.1 On 16 March 2023 full Council considered and agreed a motion regarding access to emergency healthcare for residents of North Tyneside. As part of the motion, Council

agreed that the Elected Mayor should write to the local NHS Foundation Trust, *'asking them to set up a taskforce, with local authority involvement, to improve access to emergency care in North Tyneside'*.

- 1.5.2 The Elected Mayor considered this motion and wrote to Northumbria Healthcare NHS Foundation Trust as requested. Following discussion with the Authority's Chief Executive and the Chief Executive of Northumbria Healthcare NHS Foundation Trust, the Elected Mayor asked the then Chair of Overview, Scrutiny and Policy Development Committee to consider establishing a Scrutiny Task and Finish Group to give effect to the 'task force' requested by full Council. This approach had the advantage of allowing the 'task force' to have the statutory rights of scrutiny enjoyed by the Overview, Scrutiny and Policy Development Committee. It would also provide for a clear route for reporting on the issues and consideration of any recommendations by Cabinet.
- 1.5.3 The Overview, Scrutiny and Policy Development Committee was subsequently succeeded by the newly created Overview and Scrutiny Co-ordination and Finance Committee (OSCFC), in May 2023. The Chair of OSCFC considered the proposal for a Task and Finish group and as with the Chair of the former Overview, Scrutiny and Policy Development Committee, agreed such a group should be established, to take forward the matters set out in the Council motion.
- 1.5.4 An invitation was extended to all non-Executive members of the Authority for volunteers to participate in the work of the Emergency Care Scrutiny Task and Finish Group. All members who came forward by the set date were invited to participate in this work and the cross-party Task and Finish Group was established in July 2023.

Approach

- 1.5.5 On 12 June 2023 OSCFC agreed the objectives that the Task and Finish Group would seek to achieve through its work scrutinising Emergency Healthcare in North Tyneside, pursuant to the Motion agreed in March 2023. These objectives were:
- a) **Need:** Gain an understanding of the need for emergency care in North Tyneside – particularly the Public Health view of the needs of the population
 - b) **The current offer and performance:** Gain an understanding of the current range of services and how they perform
 - c) **Background:** Gain an understanding of the decisions made to reach this point
 - d) **Northumbria Specialist Emergency Care Hospital:** gain an understanding on the reasons for the original decision to develop and deliver the Hospital, how that has worked and how the model has been adjusted through experience

- e) **Battle Hill Walk In Centre:** The reasons for the original decision to establish the centre. How it performed and what changed
- f) **North Tyneside General Hospital:** an overview of the current offer at the Rake Lane site including input from the Director of Adult Social Care on the work done by the Authority's team alongside NHS colleagues at North Tyneside General Hospital
- g) **Community and patient voices:** Understand what is known about community views, and whether residents know how and where to access emergency care
- h) **What could be improved and how would that happen:** Understand and existing plans and develop recommendations on how need is met and how to respond to any community views

1.5.6 The Task and Finish Group then adopted the following methodology in respect of the agreed objectives:

- a) The Task and Finish Group received and considered detailed information on emergency healthcare and urgent treatment prepared by the Director of Public Health and Public Health Team, the Director of Adult Social Care, Northumbria Healthcare NHS Foundation Trust and the Integrated Care Board (North East and Cumbria)
- b) The Task and Finish Group hosted an initial evidence gathering and scrutiny session with senior officers from the Authority and Northumbria Healthcare NHS Foundation Trust (with information also provided at this session on behalf of the Integrated Care Board)
- c) Site visit for the Task and Finish Group to North Tyneside General Hospital (Rake Lane), North Shields
- d) Site visit for the Task and Finish Group to Northumbria Specialist Emergency Care Hospital (NSECH), Cramlington
- e) The Task and Finish Group then held a concluding session (all Task and Finish Group members being invited) for evaluation of evidence and formulation of findings and recommendations.

Key Findings

1.5.7 The full report of the Task and Finish Group, setting out the evidence on which findings and recommendations have been based, is attached as an Appendix to this report. Key findings are summarised below.

1.5.8 The Task and Finish Group found that there is an **excellent standard of emergency care available to residents of North Tyneside**. The Task and Finish Group hopes that this finding, based on the evidence set out in section 3.2 of their report attached as an Appendix, will be reassuring to residents and members of the Authority alike.

- 1.5.9 The Task and Finish Group through the OSCFC recommends to Cabinet that the agreed performance standards for emergency healthcare provision covering North Tyneside should be regularly communicated to North Tyneside residents, by the Authority working with partner organisations. This will help inform North Tyneside residents that at whichever site emergency care is accessed by them, national statistics demonstrate that performance is currently of a very high standard. Providing such performance information may help to alleviate any concerns or misperception around the quality of emergency healthcare available to residents of the borough.
- 1.5.10 The Task and Finish Group also found that **more work could be done to improve public awareness in North Tyneside on the differences between ‘emergency care’ and ‘urgent treatment’** – and when, how and where to access each type of care. The Task and Finish Group found that the terminology used to describe these different types of care, and consequently when and where to access the right type of care, may not be widely understood by those of us outside of a healthcare environment. It is important that there is a wide public understanding on this matter and that all residents have this essential information ahead of a time when either route into care might be needed – so that we know where to go for help and when.
- 1.5.11 The Task and Finish Group, through the OSCFC therefore recommends that a communication campaign should be developed within the borough, involving the Authority and partner organisations, highlighting the distinction between ‘emergency care’ and ‘urgent treatment’ and when, where and how to access each type of care. If this message could be shown simply (on a flowchart or similar) and regularly re-emphasised it will help residents access the right care path at the right time, and lead to a better experience and better outcomes for residents.
- 1.5.12 Finally, the Task and Finish Group found that **public transport from North Tyneside to the Northumbria Specialist Emergency Care Hospital (NSECH) in Cramlington, in particular, could be problematic**. Given the serious and life-threatening nature of conditions which are treated via emergency care, any journey to NSECH to access such care would be expected to take place by ambulance or with the patient as a passenger in a private car (rather than by public transport). However, for non-emergency care the matter of public transport is something likely to be material to the experience of our residents accessing other types of healthcare at this site, or when visiting loved ones at the hospital. Evidence demonstrated that journey times for some North Tyneside residents attending out of borough healthcare sites on public transport in 2022/23 had increased significantly when compared with journey times from 2014/15. For those reliant on public transport when travelling to the NSECH site, this trend is of concern.
- 1.5.13 Accordingly, the Task and Finish Group through the OSCFC recommends that further specific work should be undertaken by the Authority and Northumbria Healthcare NHS Foundation Trust, working with partner organisations as required, to explore transport

options that might be implemented to improve accessibility to the NSECH site for non-emergency care for North Tyneside residents.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To agree the recommendation set out at section 1.2 above.

Option 2

Not to agree the recommendation set out at section 1.2 above.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

As the Overview and Scrutiny Co-ordination and Finance Committee has given notice that Cabinet is required to provide a response to the findings of its Task and Finish Group's report, Cabinet is obliged to accept the report and to formulate a response in accordance with requirements of the Local Government Act 2000.

1.8 Appendices:

Appendix: *Emergency Care in North Tyneside: Report of the Overview and Scrutiny Co-ordination and Finance Committee's Scrutiny Task and Finish Group, October 2023*

1.9 Contact officers:

Allison Mitchell, Head of Governance, tel. (0191) 643 5720

David Mason, Head of Finance, tel. (0191) 643 3293

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:

Motion 4 passed by full Council on 16 March 2023:

(<https://democracy.northtyneside.gov.uk/documents/g779/Public%20reports%20pack%2016th-Mar-2023%2018.00%20Council.pdf?T=10>)

The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 ([The Local Authority \(Public Health, Health and Wellbeing Boards and Health Scrutiny\) Regulations 2013 \(legislation.gov.uk\)](#))

The Local Government Act 2000, Section 9FE ([Local Government Act 2000 \(legislation.gov.uk\)](#))

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

It is expected that there will be no financial implications to the Authority arising directly from the recommendations set out in this report:

- The recommendations regarding communications are anticipated to be capable of delivery via existing communications methods used by the Authority (e.g. the Our North Tyneside residents' newsletter, and social media channels) at no additional cost
- The recommendation relating to transport is intended to influence external agencies who may be able to address the matter of improved public transport from North Tyneside to the NSECH site at Cramlington. As such, it is not expected that there will be direct costs to the Authority from this recommendation.

2.2 Legal

In accordance with section 9FE of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Committee within two months. When providing such a response Cabinet is required to state whether or not it accepts each recommendation and the reasons for its decision. Cabinet must also indicate what action, if any, it proposes to take.

Cabinet will therefore need to provide its response to the OSCFC's Task and Finish Group Report in January 2024.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Task and Finish Group has invited the participation of all non-Executive elected members who volunteered to participate in the cross party Task and Finish Group, in addition to engagement with North Tyneside Council's Chief Executive, Director of Adult Social Care, Director of Public Health, the Authority's Public Health Team and North Tyneside Council staff based in North Tyneside General Hospital (Rake Lane).

2.3.2 External Consultation/Engagement

The Task and Finish Group has engaged directly with the Chief Executive, Chief Operating Officer, Business Unit Director for Emergency Surgery and Elective Care, and Director of Nursing at Northumbria Healthcare NHS Foundation Trust, in addition to Trust staff based at

North Tyneside General Hospital (Rake Lane) and Northumbria Specialist and Emergency Hospital (NSECH).

In addition, the Task and Finish Group has engaged directly with the Director of Place (North Tyneside) of the Integrated Care Board (North East and Cumbria).

2.4 Human rights

There are no direct human rights implications arising from this report.

2.5 Equalities and diversity

There are no direct equalities implications arising from this report. The Emergency Care Task and Finish Group did however examine the impact of deprivation on the health needs of the borough, and data on age and gender. This evidence helped to inform the findings and recommendations set out in the Appendix to the report which are summarised in this Cabinet report.

2.6 Risk management

There are no specific risks arising from the recommendations in this report. Should any risks be identified as work progresses, these will be managed in accordance with the Authority's agreed risk management framework.

2.7 Crime and disorder

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

2.8 Environment and sustainability

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

Emergency Care in North Tyneside

Report of the Overview and Scrutiny
Co-ordination and Finance Committee's
Task and Finish Group

October 2023



North
Tyneside
Council

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Foreword by the Emergency Care Scrutiny Task and Finish Group

At some time in the lives of every North Tyneside resident, each of us, or a family member or loved one is likely to need access to urgent medical treatment or may need emergency healthcare.

As individuals it is something that few of us might think about before the need arises. But when that need does, it is essential that we know how to access the right help, that we can do so easily and quickly at what might be a very difficult time in unfamiliar circumstances, and that we have confidence that good emergency care or urgent treatment will be there for us.

The Emergency Care Scrutiny Task and Finish Group has been pleased to undertake a review of this important area on behalf of the residents of North Tyneside, as requested by the Elected Mayor in response to a motion of Full Council. The cross party Task and Finish Group has been careful to make sure that our deliberations, findings and recommendations are soundly evidence-based. Where necessary we have probed and questioned further to ensure that the information needed to form a fair and balanced judgement has been made available to us.

Our findings show that **an excellent standard of emergency care and urgent treatment is available to residents of the borough**. The Task and Finish Group hopes that this will be reassuring to residents and members of Council alike. Set out in the main body of this report is the evidence on which we have formed this view.

There are also, as might be expected from a review of this kind, some areas in which we would recommend that further development work is done. This includes **raising public awareness around what is meant by 'emergency care' and 'urgent treatment'**, the distinction between these types of care and where each type of treatment can be accessed. It is important that there is a wide public understanding on this matter and that all residents have this essential information ahead of any time when either route into care might be needed.

We have also highlighted some important considerations around **transport and the accessibility of hospital sites to North Tyneside residents**, particularly the Northumbria Specialist Emergency Care Hospital (NSECH) at Cramlington. The care model available at this site designed to enable consultant and specialist access is undoubtedly first rate. Transport for emergency care to NSECH would not be expected to be by public transport, given the serious / life threatening nature of conditions which would be treated via the emergency care route; with

such journeys instead expected to take place via ambulance or with the patient as a passenger in a car. However travel – particularly by public transport – is a matter likely to be material to the experience of our residents when accessing non-emergency care here, or visiting loved ones in hospital, and is an issue which we have recommended is examined in further detail and kept under close review.

The Task and Finish Group would like to thank the many individuals and organisations who have assisted in our work, some of whom we have been able to formally acknowledge by name at the end of this report. Of particular note however was the passion, enthusiasm, ownership and above all, care that was clearly evident from hospital clinical and ward staff, and North Tyneside Council staff who are hospital-based, during a site visit we undertook at North Tyneside General Hospital at Rake Lane, North Shields; and the clinical and ward staff on our site visit to the NSECH site at Cramlington. We should be grateful if the appreciation and thanks of the Task and Finish Group could be conveyed to staff at both of these sites.

As agreed by full Council in response to a further motion on 19 September 2023, additional scrutiny work will be undertaken by the Task and Finish Group in respect of certain wider healthcare matters. Plans are currently being developed to progress this further work which will be undertaken and reported separately to the scrutiny of emergency care which is set out in this document.

In the meanwhile we would commend this report and its recommendations to Cabinet and other stakeholders and hope that our findings provide a strong catalyst to make further improvements in the areas highlighted.

Cllr Jim Montague (Chair)

On behalf of the Emergency Care Scrutiny Task and Finish Group

Key Findings and Recommendations

Finding 1

An excellent standard of Emergency Care is available to North Tyneside residents.

The Task and Finish Group found that there is an excellent standard of emergency care and urgent treatment available to residents of North Tyneside. The Task and Finish Group hopes that this finding, based on the evidence set out in section 3.2 of this report, will be reassuring to residents and members of the Council alike.

The Task and Finish group recommends:

The agreed performance standards for emergency healthcare provision covering North Tyneside should be regularly communicated to North Tyneside residents, by the local authority working with partner organisations.

This will help inform North Tyneside residents that at whichever site emergency care is accessed by them, national statistics demonstrate that performance is currently of a very high standard. Providing such performance information may help to alleviate any concerns or misperception around the quality of emergency healthcare available to residents of the borough.

Finding 2

More work could be done to improve public awareness in North Tyneside on the differences between 'emergency care' and 'urgent treatment' – and when, how and where to access each type of care.

The Task and Finish Group found that the terminology used to describe these different types of care, and consequently when and where to access the right type of care, may not be widely understood by those of us outside of a healthcare environment. It is important that there is a wide public understanding on this matter and that all residents have this essential information ahead of a time when either route into care might be needed – so that we know where to go for help and when.

The Task and Finish group recommends:

A communication campaign should be developed within the borough, involving North Tyneside Council and partner organisations, highlighting the distinction between 'emergency care' and 'urgent treatment' and when, where and how to access each type of care.

If this message could be shown simply (on a flowchart or similar) and regularly re-emphasised it will help residents access the right care path at the right time, and lead to a better experience and better outcomes for residents.

Finding 3

Transport, particularly to the non-emergency departments based at the Northumbria Specialist Emergency Care Hospital (NSECH) site in Cramlington, or when visiting loved ones in NSECH, is likely to impact upon the accessibility of that site for some North Tyneside residents.

The Task and Finish Group found that public transport from North Tyneside to the Northumbria Specialist Emergency Care Hospital in Cramlington, in particular, could be problematic.

Given the serious and life threatening nature of conditions which are treated via emergency care, any journey to NSECH to access such care would be expected to take place by ambulance or with the patient as a passenger in a private car (rather than by public transport). However for non-emergency care the matter of public transport is something likely to be material to the experience of our residents accessing other types of healthcare at this site, or when visiting loved ones at the hospital. Evidence demonstrated that journey times for some North Tyneside residents attending out of borough healthcare sites on public transport in 2022/23 had increased significantly when compared with journey times from 2014/15. For those reliant on public transport when travelling to the NSECH site, this trend is of concern.

The Task and Finish group recommends:

Further specific work should be undertaken by North Tyneside Council and Northumbria Healthcare NHS Foundation Trust, working with partner organisations as required, to explore transport options that might be implemented to improve accessibility to the NSECH site for non-emergency care for North Tyneside residents.

The Task and Finish Group hopes that a solution to this accessibility issue can be found and that the matter of journey times for North Tyneside residents to the NSECH site is thereafter regularly monitored by the Authority and by Northumbria Healthcare NHS Foundation Trust.

1 Background

On 16 March 2023 full Council considered and agreed a motion regarding access to emergency healthcare for residents of North Tyneside. The full text of the motion is shown at **Appendix 1** to this report.

As part of the motion, Council agreed that the Elected Mayor should write to the local NHS Foundation Trust, *'asking them to set up a taskforce, with local authority involvement, to improve access to emergency care in North Tyneside'*.

The Elected Mayor considered this motion and wrote to Northumbria Healthcare NHS Foundation Trust as requested. Following discussion with the Chief Executive of North Tyneside Council and the Chief Executive of the Foundation Trust, the Elected Mayor asked the then Chair of Overview, Scrutiny and Policy Development Committee to consider establishing a Scrutiny Task and Finish Group to give effect to the 'task force' requested by Council. This approach had the advantage of allowing the 'task force' to have the statutory rights of scrutiny. It would also provide for a clear route for reporting on the issues and consideration of any recommendations.

The Overview, Scrutiny and Policy Development Committee was subsequently succeeded by the newly-created Overview and Scrutiny Co-ordination and Finance Committee (OSCFC), in May 2023. The Chair of OSCFC considered the proposal for a Task and Finish group and as with the Chair of Overview, Scrutiny and Policy Development Committee, agreed such a group should be established, to take forward the matters set out in the Council motion.

An invitation was extended to all non-Executive members of North Tyneside Council for volunteers to participate in the work of the Emergency Care Scrutiny Task and Finish Group. All members who came forward by the set date were invited to participate in this work and the cross party Task and Finish Group was established in July 2023.

2 Objectives of the Task and Finish Group

At its meeting on 12 June 2023 the Overview and Scrutiny Co-ordination and Finance Committee agreed the following objectives for the Task and Finish Group, pursuant to the original Council motion of March 2023:

- **Need:** Gain an understanding of the need for emergency care in North Tyneside – particularly the Public Health view of the needs of the population
- **The current offer and performance:** Gain an understanding of the current range of services and how they perform
- **Background:** Gain an understanding of the decisions made to reach this point
- **Northumbria Specialist Emergency Care Hospital:** gain an understanding on the reasons for the original decision to develop and deliver the Hospital, how that has worked and how the model has been adjusted through experience
- **Battle Hill Walk In Centre:** The reasons for the original decision to establish the centre. How it performed and what changed
- **North Tyneside General Hospital:** an overview of the current offer at the Rake Lane site including input from the Director of Adult Social Care on the work done by the North Tyneside Council team alongside NHS colleagues at North Tyneside General Hospital
- **Community and patient voices:** Understand what is known about community views, and whether residents know how and where to access emergency care
- **What could be improved and how would that happen:** Understand and existing plans and develop recommendations on how need is met and how to respond to any community views

3 Detailed Findings

The findings of the Task and Finish Group with respect to each objective in the agreed Terms of Reference are set out below. Where the information and evidence could be presented more effectively by grouping related objectives together, this is the approach which has been taken in our reporting.

3.1 Need:

what is the need for emergency care in North Tyneside, particularly from a public health perspective?

The Task and Finish Group considered a very detailed suite of information on matters relevant to the need for emergency care within the borough. This was prepared by the local authority's Director of Public Health, the Public Health team and the Director of Adult Social Care, with additional information also prepared by Northumbria Healthcare NHS Foundation Trust, and the NHS North East and Cumbria Integrated Care Board.

Overview of health and wellbeing in the borough

The Director of Public Health provided the Task and Finish Group with an overview of health and wellbeing of residents of the borough (including information on which health conditions, statistically, contribute to illness of residents, and how this drives demand for healthcare; whether access to healthcare is equal; and factors which are known to cause premature mortality in North Tyneside residents). The Task and Finish Group also viewed the outcomes of a 2022/23 'deep dive' into the utilisation of urgent and emergency care by our residents and the impact of changes to services which was particularly helpful and which is discussed further below.

Indicators of health and wellbeing, and wider determinants of health

The Task and Finish Group learned that although over the last two decades many indicators of health and wellbeing have improved significantly in the borough, some of these indicators for North Tyneside are worse than the England average. In addition some health inequalities were found to persist within the borough. Overall the picture of health and wellbeing in North Tyneside is therefore mixed and there is also a varied picture in terms of wider determinants and risk factors for key measures of health and wellbeing, such as mortality and morbidity. The Task and Finish Group heard that in turn, this is likely to impact upon emergency

care need within the borough and the likelihood / frequency of needing to access such care, described further below.

We know that health is shaped by a range of social, economic and environmental factors and that where we are born, grow up and live are important. The availability of good jobs and good and affordable homes is key for good health and reducing inequalities. Regarding poverty, all North Tyneside indicators are better than the North East average but the Task and Finish Group noted that this masks some differences within the borough.

Deprivation and life expectancy

The Task and Finish Group also recognise that many health and risk factor indicators are patterned by deprivation. The level of deprivation in an area is calculated based on income, employment, crime, health, barriers to housing, and the living environment. Where there is deprivation, in turn this is relevant to a consideration of impact on health and wellbeing. Information on the English Indices of Deprivation for North Tyneside (2019) is demonstrated on the map below.

Figure 1 – North Tyneside Wards (English Indices of Deprivation 2019)

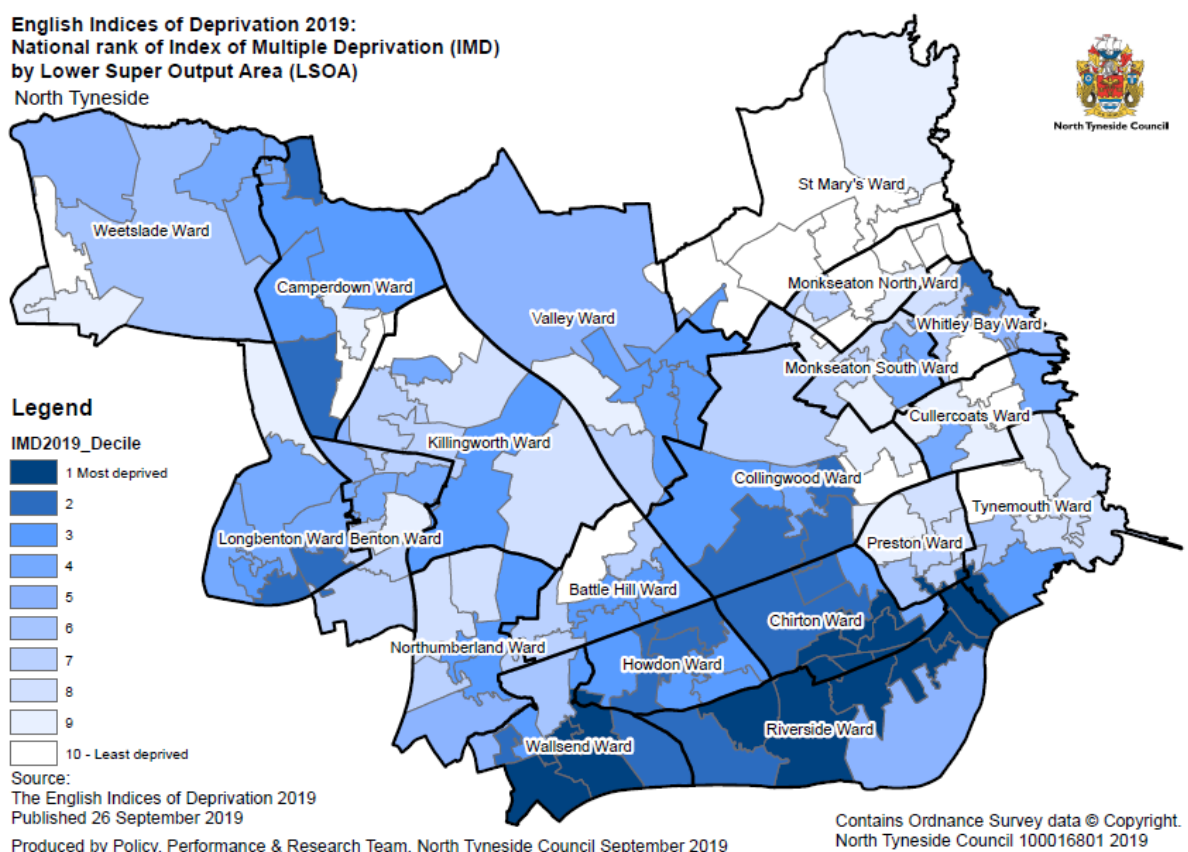


Figure 2: Trends in life expectancy and premature mortality (female and male) in England, the North East Region and North Tyneside

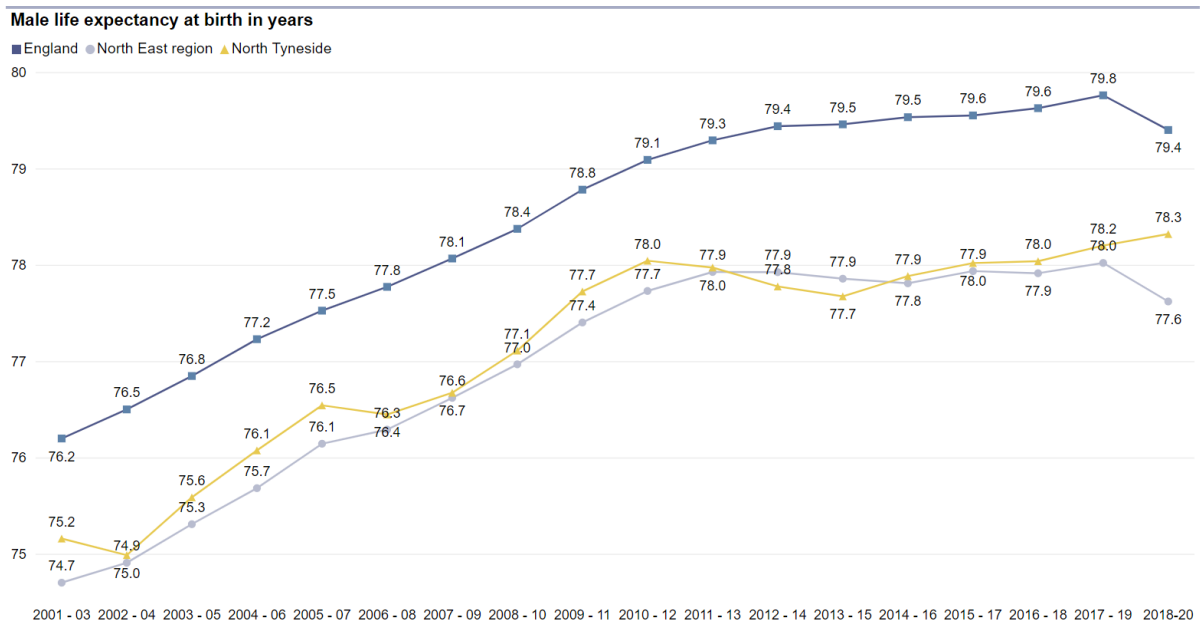
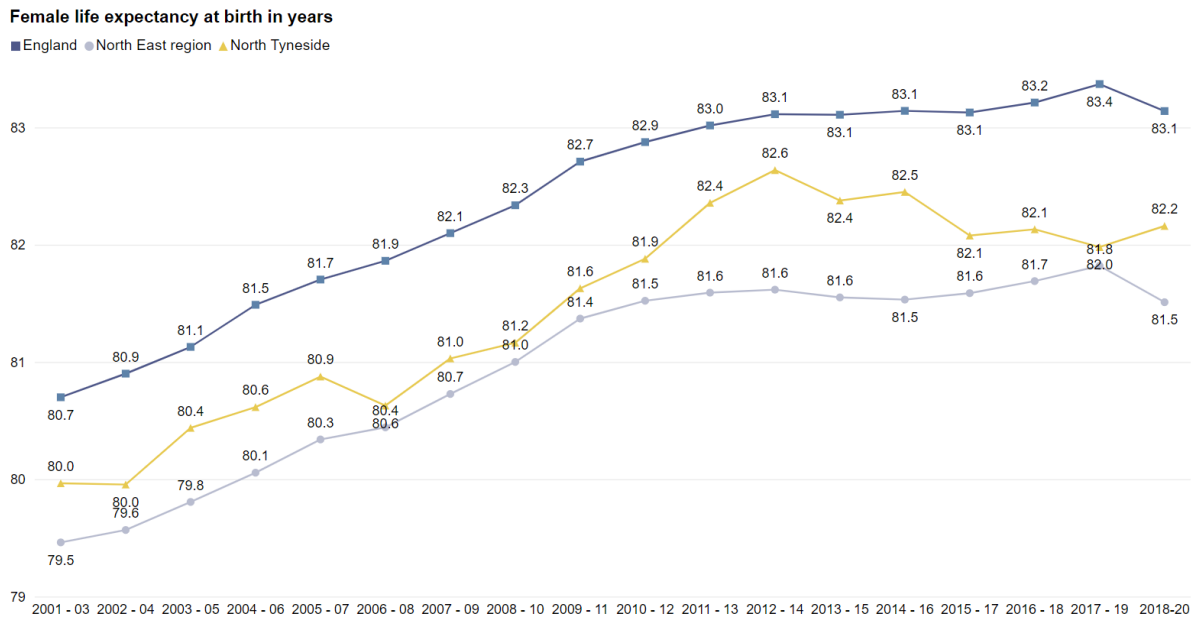
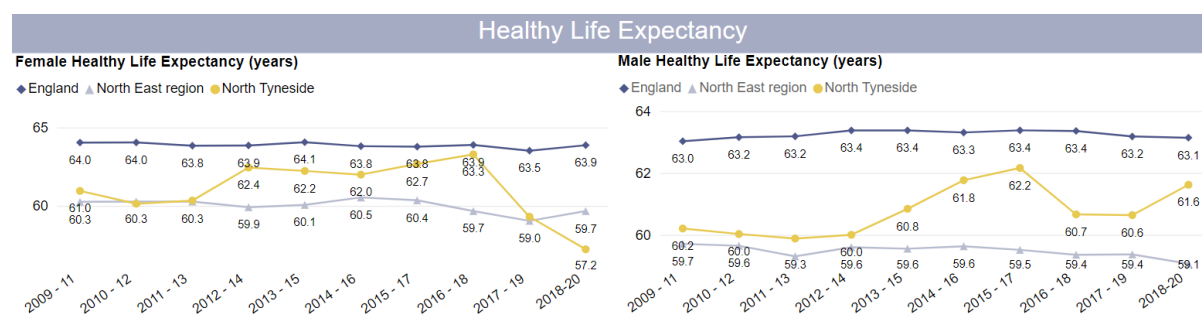


Figure 3: Trends in healthy life expectancy in years (female and male)



Life expectancy and premature mortality in North Tyneside

2011 marked a turning point in life expectancy trends (across the UK and also in North Tyneside) with improvements tailing off. The reasons for the slowdown in life expectancy improvements between 2011 and 2019 are unclear and have been keenly debated. However the decline since 2020 has been a result of the Covid-19 pandemic. Life expectancy at birth differs by sex, with female life expectancy currently 82.2 years overall in North Tyneside (better than the North East average, but 0.9 years lower than England). Male life expectancy in North Tyneside is currently 78.3 years overall (better than the North East average but 1.1 years lower than England). It was explained by the Director of Public Health that in North Tyneside there are generally higher rates of premature mortality than England overall; but that North Tyneside’s statistics are better than the regional average in this regard.

In understanding more about the health and wellbeing of residents in the borough, the Task and Finish Group learned that the following conditions account for over 35% of the total premature mortality in North Tyneside:

- Ischaemic heart disease
- Lung cancer
- Chronic Obstructive Pulmonary Disease (COPD)
- Stroke
- Lower respiratory infections

There is a mixed picture for our residents in terms of risk factors for premature mortality. For some indicators, such as cancer screening programmes, North Tyneside is similar or better than England as a whole and the North East region. On some other indicators, such as some alcohol indicators, North Tyneside is

worse than England and the wider North East region. Wider determinants of health and some behavioural factors may be factors in these variations.

Healthy life expectancy

A further measure of health, namely healthy life expectancy, examines how long on average a person can expect to live in good health. This is measured by mortality rates and self-reported good health. This has fallen in the last decade but the decrease in female healthy life expectancy is most significant. For women, healthy life expectancy in North Tyneside is 57.2 years, which is lower than the wider North East region and in England as a whole. For males, healthy life expectancy in North Tyneside is 61.6 years which is the best in the North East and similar to the England average.

In terms of health related quality of life for older people, data captured in 2016/17 showed that North Tyneside residents had a similar score to England overall and the second highest in the North East region. Self reported wellbeing is also high. However, emergency admissions for falls by residents in the 65+ age bracket are higher than in England as a whole.

The burden of disease, and risk factors

In terms of 'the burden of disease' in North Tyneside, the Task and Finish Group learned that the following conditions account for over 25% of illness for North Tyneside residents:

- Ischaemic heart disease
- Lung cancer
- Chronic Obstructive Pulmonary Disease (COPD)
- Lower back pain
- Diabetes

In terms of risk factors for health and wellbeing there is a mixed picture for the North Tyneside population. Some indicators are the best in the region and similar/better than England (e.g. not smoking in pregnancy). Some indicators are the worst in the region and worse than England (e.g. under 18 alcohol hospital admissions).

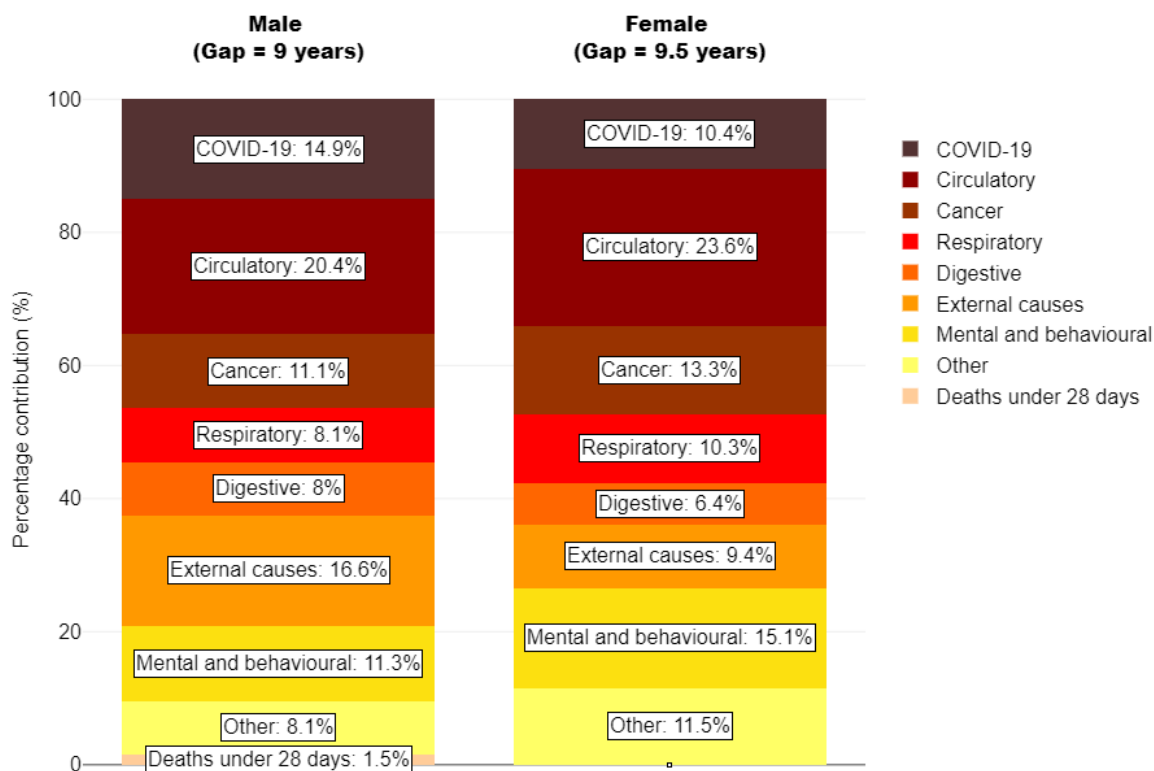
Inequalities in health and wellbeing for the North Tyneside population

Life expectancy is not equal. Health, wellbeing, illness and premature mortality are not evenly distributed across North Tyneside’s residents. There is a gap in life expectancy and healthy life expectancy. Men and women in more deprived areas live shorter lives compared to residents in our least deprived areas, and also spend longer in ill health. This gap has widened and is bigger than the England gap. It is these differences that drive much of the work of the Health and Wellbeing Board and ‘Equally Well’, the joint Health and Wellbeing Strategy for North Tyneside for 2021–25.

Gap in life expectancy - drivers

The main drivers of this gap in life expectancy are heart disease and stroke. However the Task and Finish Group heard that mental health, injury, poisoning, suicide, cancer and Covid-19 have also played a part. Smoking and obesity are the main risk factors for some of these conditions – and there are inequalities in who experiences them.

Figure 4: what contributes to the gap in life expectancy?



People in more deprived areas have shorter lives and spend more time in poor health. Self-reported poor health contributes to healthy life expectancy more than changes in mortality rates. Conditions that lead to mortality are not always the same conditions which make people feel unwell, such as back pain, or mental health. People with chronic musculoskeletal conditions are three times more likely to report poor health than those without. Access to treatment, during and post pandemic, may further impact self-reported poor health. Risk factors such as smoking status, lack of physical activity, education and income are associated with self-reported poor health.

Variation in life expectancy by ward

The Task and Finish Group obtained the following information demonstrating the differences in life expectancy by ward in the borough.

Figure 5 – Map showing life expectancy by ward in North Tyneside (Females 2016–20)

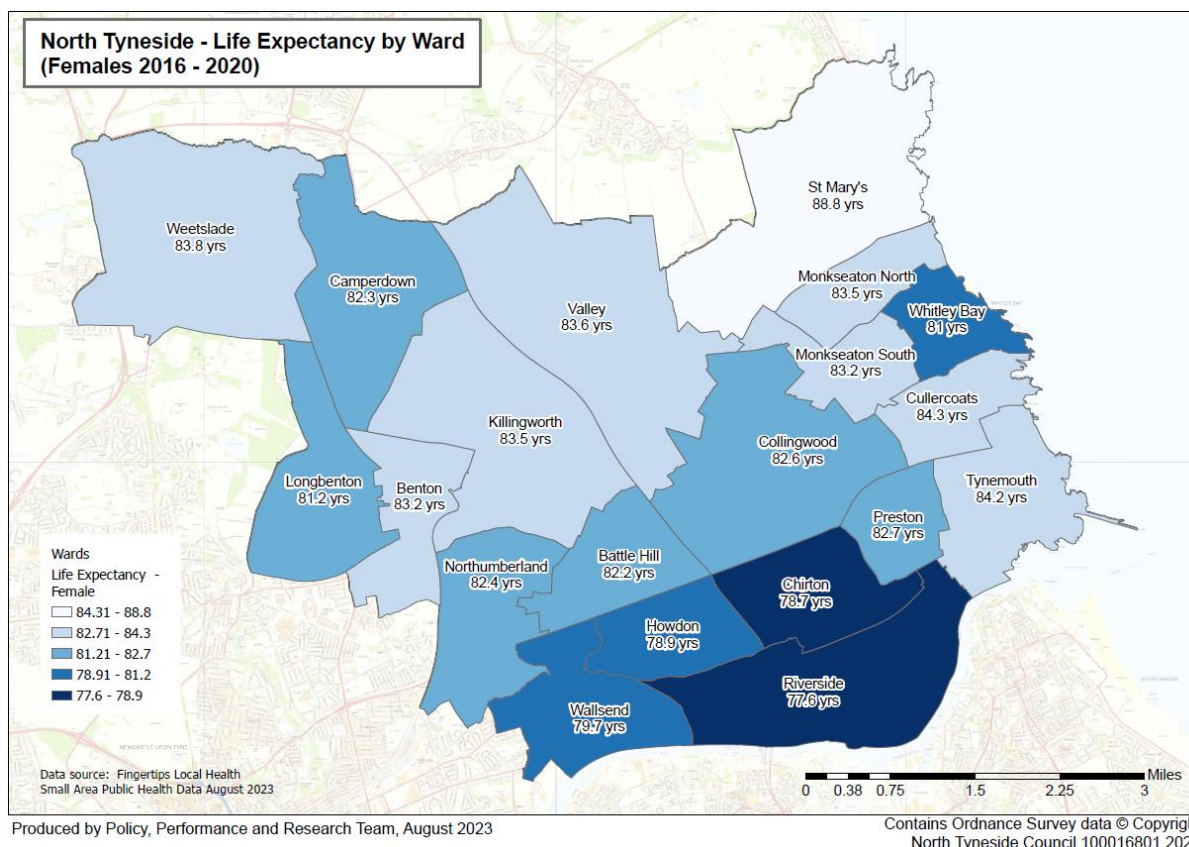
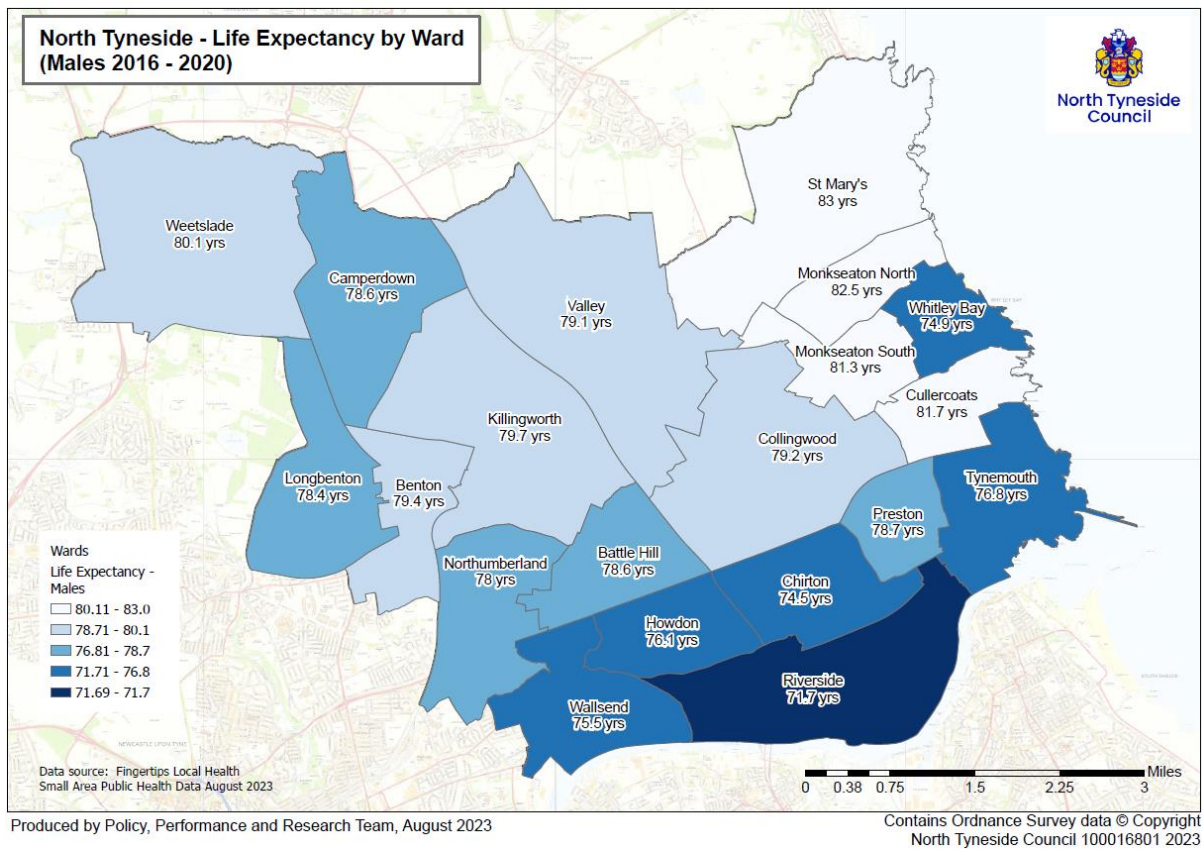


Figure 6 – Map showing life expectancy by ward in North Tyneside (Males 2016–20)



Information on the variation in deaths from certain conditions was also obtained, as follows:

Figure 7 – Map showing deaths from circulatory disease by ward in North Tyneside (2016–20)

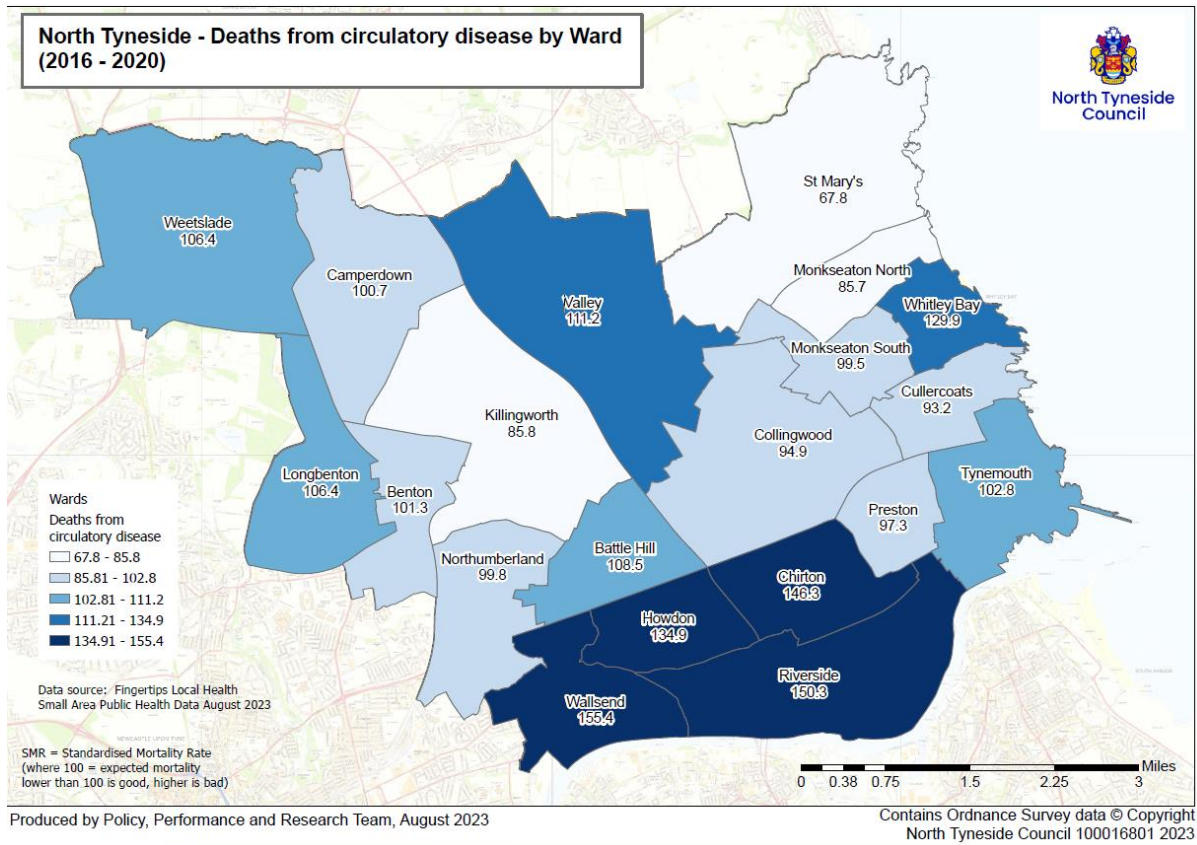
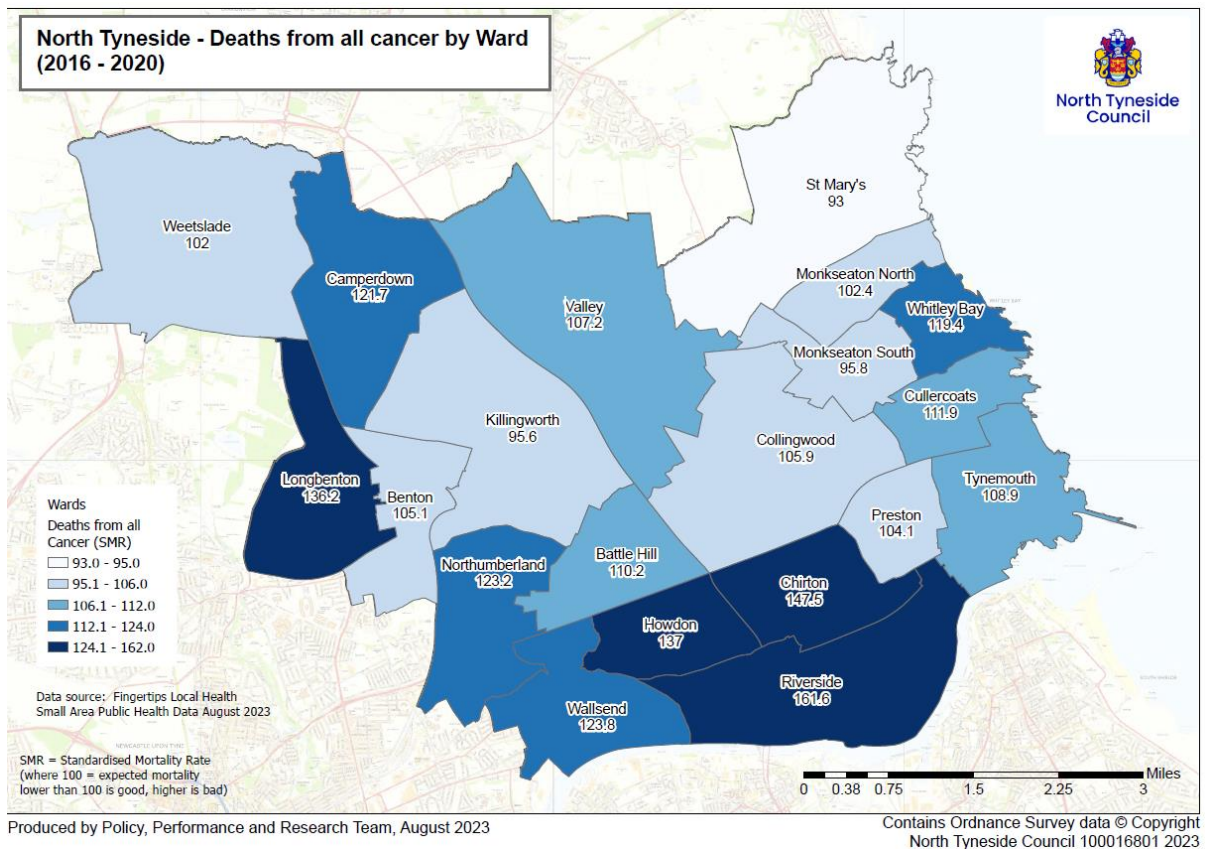


Figure 8 – Map showing deaths from all cancer by ward in North Tyneside (2016–20)



North Tyneside - ward level variation in the demand for healthcare

The Task and Finish Group learned that emergency hospital admissions rates between 2016/17 – 2020/21 showed variation between wards. Generally, this followed the deprivation gradient, although some differences were dependent on the reason for admission. This is demonstrated in the table below:

Figure 9: Causes of emergency hospital admissions in North Tyneside Wards

Cause of emergency hospital admission	Council Ward with highest emergency hospital admission	Council Ward with lowest emergency hospital admission
All causes	Riverside (1.76x England)	St Mary's (less than England)
Heart attacks	Chirton (1.67x England)	Monkseaton North (less than England)
Heart disease	Chirton 1.79x England)	Weetslade (less than England)
COPD (2016/17 – 2020/21)	Riverside (almost 3x England)	St Mary's (less than 1/3 England)

Factors driving utilisation of urgent and emergency care in North Tyneside

When probing as to the reasons why North Tyneside residents have a need to utilise urgent and emergency care, the Task and Finish Group were advised that the following determinants are likely to play a part:

- Our population is ageing
- As described above, life expectancy is stalling – and healthy life expectancy is falling
- There is an expected increase in long term conditions including mental health conditions
- There are inequalities in risk factors and in outcomes
- a post pandemic backlog/perceived backlog in elective care
- the cost-of-living crisis.

These matters are subject to ongoing monitoring as part of the Public Health team's programme of work, with the outcomes of that monitoring shared and considered within the Authority and Health and Wellbeing Board when considering policy, and with wider stakeholder organisations which in partnership have a role to play regarding health and wellbeing within the borough.

3.2 The current offer and performance:

What are the current range of services and how do they perform?

'Emergency Care' and 'Urgent Care' – what's the difference, and is the difference understood?

An important point noted by the Task and Finish Group relates to the language used to describe the types of care available – 'emergency care' and 'urgent care'. However, the Task and Finish group has questioned whether the distinction between these types of care is widely understood by residents who may not have had cause to become familiar with this terminology and what it means.

This is an important matter. Understanding what these two care routes mean will help a resident to choose the right one, and be better able to gain access to the support they need when help is required. In turn this means that residents will get the appropriate care first time which will also be more efficient in terms of service delivery.

What is Urgent Care and how can it be accessed?

'Urgent care' is defined by the NHS as **providing medical care for minor injuries and minor illnesses which are not life-threatening**. Examples of urgent care needs might be a minor head, ear or eye problem; sprains, strains, cuts and bites, children's minor injuries and ailments; or abscesses or wound infections.

The NHS website suggests the NHS111 telephone number, a pharmacy, a GP, or visiting the Urgent Treatment Centre at Rake Lane Hospital with walk-in access from 8am to midnight, as ways of accessing urgent care.

There are also two other Urgent Treatment Centres in Newcastle available to North Tyneside residents, at the Molineux Street Walk In Centre, in Byker and Ponteland Road Health Centre, in Cowgate; and an Urgent Treatment Centre in Wansbeck General Hospital in Ashington. In addition there is an Out of Hours home visiting service (18:30-08:00) and Out of Hours GPs. There is also access to a GP video consultation service for North Tyneside residents which operates 07:00-22:00 on weekdays and from 08:00 – 16:00 on weekends and bank holidays. The Task and Finish Group considers that these additional facilities, too, should be included in communication to residents when publicising routes towards urgent care.

What is Emergency Care and how can it be accessed?

'Emergency care' is defined by the NHS as **providing care for people with serious or life threatening needs**. Examples of serious or life-threatening care needs include suspected stroke, loss of consciousness, persistent and severe chest pain, severe burns and cuts, and serious head injuries.

The NHS website states that in the case of a serious or life-threatening illness or injury, to call 999 or to go to the nearest Emergency Department. For North Tyneside residents the website advises that the nearest Emergency Department will normally be the Royal Victoria Infirmary in Newcastle or NSECH in Cramlington.

The website also states that Emergency Departments are for emergencies only and that patients presenting with less serious problems will be referred for care elsewhere.

Making sure this information is well-known

The Task and Finish Group consider that regularly 'getting the word out' about the differences in these treatment pathways and when each is most appropriate would be beneficial for all of our residents. It would also help in conveying the message that appropriate care for all North Tyneside residents is available from a variety of sites and services, which should also bring reassurance. **We have included a recommendation to this effect at the beginning of this report.**

Access to Emergency and Urgent Care in North Tyneside

The Task and Finish Group received data showing that in 2019, 51.29% of our households were within 30 mins of a hospital by public transport or walking. This is better than the England average (33.18%) and North East and North Cumbria (38.66%).

99.42% of North Tyneside households were within 45 minutes (compared with an average of 66.64% in England).

The map below demonstrates proximity to hospital sites by North Tyneside residents. The darker the purple, the more households in that ward live within 30 minutes of a hospital by walking or public transport.

In an emergency situation, emergency care will always be provided at a site determined by clinical need and which hospital is closest to the patient.

The Task and Finish Group have considered this matter of distance / travel further, specifically in the context of North Tyneside residents and the siting of emergency care, and this is discussed below.

The importance of transport when accessing hospital sites

The Task and Finish Group requested and received useful information relating to how North Tyneside residents had travelled to hospital sites. The information focused on all North Tyneside residents who self-presented in 2014/15 (which was the last full financial year before the NSECH site opened) with those in 2022/23. The information excluded people who came to hospital by ambulance, and focused on attendance by other means.

The information also looked at how long a journey *should* take by car and public transport, not how long it *actually* took. This information was prepared on behalf of the local authority's Public Health team by the NHS North of England Commissioning Support Unit (NECS).

The data on transport journeys highlighted the following important points:

- **Car** – when travelling by car, most North Tyneside residents were within 12.5 minutes of the site they chose to attend. This was the case in 2014/15 and again in 2022/23
- **Public Transport** – the picture here was more complex. Journey times for patients who self-presented to Emergency Departments increased for North Tyneside residents between 2014/15 and 2022/23. In 2014/15 just over 60% of attendances would have taken less than 32.5 minutes on public transport, but this proportion fell to 18.9% in 2022/23. There were over 4,000 attendances in 2022/23 where it would have taken the patient over 57.5 minutes if they had travelled to the hospital site by public transport

Evidence viewed by the Task and Finish Group demonstrated that North Tyneside residents tended to attend the sites that they live closest to. However, when attendances for North Tyneside General Hospital, NSECH and the RVI are combined, there are still ward-level differences. Also, at all sites, attendance rates were higher in residents living in more deprived areas.

It is important to note that a person requiring emergency care would not be expected to travel by public transport, given the serious / life threatening nature of the medical conditions requiring this type of care. Ambulance travel (or travel as a passenger in a private car) would be expected for this type of care.

However, the Task and Finish group considers that the matter of transport is very important when evaluating the accessibility of non-emergency care at hospital sites – particularly those involving travel which is out of borough. It is an important area in which further specific work is needed. This is especially so in the case of travel for non-emergency care by residents living in areas identified as more deprived, where public transport may be the only option available.

The Task and Finish Group therefore recommends that further specific work on this area is performed with a view to improving transport arrangements for North Tyneside residents to hospital sites which are out of borough, in particular to the NSECH site. **We have included a recommendation to this effect at the beginning of this report.**

Utilisation of Urgent and Emergency Care by North Tyneside residents in 2022/23 – a 'Deep Dive'

The Task and Finish Group enquired as to the data available on access to emergency care and urgent care by North Tyneside residents. It was helpful to learn that a 'deep dive' of attendances in 2022/23 had provided data, in respect of each hospital site, as to from where in the borough residents have attended; when they attended; why they attended; and what happened in terms of ongoing care of those residents, after they had attended hospital.

It is worth bearing in mind the differences between emergency care and urgent treatment here. There are different reasons / medical conditions for accessing each type of care. Accordingly, it would be expected that the Urgent Treatment Centre and minor injuries unit attendance to be considerably higher than at the Emergency Departments of NSECH or the RVI. In addition, in the case of emergency care, choice is not usually applicable. In an emergency situation patients from North Tyneside would go to either NSECH or the RVI, dependent on clinical need and which hospital is closer to the patient.

The deep dive showed that in 2022/23 residents tended to have accessed sites nearer their homes. There were:

- 42,694 attendances at North Tyneside General Hospital Urgent Treatment Centre from North Tyneside residents, and
- 9,573 attendances at NSECH Emergency Department from our residents.

Residents also attended units in Newcastle and Northumberland, including

- 17,698 attendances at the Royal Victoria Infirmary Minor Injury Unit and Emergency Department (with highest numbers attending from Wallsend and the North West of the borough)
- 3,000 at Molineux Street Walk In Centre, Byker (highest numbers from North West and Wallsend)
- 976 at Ponteland Road Health Centre, Cowgate (almost all from the North West) and 970 to Wansbeck General Hospital Urgent Treatment Centre (again, highest numbers from the North West)
- Over 3,300 went elsewhere (highest from the North West)

The deep dive therefore demonstrated that North West residents were more likely to attend other units outside North Tyneside. It also showed that Wallsend residents were slightly more likely to attend North Tyneside General Hospital at Rake Lane than another unit.

Figures 11 to 14 below show where those residents who attended each site in 2022/23 lived, with the darker colours representing wards with higher rates of attendance. Residents tended to access the sites nearest their home. Figure 14 shows the attendance rate by ward for all three sites (North Tyneside General Hospital, NSECH and RVI) combined and shows that there were still ward level differences.

Figure 11 – North Tyneside General Hospital Urgent Treatment Centre Attendances by Ward (2022/23)

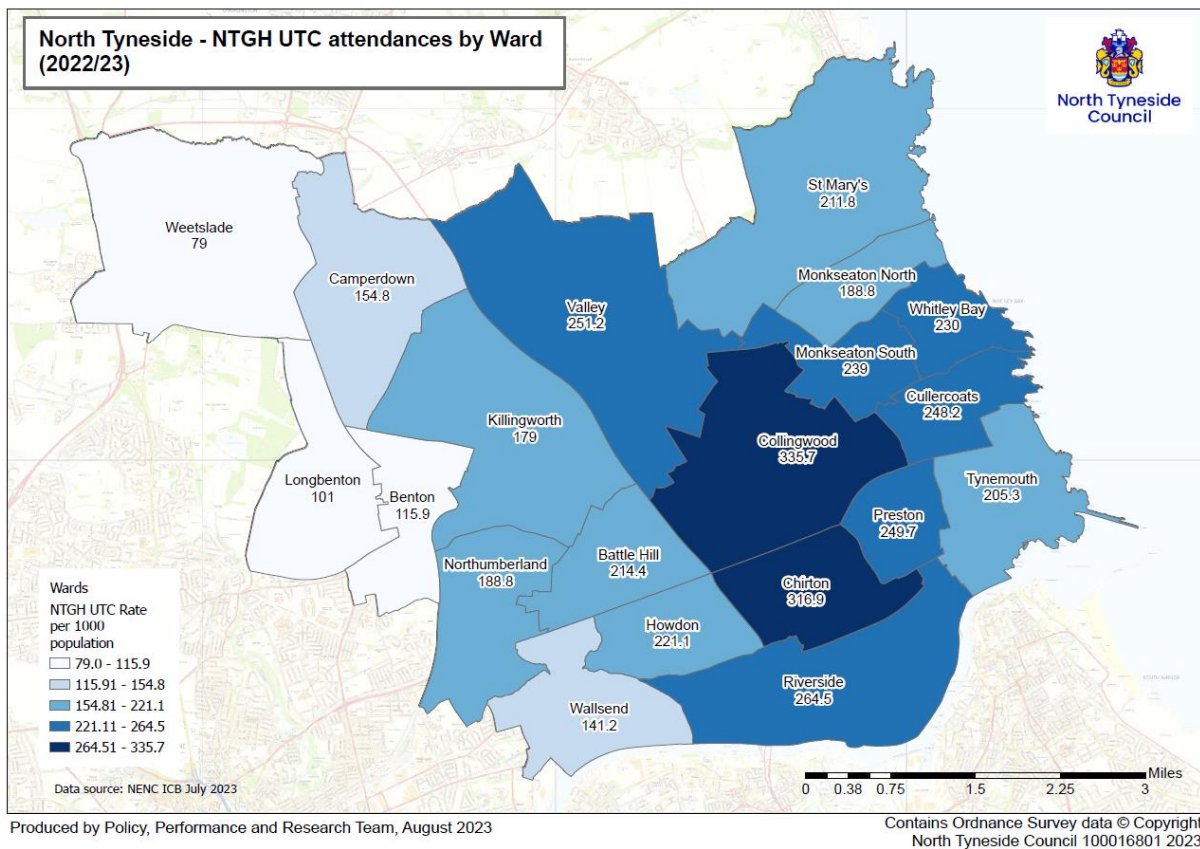


Figure 12 – North Tyneside General Hospital Urgent Treatment Centre Attendances by Ward (2022/23)

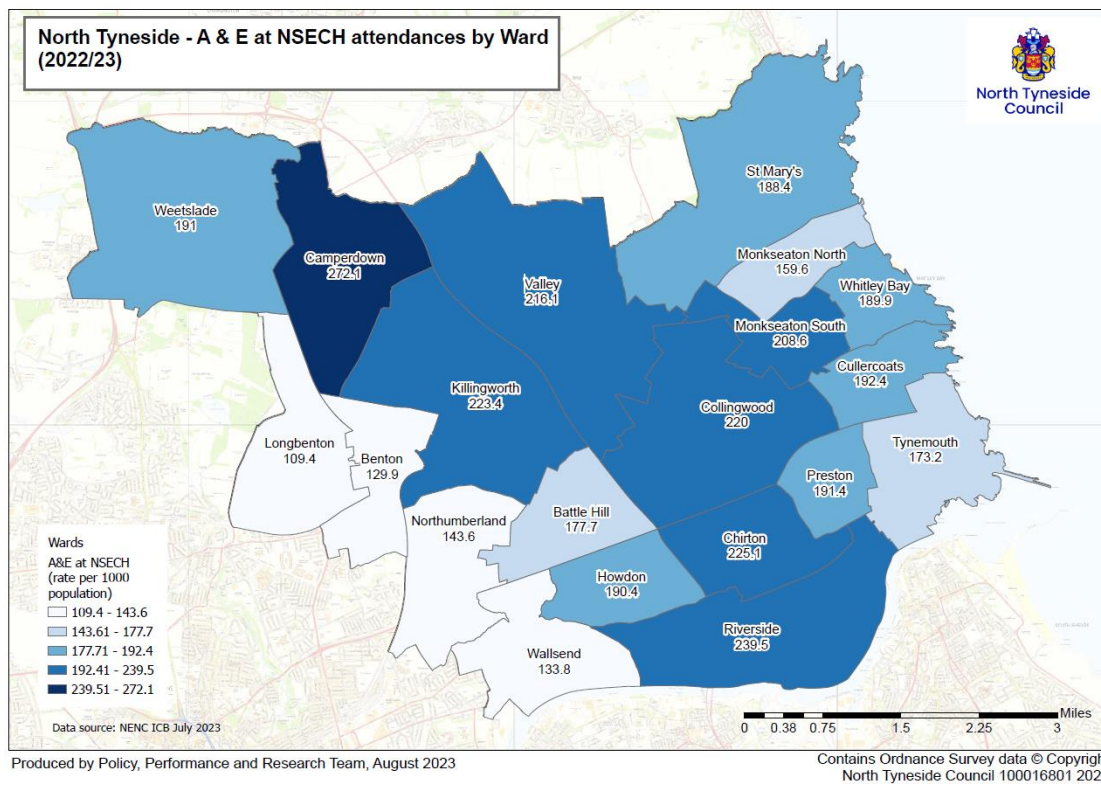


Figure 13 – Royal Victoria Infirmary Accident and Emergency Attendances by Ward (2022/23)

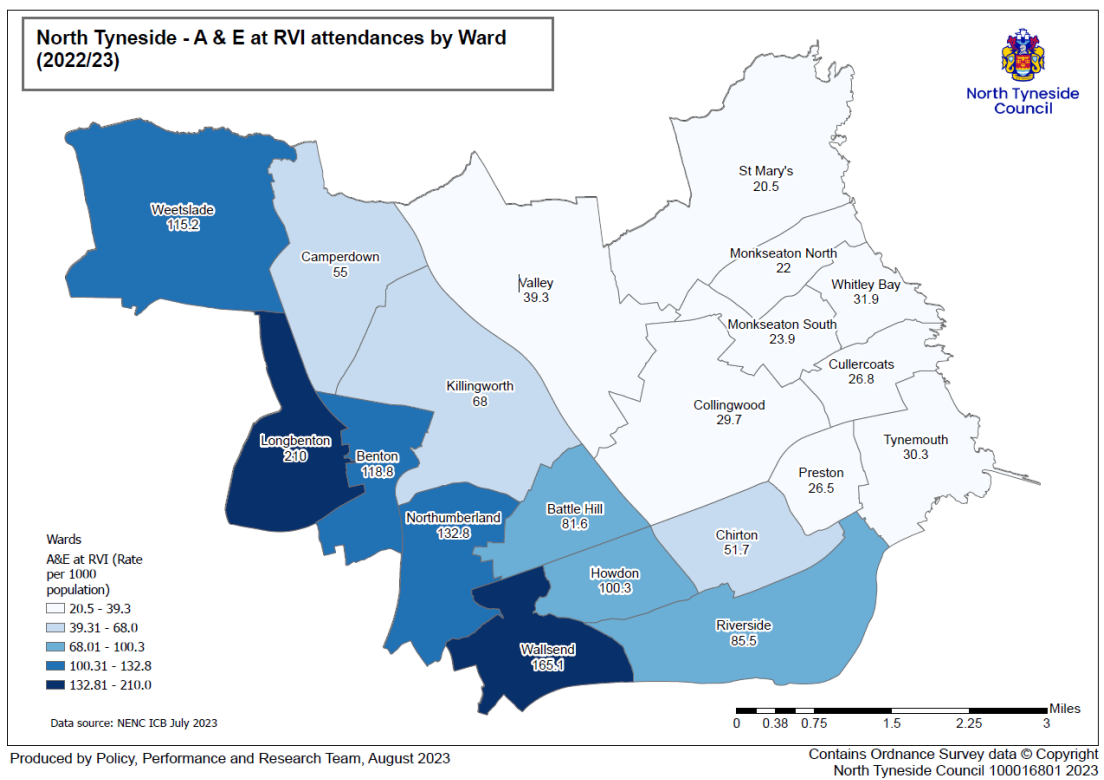
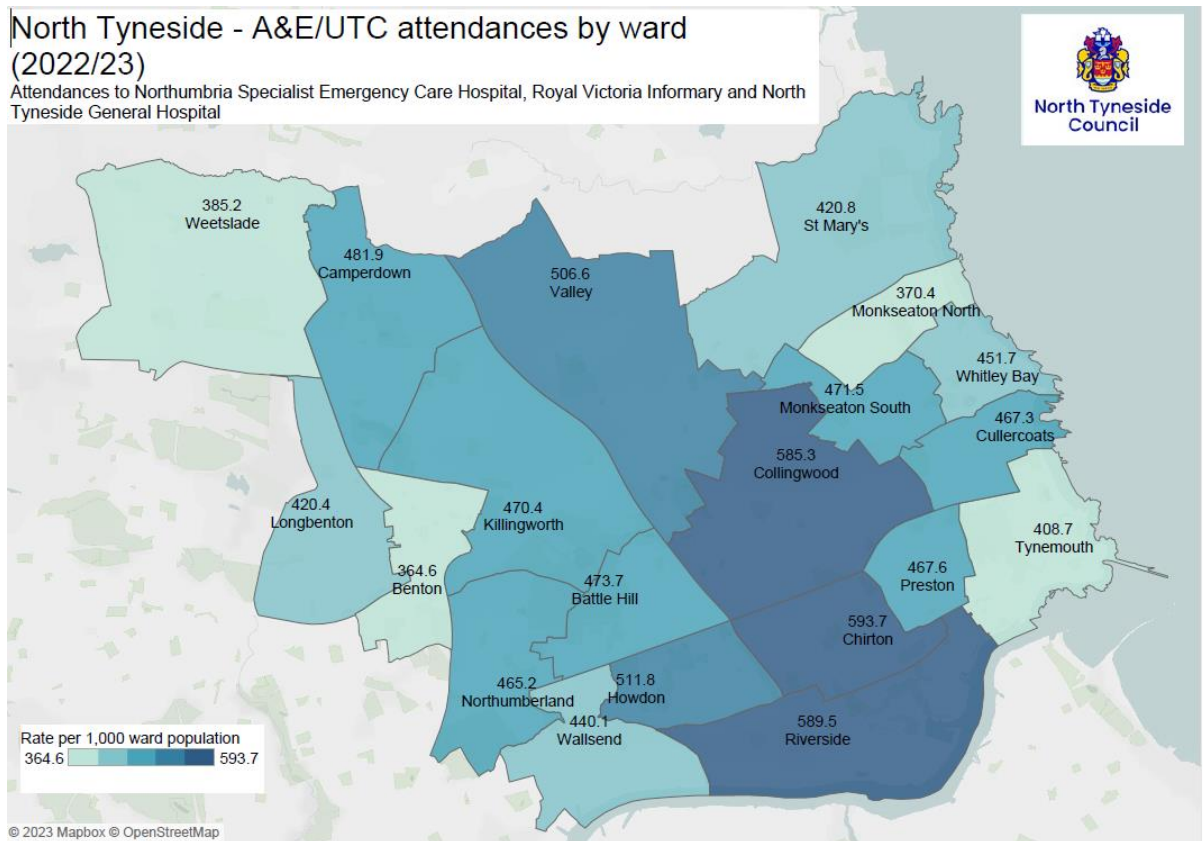


Figure 14 – Attendances to NSECH, RVI and North Tyneside General Hospital (Rake Lane)



In terms of when our residents attended hospital sites again the deep dive provided useful data. Generally, Mondays were the busiest day, but busiest times by site are collected and have been shared with the Task and Finish Group.

At North Tyneside General Hospital the highest attendance rates were seen in patients living in areas which are closer to the Urgent Treatment Centre there and areas of higher deprivation. There were also 7,440 attendances from residents of other local authorities (14.8% of 50,404 total attendances).

At NSECH, the highest attendance rates were seen in our residents who live closest to NSECH and in areas of deprivation.

At the RVI (Minor Injuries Unit & Emergency Department) , the highest attendance rates were seen in our residents who live closest to the RVI and in areas of deprivation.

Who referred residents to which treatment site?

- North Tyneside General Hospital - When asked who had referred our residents to the NTGH Urgent Treatment Centre, the most common referral source was 'self/family/friends' with 93.2% of respondents giving this answer. An additional 3.1% were referred by 'urgent care service'; 2.5% had been referred by NHS111; and 0.5% had been referred by a GP/practice nurse.
- NSECH: 60.7% arranged their own transport or walked, while 36.8% used emergency ambulance
- RVI: 75.9% arranged own transport/walked, while 18.5% used emergency ambulance

The deep dive found that there was a higher proportion of walk-in activity at the RVI than NSECH. Twice as many people used ambulances to get to NSECH compared to RVI.

Why did residents attend these healthcare sites?

For North Tyneside General Hospital Urgent Treatment Centre, the most common diagnosis categories were sprain/ligament injury, closed fracture, wound and bruise/contusion/abrasion. However over 25% of reasons for attendance were coded as "not applicable".

For NSECH the most common categories were 'not applicable' followed by respiratory issues, bruise/contusion/abrasion and cardiac issues

No diagnosis breakdown was available for the RVI.

What happened next for our residents, following their visit?

For North Tyneside General Hospital Urgent Treatment Centre, 76.8% (almost 33,000) were discharged home. A further 10.5% (almost 4,500) were transferred to another hospital – 3,221 went to NSECH Emergency Department, 260 went to NSECH Ambulatory Care.

For NSECH, 44.6% went to ambulatory care/short stay; 37.5% were discharged home; 15.0% were admitted to a ward; and 1.5% transferred to another hospital.

For the RVI, 74.3% were discharged, 25.1% were admitted to a ward, while 0.4% went to ambulatory care/short stay.

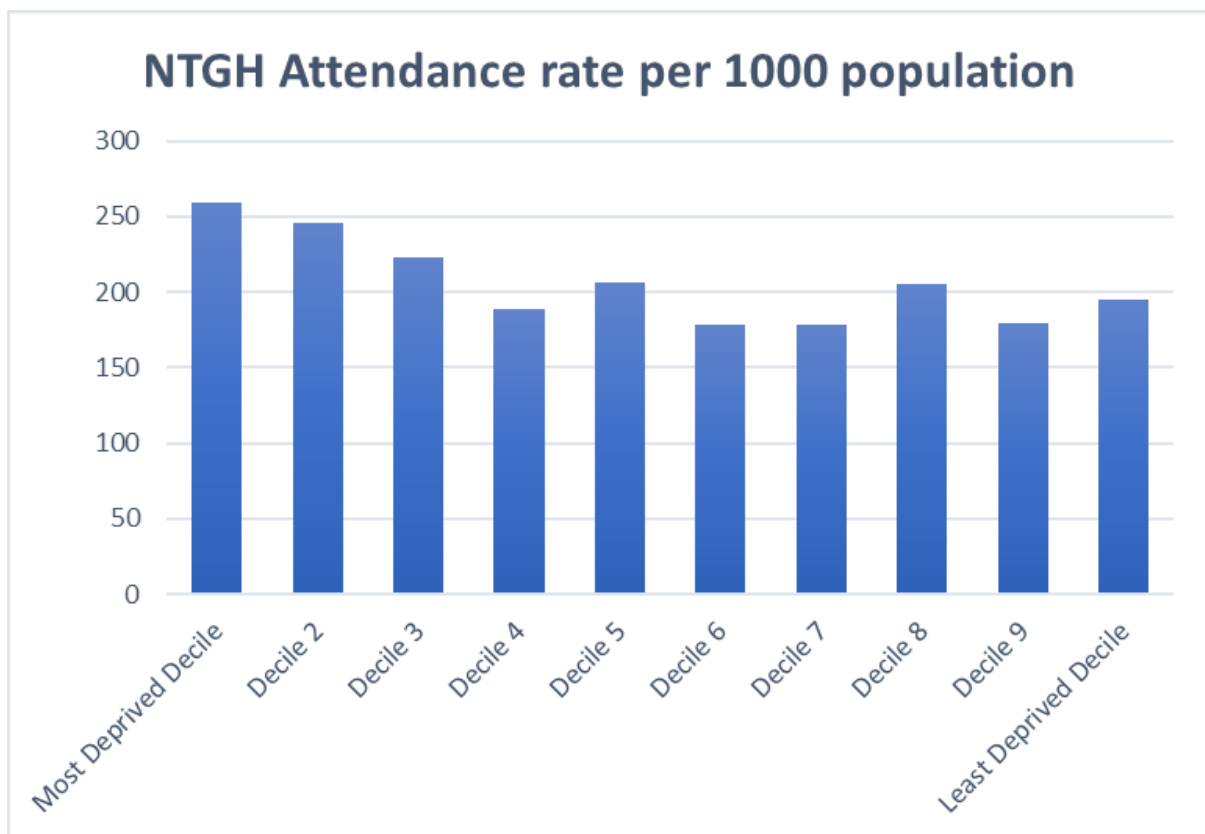
Does deprivation make a difference?

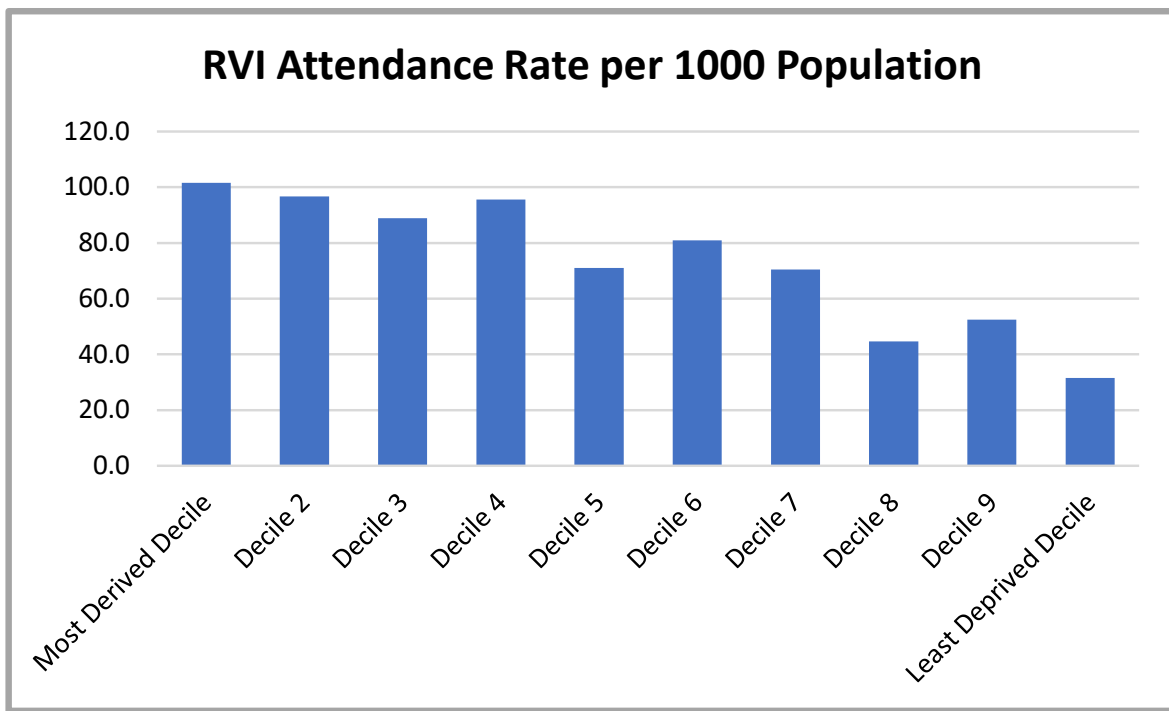
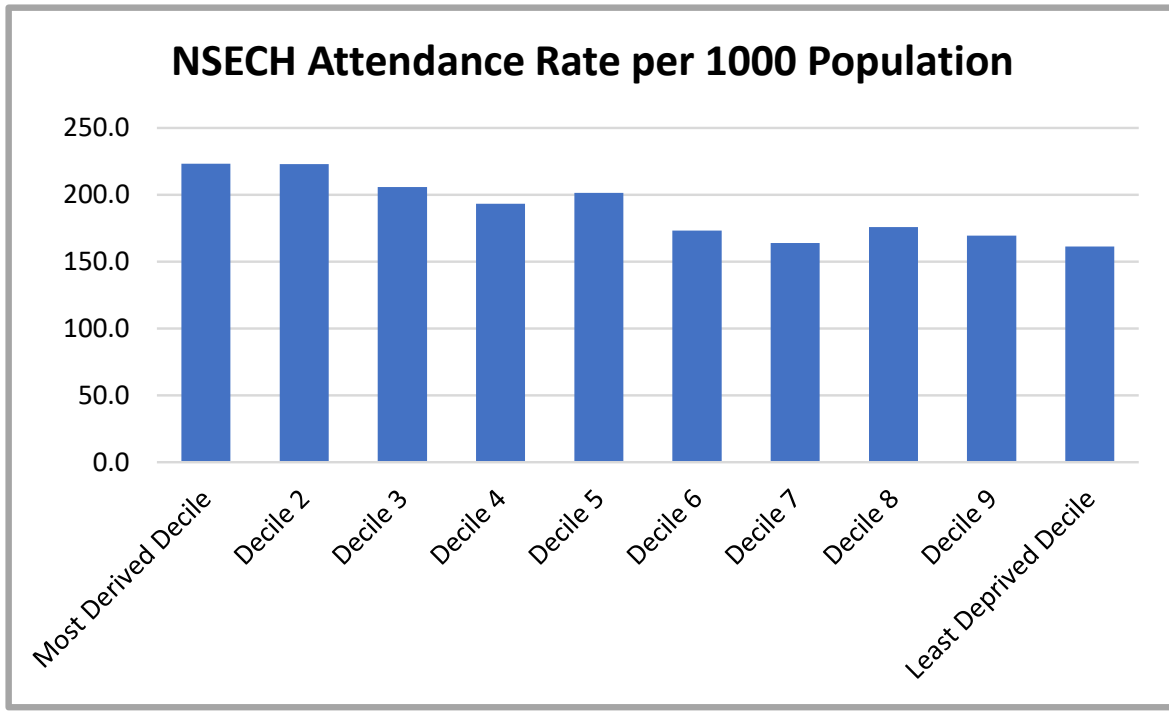
The task and Finish group considered whether deprivation may have had any bearing on these statistics.

The data demonstrated that at all sites, attendance rates for North Tyneside residents were higher in more deprived areas and lower in less deprived areas.

The Indices of Multiple Deprivation (IMD) profile for the RVI is slightly different to NSECH as the demographics with the highest attendance rates at each site will be feeding into this.

Figure 15 – Attendances per 1000 Population at North Tyneside General Hospital, NSECH and RVI





Impact of changes to North Tyneside General Hospital Urgent Treatment Centre

North Tyneside General Hospital Urgent Treatment Centre was initially open 24 hours per day, but as discussed later in this report, those opening hours were revised with the Urgent Treatment Centre now closing between midnight and 8am. In the 12 months since overnight opening was suspended:

- There was an increase of 0.3 North Tyneside residents per day at NSECH in the hours that North Tyneside General Hospital was closed (i.e. an average of around one person every 3 days)
- An additional 0.2 North Tyneside residents presented at the RVI each night (i.e. an average of around one person every 3 nights)
- There was no increase in complaints, incidents or other indicators of poor healthcare quality.

How are these hospital sites performing?

The Task and Finish Group was keen to understand performance at the sites offering emergency care to North Tyneside residents, and received the following information in response.

Figure 16 – Regional & National performance core metric position for Northumbria Healthcare Foundation Trust.

Measure		Standard	Performance	England <i>(all english providers)</i>	North East regional rank	National rank
A&E	seen within 4 hours <i>(all type)</i>	95.0%	94.1%	74.0%	1	1
Diagnostics	seen within 6 weeks	99.0%	96.8%	74.8%	1	6
18 weeks RTT	incomplete pathways	92.0%	80.3%	59.1%	1	2*
NCWT 62 day GP	treatment within 62 days	85.0%	72.2%	59.2%	2	21

*RTT ranking includes Royal Berkshire – figures to be confirmed

Notes

1a. Accident & Emergency: July 2023 (NHS England)

1b. Accident & Emergency rank: based on all types

2a. Diagnostics: June 2023 (NHS England)

2b. Diagnostics rank: excludes independent sector, mental health, community and specialist providers, and trusts where waiting list size is 0

3a. 18 weeks RTT: June 2023 (NHS England)

3b. 18 weeks RTT rank: excludes mental health, specialist and community providers

4a. NCWT: June 2023 (NHS England)

4b. NCWT rank: excludes specialist providers

5. North East regional rank based on the following providers:

County Durham & Darlington, Gateshead, Newcastle, Northumbria, North Cumbria, North Tees & Hartlepool, South Tees, South Tyneside & Sunderland

The Task and Finish Group also received information on the ranking of Healthcare Trusts for performance regarding Accident and Emergency, as shown in the table below:

Figure 17: Ranking of NHS Trusts for Accident and Emergency, July 2023

A&E: national top 10 July 2023



Rank	Name	Performance
1	Northumbria Healthcare NHS Foundation Trust	94.1%
2	Maidstone And Tunbridge Wells NHS Trust	90.8%
3	Harrogate And District NHS Foundation Trust	86.7%
4	Salisbury NHS Foundation Trust	81.7%
5	Blackpool Teaching Hospitals NHS Foundation Trust	80.3%
6	Dorset County Hospital NHS Foundation Trust	79.6%
7	Somerset NHS Foundation Trust	79.2%
8	Royal Cornwall Hospitals NHS Trust	79.2%
9	The Royal Wolverhampton NHS Trust	78.9%
10	The Newcastle Upon Tyne Hospitals NHS Foundation Trust	78.9%

Exclusions:

- Trusts with no type 1 A&E attendances
- Trusts not reporting 4 hour performance
- Specialist Trusts

The Task and Finish Group were pleased to note the very high levels of performance which were in evidence with regard to expected national standards set for each measure. In particular the Task and Finish Group noted that Northumbria Healthcare NHS Foundation Trust was ranked either first or second of all Trusts in the region, and also compared very favourably in national ranking, indeed having been ranked first in respect of Accident and Emergency.

It would be helpful if performance could be publicised to North Tyneside residents. **We have included a recommendation to this effect at the beginning of this report.**

The Task and Finish Group noted that a survey of patients' experience regarding Emergency Care had been sought. The results of that survey are shown below, and again demonstrate a high level of patient satisfaction (the Trust ranking joint 11th from 122 Trusts included in the survey).

Figure 18: Results from Emergency Care (Type 1) Survey, 2020

Emergency Care Survey – Type 1

Emergency care (type 1) survey – 950 patients invited, returned 242 responses (27%), this is above national average (23%) though lower than the 38% return rate in 2020.

Northumbria tied 11th out of 122 Trusts when comparing Number of 'Better' sections and the overall Average section Scores.

The Trust scored "better than expected" for Hospital environment and facilities and scored "Somewhat better than expected" for Arrival at A&E and Leaving A&E.

Rank	Trust	n	Arrival at A&E	Waiting	Doctors & Nurses	Care & Treatment	Tests	Environment and facilities	Leaving A&E	Respect and dignity	Experience overall	Average Section Score	Number of 'Better' sections
1	Barnsley Hospital	278	7.9	4.5	8.7	8.2	8.3	8.3	7.2	9.2	8.2	7.8	7
1	James Paget University Hospitals	354	7.0	5.0	8.3	8.3	8.4	8.8	7.2	9.0	8.3	7.8	7
3	Salisbury	397	7.1	4.3	8.4	8.2	8.4	8.5	7.3	9.2	8.0	7.7	5
4	George Eliot Hospital	199	7.5	5.0	8.2	8.1	7.7	8.7		9.2	8.1	7.8	4
5	Airedale	267	7.6	4.8	8.4	8.2	8.2	8.5	7.0	9.0	8.0	7.7	4
5	Calderdale and Huddersfield	222	7.3	4.8	8.5	8.1	8.6	8.0	6.6	9.0	8.0	7.7	4
7	Yeovil District Hospital	364	7.1	4.4	8.5	8.1	8.1	8.1	6.8	9.1	8.1	7.6	4
8	Guy's and St Thomas'	150	7.7	4.4	8.4	8.0	8.2	8.2	6.9	9.3	8.2	7.7	3
8	University Hospital Bristol & Weston	196	7.5	4.6	8.3	8.4	8.1	8.4	6.5	9.2	8.1	7.7	3
8	Portsmouth Hospitals University	212	7.6	5.1	8.0	7.8	7.7	8.8		8.8	7.7	7.7	3
11	Northumbria Healthcare	242	7.6	4.2	8.3	7.9	8.0	8.7	7.1	8.7	7.9	7.6	3
11	Hampshire Hospitals	325	7.0	5.1	8.3	8.0	8.0	8.3	7.1	8.8	8.1	7.6	3
11	University College London Hospitals	182	7.6	4.6	8.4	8.3	7.9	7.9	6.9	9.1	8.0	7.6	3
14	Moorfields Eye Hospital	296	7.8	4.6	8.2	7.7	7.7	8.3	6.1	9.2	8.3	7.5	3
15	Sherwood Forest Hospitals	205	7.7	4.7	8.2	7.9	8.1	8.5		9.0	8.0	7.8	2
16	Chesterfield Royal Hospital	242	7.3	5.2	8.1	7.9	7.9	8.1		8.9	8.1	7.7	2
17	Royal Devon University Healthcare	295	6.8	4.5	8.3	8.0	8.5	8.5	7.0	9.2	7.9	7.6	2
17	South Tees Hospitals	189	7.4	4.3	8.4	8.1	8.4	8.0	7.0	9.0	7.8	7.6	2
17	Dorset County Hospital	438	6.7	4.9	8.2	7.9	8.1	8.3	7.4	8.8	7.9	7.6	2
20	Homerton Healthcare	152	7.0	4.1	8.4	7.8	8.5	7.8	6.1	9.0	8.0	7.4	2

The Task and Finish Group also learned that Northumbria Healthcare NHS Foundation Trust is nationally recognised as best consistent performer against the Emergency Department standard. Data demonstrates a consistently low mortality within the Trust, as expected, using national statistic of Summary Hospital Level Mortality (SHMI) 89.3.

3.3 Gain an understanding of the decisions made to reach this point, including:

- **Northumbria Specialist Emergency Care Hospital**
- **Battle Hill Walk In Centre**
- **North Tyneside General Hospital**

Background to decisions regarding these sites

As alluded to earlier in this report, in 2015 arrangements for emergency and specialist care provision in North Tyneside began to change.

In June 2015, a new hospital site – NSECH at Cramlington – was established, from which emergency care comprising an Emergency Department, same day emergency care and in-patient care (in addition to a range of other specialist healthcare services) would be delivered. The rationale for these changes was to seek to ensure better clinical outcomes for patients. The model adopted was predicated on allowing patients to see a specialist much earlier in the patient journey than previous healthcare models had allowed. For certain health conditions in particular, such as stroke and chronic obstructive pulmonary disease, when earlier specialist care can be made available there is clear evidence of improvement in clinical outcomes.

North Tyneside General Hospital (Rake Lane) then became a site from which urgent care (rather than emergency care), and a range of other services, would be delivered. The distinction between emergency care and urgent care is discussed earlier in this report (see 3.2 above).

The Task and Finish Group heard that considerable consultation and engagement (commencing in 2008) had informed the decisions to make these changes. This engagement had involved the Scrutiny functions, at that time, of North Tyneside Council and neighbouring authorities. The case for change was focused on a range of different factors including:

- Clear clinical evidence that demonstrated that centralising the treatment of complex and life threatening illness, including critical care and maternity, would save lives and provide the best possible outcomes for patients
- For Northumbria Healthcare NHS Foundation Trust to be successful in recruiting and retaining doctors it had recognised that it needed to reorganise so that it was safely staffing one centralised department as opposed to three geographically diverse sites.

Northumbria Healthcare NHS Foundation Trust has commented that an open and honest debate was held with the public and key stakeholders at the time concerning these matters. This engagement confirmed support for the better patient outcomes likely to result from the changes. The performance data and patient feedback set out above (see 3.2) would indicate these benefits have in fact been realised through the new arrangements beginning from 2015.

Decisions - Urgent Treatment Centre and GP Out of Hours

The Integrated Urgent Care Service was to provide Urgent treatment Centre provision, based at the North Tyneside General Hospital site and the GP Out of Hours service. It is worth noting that the Urgent Treatment Centre opening hours are 08:00 – 00:00. This is longer than the national Urgent Treatment Centre standards which are 08:00 – 22:00. The decision to increase the opening hours of the UTC was made by the former CCG to provide increased access to UTC facilities in North Tyneside.

In anticipation of and following the opening of NSECH in June 2015, between May and July 2015, the Task and Finish Group heard that local people had been asked to provide their feedback on urgent care in the borough. Further formal consultation took place from 7 October 2015 to 21 January 2016 on a range of options which would replace the structure of provision at that time. Those services were

- Urgent care services at North Tyneside General Hospital, Battle Hill Resource Centre and Shiremoor Health Centre
- GP Out of Hours provision

In addition, a review titled 'Right Care, Time & Place – A Review of Urgent Care Services in North Tyneside' was presented to the (then) CCG Clinical executive in June 2016, the Council of Practices in July 2016, and the CCG Governing Body in October 2016.

Based on the outcomes of the consultation, the CCG Governing Body agreed to decommission the existing urgent care services at North Tyneside General Hospital, Battle Hill Walk In Centre, Shiremoor Health Centre and the GP Out of Hours service from 2017 and commission a new integrated services via a competitive procurement process.

Following this procurement and an additional consultation process the then CCG awarded a new Integrated Urgent Care Service contract to Northumbria

Healthcare NHS Foundation Trust. Following a mobilisation period, the contract commenced on 1 October 2018.

Northumbria Specialist Emergency Care Hospital – services provided



NSECH was developed to include an emergency department with 24/7 consultant access, for both ambulances and walk in patients. As outlined earlier the rationale for these changes and enhanced consultant access was to seek to ensure better clinical outcomes for patients. There is clear clinical evidence that earlier specialist care can result in much improved prognoses for certain medical conditions.

A specialist consultant is present on all admitting speciality wards for twelve hours per day, seven days per week. NSECH also had dedicated diagnostic facilities, including Computerised Tomography (CT) Scanning, Magnetic Resonance Imaging (MRI), Ultra Sound Sonography (USS and Xray), blood science / lab.

Ambulatory care is also delivered via the NSECH site – Medical Ambulatory Care (MAC), Surgical Assessment Unit (SAU) and Emergency Gynaecology, in addition to critical care (Intensive Treatment Unit – ITU; Respiratory Support Unit – RSU, Cardiac Care Unit – CCU and Hyper Acute Stroke Unit –HASU).

There are 9 specialty wards, emergency theatres, a Catheterisation lab, endoscopy, and facilities for high risk Elective surgery. NSECH has a maternity unit which is consultant and midwifery led. It also has homesafe and discharge teams.

North Tyneside General Hospital – services provided



Current services provided at North Tyneside General Hospital include elective and planned operations – both inpatients and day cases; sub acute wards for on going medical care and rehabilitation. There is a physiotherapy outpatients department and medicine and surgical outpatient appointments are also provided. Palliative care and a range of diagnostics – endoscopy, CT /MRI/Xray/ USS and blood sciences, and discharge services, are also provided from this site.

A service called CARE Point is also based at North Tyneside General Hospital (single point of access multi-disciplinary team). This facilitates:

Admissions Avoidance:

- 7 days a week, discharge and admission avoidance. GPs can refer into CARE Point to prevent an admission into hospital
- This single point of access can undertake assessment and deploy resources accordingly
- Social Work Team, Discharge Nurses, Therapists, Practice Nurse, Reablement, Community Rehabilitation Team
- The reablement team can support people to remain at home and regain independence
- Functions include: Home First, Discharge to Assess, Admission Avoidance, Trusted Assessor Model. Trusted assessor schemes are a national initiative designed to reduce delays when people are ready for discharge from hospital
- Links to Virtual Wards, 2 hour Urgent Care Response at newly established Community Single Point of Access (based at Cobalt Exchange)
- Admission avoidance is also enabled via Care Call (Community Alarm Assistive Technology) and delivers part of the Falls Pathway: Falls First Responder Service in partnership with North East Ambulance Service

Facilitated Discharge

- Social Workers – assessments, care planning
- Discharge Nurses – based on wards, discharge planning, Trusted Assessor Model to support discharges into care homes
- Community Rehabilitation Team – Home First, intermediate care at home, support into step down facilities, support into short term placements
- Reablement – Home First, discharge to access, regaining independence before decisions are made around ongoing care packages
- Pharmacy
- Nurse Practitioner
- Occupational health and physiotherapy input

3.4 **Community and patient voices: Understand what is known about community views, and whether residents know how and where to access emergency care**

The Task and Finish Group was advised that there is extensive local authority and NHS engagement with residents and patients. Information referenced earlier in this report, including the deep dive set out in 3.1 and the patient feedback referenced in 3.2, reinforces this point and demonstrates some of the approaches used to collect community views. The Task and Finish Group also learned that the ICB commissioned Patient Forum, North Tyneside Council's Residents' Panel and Residents' Survey give regular valuable feedback.

In addition, Healthwatch – an independent statutory body which at a local level aims to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality – also provides valuable insight. In 2018 Healthwatch performed some focused work on people's experiences of getting care when they need it starting before the pandemic. This covered GP access as well as urgent and emergency care.

This study examined the impact of GP access on the use of urgent and emergency care services. From patient interviews carried out at the Rake Lane site and at NSECH, it was identified that:

- NTGH Urgent Treatment Centre interviews – 47% of people spoken to said they could have been seen by a GP
- NSECH Emergency Department waiting room interviews – this figure was much lower, most people were from Cramlington area.

Since this research was conducted however, the Task and Finish Group was advised that there are more GP services available out of traditional hours.

Some people say they like to be able to book same-day appointments at the Urgent Treatment Centre. However other people say they would rather sit and wait to get something sorted rather than book a same-day slot.

People's rationale for going to a hospital site rather than GP was that they can do all the tests there and then have access to specialists; or they felt they wouldn't have been able to get a GP appointment (though most people hadn't tried to get an appointment). Availability of GPs in evenings and weekends was also cited as a reason.

Healthwatch's survey also indicated that people are confused about the plethora of services available (though this did seem to be changing over time), which reflects the evaluation set out by the Task and Finish Group earlier in this report (see 3.2 above). After Battle Hill walk in closed, Healthwatch reported that people were confused about where to go at first but this is not mentioned as much in Healthwatch's most recent 2022/23 feedback.

Healthwatch also highlighted that transport is key – they reported this as a real challenge in getting to and from hospital and this has been raised with the Health and Wellbeing Board. As outlined above in Section 3.2, the Task and Finish Group has made a specific recommendation relating to transport availability to hospital sites.

3.5 What could be improved and how would that happen: Understand any existing plans and develop recommendations on how need is met and how to respond to any community views

As set out at the beginning of this report under 'Key Findings and Recommendations', having considered all information and evidence described above, the Task and Finish Group has highlighted three main areas in which improvements could be made:

- The agreed performance standards for emergency healthcare provision covering North Tyneside should be regularly communicated to North Tyneside residents, by the local authority working with partner organisations
- A communication campaign should be developed within the borough involving North Tyneside Council and partner organisations, highlighting

the distinction between 'emergency care' and 'urgent treatment' and when, where and how to access each type of care

- Further specific work should be undertaken by North Tyneside Council working with Northumbria Healthcare NHS Foundation Trust, and other partner organisations as required, to explore transport options that might be implemented to improve accessibility to the NSECH site for North Tyneside residents (when visiting for non-emergency care or when visiting loved ones in this hospital).

Timescale for Reporting

The Overview and Scrutiny Co-ordination and Finance Committee agreed that work would be undertaken with a view to reporting by the end of December 2023, in order to ensure sufficient pace for this important scrutiny work and timely reporting of findings.

Methodology

The Scrutiny Task and Finish Group adopted the following methodology to obtain and evaluate evidence relevant to the agreed Terms of Reference:

- Briefing note prepared by the Director of Public Health and Consultant in Public Health, *Population health and urgent/emergency healthcare need in North Tyneside*, circulated to and considered by Task and Finish Group members in advance of fieldwork commencing
- Initial evidence gathering and scrutiny question session with senior officers from North Tyneside Council and Northumbria Healthcare NHS Foundation Trust (with information also provided at this session on behalf of the Integrated Care Board)
- Site visit to North Tyneside General Hospital (Rake Lane), North Shields
- Site visit to Northumbria Specialist Emergency Care Hospital (NSECH), Cramlington
- Concluding session (Task and Finish Group members) for evaluation of evidence and formulation of findings and recommendations

Membership of the Task and Finish Group

The following elected members attended the sessions of the Task and Finish Group as shown:

Monday 4 September 2023	Monday 9 October 2023	Tuesday 10 October 2023	Monday 16 October 2023
Cllr Jim Montague Cllr Liam Bones Cllr Cath Davis Cllr Margaret Hall Cllr John Johnsson Cllr Andrew Spowart	Cllr Jim Montague Cllr Cath Davis Cllr John O'Shea Cllr Andrew Spowart	Cllr Jim Montague Cllr Cath Davis Cllr John O'Shea Cllr Andrew Spowart	Cllr Jim Montague Cllr Cath Davis Cllr John Johnsson Cllr John O'Shea

Acknowledgments

The Scrutiny Task and Finish Group would like to acknowledge the information, contributions and support provided by the following organisations and individuals during the course of the Task and Finish Group's work:

North Tyneside Council

- Mr Paul Hanson, Chief Executive
- Mrs Eleanor Binks, Director of Adult Social Care
- Mrs Wendy Burke, Director of Public Health
- Mrs Louise Gray, Consultant in Public Health
- North Tyneside Council staff based in North Tyneside General Hospital (Rake Lane)

Northumbria Healthcare NHS Foundation Trust

- Sir Jim Mackey, Chief Executive
- Dr Birju Bartoli, Chief Operating Officer
- Dr Eliot Sykes, Business Unit Director for Emergency Surgery and Elective Care
- Mrs Elaine Henderson, Director of Nursing
- All staff in the wards visited during site visits to North Tyneside General Hospital (Rake Lane) on 9 October 2023 and Northumbria Specialist Emergency Care Hospital (Cramlington) on 10 October 2023

NHS North East and Cumbria – Integrated Care Board

- Mrs Anya Paradis, Director of Place (North Tyneside)

Glossary of Terms and Abbreviations

Ambulatory Care	Services provided as an outpatient – patients are assessed, diagnosed, treated and are able to go home the same day, without being admitted into hospital overnight
CCG	Clinical Commissioning Group
COPD	Chronic Obstructive Pulmonary Disease
Emergency Care	providing care for people with serious or life threatening needs
ED	Emergency Department
Healthwatch	Established under the Health and Social Care Act 2012 to gather and champion the views of users of health and social care services, in order to identify improvements and influence providers' plans
ICB	Integrated Care Board (for North East and Cumbria)
MIU	Minor Injury Unit – located at the Royal Victoria Infirmary, Newcastle
NEAS	North East Ambulance Service
NSECH	Northumbria Specialist Emergency Care Hospital, at Cramlington
NTGH	North Tyneside General Hospital, at Rake Lane in North Shields
Rake Lane	North Tyneside General Hospital, at Rake Lane in North Shields
RVI	Royal Victoria Infirmary, Newcastle
Type 1 department	Major accident and emergency, providing a consultant-led 24 hour service with full resuscitation facilities
Type 2 department	Single specialty accident and emergency service (e.g. ophthalmology, dentistry)
Type 3 department	Other accident and emergency injury unit / walk in centre, treating minor injuries / illnesses
Urgent care	providing medical care for minor injuries and minor illnesses which are not life-threatening
UTC	Urgent Treatment Centre. There are Urgent Treatment Centres available to North Tyneside residents at: <ul style="list-style-type: none"> • North Tyneside General Hospital at Rake Lane, North Shields • the Molineux Street Walk In Centre in Byker, Newcastle • the Ponteland Road Health Centre in Cowgate, Newcastle • Wansbeck General Hospital in Ashington

Motion agreed by Council on 16 March 2023

“NHS healthcare is at the top of residents’ priorities. However locally residents are still forced to travel out of North Tyneside to access 24-hour emergency care, which is particularly difficult for residents that do not drive. This is compounded by the consistent failure of ambulances to respond within target times for call outs including heart attacks and strokes and having to waste valuable time queuing to discharge their patients to A&E.

North Tyneside Council believes that our residents would receive better healthcare provision within the borough if 24-hour accident and emergency care was re-instated at Rake Lane and the walk-in centre at Battle Hill reopened and if the Conservative Government provided the resources to allow this to happen.

North Tyneside Council notes that it was a conscious decision taken by Northumbria Healthcare Trust to relocate these services out of the Borough and to refuse to reverse that decision despite repeated requests.

It is widely accepted by experts that to deal with the ever-increasing number of the population over 65 that NHS spending should rise every year at inflation +4 percent as it did during the last Labour Government, The Conservative Government have only done this once in their 13 years in power.

North Tyneside Council asks the Mayor to: -

- Write to the NHS Trust asking them to set up a taskforce, with local authority involvement, to improve access to emergency care in North Tyneside, with a particular focus on restoring 24-hour accident and emergency at Rake Lane and walk-in services at Battle Hill*
- Write to the Secretary of State for Health to outline our priorities for returning these two care services to North Tyneside and to ask him to provide the resources to do it.*

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North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Charging policy to agree changes in principle to the fees and charges arrangements in Adult Social Care and to agree public consultation on these changes

Portfolio(s):	Adult Social Care	Cabinet Member(s):	Cllr Janet Hunter
Report from Service Area:	Adult Social Care		
Responsible Officer:	Eleanor Binks	(Tel: (0191) 643 4063)	
Wards affected:	All		

PART 1

1 Executive Summary:

In line with the national picture, Adult Social Care services in North Tyneside Council are under significant pressure as demand continues to rise and the costs of delivering services increase in line with much higher levels of inflation. All local authorities are under pressure to continue to meet rising needs within available resources.

There are approximately 3000 people accessing social care services under the Care Act 2014 ("the Care Act") in the Borough. The Care Act gives local authorities discretionary powers to charge adult recipients for social care services provided to them. These contributions towards the costs of social care form an important part of the funding of adult social care and it is vital to ensure that the Authority's 'Contributions Policy for Adult Care and Support Services' ("the Policy") is up to date and is applied consistently.

A review of the Policy has been carried out considering the following;

- The needs of our community and our statutory duties
- Where demand for services has increased

- The actual cost of services – particularly following changes in the care market, and recent levels of inflation; and
- How we compare to our neighbours

This review has resulted in several proposed changes which have been described in the body of the report below, with options and suggested recommendations for each issue.

Increasing charges for social care services will provide an estimated £0.700m of additional income which will contribute to the financial sustainability of adult social care in North Tyneside. In proposing these changes, Cabinet is assured that people will not be charged more than it is reasonably practicable for them to pay.

Approximately 4% of people receiving care services will be affected by the proposed additional charges outlined in this report.

The impact of increased charges will be mitigated by:

- The Authority's minimum income guarantee, which is 5% more generous than the national guidelines recommend.
- Ensuring that financial assessments are undertaken to maximise a person's income and ensure that any additional costs incurred by having a disability are taken into account.
- Ensuring that no person is unduly impacted by more than one of the proposed changes.

Permission is being sought from Cabinet to commence a public consultation on the proposed changes to the charging arrangements for the provision of Adult Social Care. Once the public consultation has been concluded and the responses collated, it is proposed that a further report will be presented to Cabinet to so that Cabinet can make a decision on whether or not there should be any changes made to the charging arrangements included in the 'Contributions Policy for Adult Care and Support Services'.

2 Recommendation(s):

It is recommended that Cabinet:

- (1) Determines which of the options on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) it agrees in principle;

(2) Authorises the Director of Adult Social Care to take all necessary steps to commence a 6-week public consultation on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) on the proposed changes to the Policy agreed in principle by Cabinet.

(3) Agrees to receive a further report at the conclusion of the public consultation so that Cabinet can determine if the proposed changes to the 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) agreed in principle should be made to the Policy.

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 13 October 2023.

4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021-2025 Our North Tyneside Plan:

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic.
- We will work with the care provision sector to improve the working conditions of care workers.
- People will be cared for, protected, and supported if they become vulnerable, including if they become homeless.

5 Information:

5.1 Background

The Authority's 'Contributions Policy for Adult Care and Support Services' was last updated in 2021. The Policy was developed in line with the requirements of the Care Act and outlines the principles for charging that are applied by the Authority. It is proposed that the Policy and Appendix B of the Policy, which is the Schedule of Charges, is updated to reflect the increased cost of delivering services. It is proposed that the Schedule of Charges be amended in respect of the charging arrangements for the following services:

- Charges for day care
- Transport charges for day care
- Administration charges for people who pay the full cost of their care.
- Appointee and deputyship charges
- Community funeral arrangements and charges
- Charges for Care Call

The review of the Policy also indicated areas where there were anomalies in the way charges were applied. It is proposed that changes are put in place to ensure a consistent approach and that the Policy is amended to provide greater clarity. The areas where there are proposed changes are:

- Charges for additional care workers when more than one care worker is needed.
- Ending £400 capped charges
- Charging for deep cleans

Section 14 of the Care Act outlines the principle for charging people in receipt of adult social care services and section 17 of the Act outlines the process for carrying out financial assessments to determine individuals' contributions towards their care and support.

The statutory guidance produced by Department of Health and Social Care states that people should not be charged more than it is reasonably practicable for them to pay, and that charging rules must be applied equally so those with similar needs or services are treated the same and anomalies between different care settings minimal.

The principle of the charging process under the Care Act is that services are means tested and people should be charged according to their ability to pay, with the Authority funding the remainder of assessed social care support to meet eligible needs. These proposals do not affect that principle.

5.2 Areas for Consideration:

5.3 Charges for Day Care Services

The Authority charges people £32.26 per session for day care services. If the day care centre provides and charges extra for transport, the Authority does not currently pass these charges onto the person. Even where someone has been financially assessed as being able to pay the full cost of their care and support, the Authority still only charges £32.26 and *not* the actual cost.

The 2023/24 financial year cost of day care is between £38.55 and £41.72 per session. The Authority is therefore undercharging by up to £9.46 per person per day, excluding transport. If someone uses transport arranged and charged for by the day centre the cost not passed on is up to £18.51 per person per day.

The Authority is therefore currently subsidising the cost of day care and transport for people who, under financial assessment would be expected to pay the full cost of their care. This subsidy is also being provided to people who receive means tested support for the cost of their care.

The following options are proposed:

Option 1 – Charge the actual cost of day care services.

This will only affect people whose maximum assessed contribution is more than the current day service charge of £32.26. In these cases, a person's contribution would increase, up to the maximum amount they have been assessed as being able to afford or the full cost of the service, whichever was the lower amount. These people would have an average increase of £16.65 per week.

Anyone assessed as able to pay the full cost of their care would be charged the actual cost of the service they receive.

It is also proposed that any additional costs for transport are passed on to the individual as part of their care and support plan.

Option 2 – Continue to charge at the subsidised rate.

The cost of day care services increased by 9.84% in April 2023 and will continue to increase year-on-year.

Continuing to subsidise the cost of day care will result in additional pressure on the Authority's budget and will reduce the Authority's ability to meet the needs of its residents.

Recommendation

Option 1 is the option recommended to be consulted on.

5.4 Administration charges for people who pay the full cost of their care and support.

Section 18(3) of the Care Act states that the Authority must arrange care and support for a person with eligible needs who has the financial means to arrange it themselves

but requests the Authority do so on their behalf. This is a requirement and there is no discretion around it.

People who are assessed as being able to pay the full cost of their care and support and ask the Authority to arrange it on their behalf benefit from the Authority's contracted rates, which are often significantly lower than private sector rates.

The Authority charges an up-front administration fee of £260 per year for arranging this care and support.

The current charging arrangement means that people pay a flat rate but will not always need care and support for the full year. For example, some people may regain their independence after a period of illness and/or rehabilitation, and some people may move into residential care or die before the end of the year and in effect, have paid an administrative fee for part of the year when they have had no services to administer.

The Authority has calculated the administrative time as costing £11.50 per week, which equates to £598 per year.

Option 1

Option 1 is to change the amount charged for arranging care and support on someone's behalf to £11.50 per week. This amount covers the cost of the amount of administrative time it takes to arrange care and support on someone's behalf.

By changing the frequency to weekly, people who do not receive care and support for the full year will only pay the weekly fee for the period of time when they receive input from services arranged by adult social care.

This is an increase of £338 per year. However, people would only pay the administrative fee while they receive services arranged by the Adult Social Care service.

Option 2

Option 2 is to increase the cost to £598 per year as a one-off payment (equivalent of the weekly proposed amount) with the acceptance that not all people will receive care and support for the full year.

Recommendation

Option 1 is option recommended to be consulted on.

5.5 Appointeeship charges

The Appointee and Deputyship Team currently manage finances for some people who cannot manage their own money and do not have someone willing or able to do this for them.

An appointee is a person or organisation who takes on the legal responsibilities of receiving and managing someone's welfare benefit entitlements, to ensure that everyday bills are paid, and that the person they are appointee for receives their personal allowance.

The Authority currently charges £5 per week when it acts as a corporate appointee (but does not charge a person when they have savings under £500).

A review has indicated that the charges by other local authorities range from £10.00 per week, to £22.09 per week.

Volume

Since 2020 the Authority has observed a 13% increase in the number of requests to be appointee or deputy. The current amount being charged does not meet the costs of the staff required to provide the service.

Option 1

To ensure the Appointee and Deputyship Team is sustainable and in line with other local authorities who provide a similar service, Adult Social Care proposes to increase the weekly fee charged to £10 per week.

This will enable the team to increase the revenue it generates so as to cover the costs of the increased staffing levels and to manage increased demand for its service.

Option 2

For the Authority to continue to absorb the additional cost of taking on cases at the current rate of £5 per week.

Recommendation

Option 1 is the option recommended to be consulted on.

5.6 Community funerals

Public Health or Community Funerals are provided by local authorities for people who have died and have no next of kin, or whose next of kin, relatives or friends are unable or unwilling to make the necessary arrangements for a funeral.

They are designed to protect public health and are important in ensuring that all individuals are treated with dignity and respect, regardless of their circumstances.

The Public Health (Control of Disease) Act 1984 ('the Act') places a statutory duty on local authorities to arrange for a burial or cremation where no suitable alternative arrangements are being made.

The Authority makes funeral arrangements for the deceased person through the Appointee and Deputyship Team. It arranges for officers to visit the deceased person's home to locate a will, or funeral plan. The Authority does not currently charge for this service.

Option 1

The proposal is to raise a charge of £300 per funeral for those who can afford to pay this fee. This will ensure that the costs of the time taken to visit a property and make arrangements for the funeral are covered thus ensuring the service can be provided in a sustainable way.

The deceased person's estate will be charged this fee amount if they have savings above the cost of the funeral.

Option 2

For the Authority to continue to absorb the additional cost of taking on cases and not charge for making arrangements for funerals

Recommendation

Option 1 is the option recommended to be consulted on.

5.7 Deep Cleans

The Authority has noted 100% increase in the costs of deep cleans since 2021/22 and costs are predicted to keep rising.

The current charging arrangement for deep cleans is that the person is charged up to their assessed maximum contribution towards a wider care and support plan, for one week only. This means that the Authority heavily subsidises the costs for some people. The nature of a deep clean means that someone's home often benefits from decluttering, including significant waste removal and well as carpet and upholstery disinfecting and cleaning. The benefits of deep cleans should last many months and charging for one week only as part of an assessed need, does not reflect the longer-term benefits.

If someone does not have eligible needs under the Care Act but asks the Authority to arrange a deep clean, the expectation is that they would repay the full cost of the deep clean via a repayment plan, if needed.

Option 1

For one off deep cleans to be charged at the persons weekly maximum charge for up to 6 months. This would be monitored to ensure the charge does not exceed the full cost of the deep clean.

Option 2

To continue to charge for 1 week's contribution, as is currently in place.

Recommendation

Option 1 is in the option recommended to be consulted on.

15.8 Charges for Care Call

Care Call provides a 24/7 community alarm and crisis response service across the Borough. It is not a statutory service, but people can receive the Care Call service as part of their care package if it meets one of their assessed needs under the Care Act. Care Call customers currently pay a weekly charge as shown below. People who receive Care Call as part of their assessed needs pay a contribution to the costs of all the services they receive, including Care Call, according to their financial assessment. Any North Tyneside resident can choose to purchase the Care Call service without having a social care assessment.

Service Description	Charge per week 2023/24	Number of people
Provision of telecare equipment, monitoring and emergency response	£6	3058
As above with a fortnightly welfare check	£9	7

The current Care Call charges do not meet the rising costs of running this service. It is proposed to increase the Care Call weekly charge in order to maintain the financial sustainability of the service.

Option 1

It is proposed that the weekly charge for Care Call is increased for all customers from £6.00 to £7.00 and from £9.00 to £10.50. It is proposed that fees continue to increase by 50p for the standard service and 75p for the higher service level (or the rate of CPI if higher) for the next three years to 2027/28.

This proposal is equitable in that all customers will be charged in the same way with the customers who receive the service under a Care Act assessment contributing according to what they can afford under their financial assessment.

The proposed new charge still compares very favourably with neighbouring authorities with Newcastle City Council's equivalent services charged at £7.14/ £9.98 per week in 2023/24 and South Tyneside charging £8.80/£11.80.

The option is estimated to bring in an additional £0.140m income in 2024/25 to support the sustainability of the service. The Authority will continue to market the service including specific targeted work around the Integrated Falls Pathway identifying new people who could benefit from Care Call.

Option 2

Maintain the current level of charges and do not implement any fee increases. This would impact on the Authority's ability to sustain this non statutory service in the future.

Recommendation

Option 1 is the option recommended to be consulted on.

5.9 Charges for people who require the support of multiple care workers (community-based support)

The Authority does not charge for additional care workers for people who require more than one care worker at a time. This is contrary to the approaches of all other local authorities in the region who all charge for *all* care workers.

This approach is universal in North Tyneside, both for people who require means test financial support towards the cost of their care, and those whose financial situation means they would ordinarily pay the full cost of any Authority arranged care and support.

It is proposed that this subsidy ceases and people's charges are calculated based on the full cost of their care. This change is reflected in a proposed revision to the existing policy in paragraph 12.1 within Appendix 1 to this report.

This change would result in 22% of people receiving community-based support seeing an increase in their charges, but only up to the maximum they have been assessed as being able to afford to pay.

A small number of people who ask the Authority to commission domiciliary care or extra care services on their behalf and are assessed as being able to meet the full cost of their care package would see an increase in their contributions averaging £243.61 per week.

Changing the policy in relation to charging for multiple carers is expected to raise an additional £0.400m of contributions to support the provision of social care in North Tyneside.

Option 1 – Charge for additional care workers up to the amount of the person’s assessed contribution

Option 1 would ensure that all people who are in receipt of adult social care are charged fairly, and pay what they can afford determined by the outcome of their financial assessment.

It is inequitable to offer some people, who have been assessed as able to pay the full cost of their care, a subsidy against the cost of their care while others in similar financial circumstances are not offered any subsidy.

Option 2 – Continue with the current policy of not charging for additional care workers.

Option 2 would mean that the Authority would continue to absorb the cost for additional care workers. This option is inequitable as subsidies for care are not applied fairly.

Recommendation

Option 1 is the option recommended to be consulted on.

5.10 Care charges capped at £400 per week.

Historic charging policies have capped social care charges at £400 per week, including for those whose care costs more than that and are financially assessed as being able to pay the full cost of their care. This currently applies to less than 1% of social care customers all of whom are over the age of 70.

Option 1

Option 1 is to financially reassess each person and establish if they are still over the capital threshold. If they are, they would be classed as being able to pay the full cost

of their care as per the current charging policy and relevant administrative fees would apply. This option treats all people in a consistent way.

Option 2

Option 2 is to not amend this historic arrangement, due to the age of the people affected.

Should the needs of those people increase and cost more than £400 per week, the Authority could pay the amount over £400.

This option would potentially result in a situation where people of similar ages and need for care and support are charged different amount for a similar service which is not in line with the Care Act 2014

Recommendation

Option 1 is the option recommended to be consulted on.

5.11 Summary and conclusion of proposals

The options set out in this report have been carefully considered to ensure consistency in the way that people who receive Adult Social Care services from the Authority, or arranged by the Authority are charged. They are intended to increase the amount of funding available in North Tyneside to provide social care services to those who cannot meet the costs of their care.

The Authority has subsidised the costs of providing some forms of care for many years. The cost of providing care has increased significantly in recent years with rising levels of inflation and the Authority has absorbed cost increases without passing those increases in costs to people whose financial assessment has determined that they would ordinarily be required to pay the full cost of their care.

Other proposed changes such as to the charges applied by the Authority for being the appointee for a person, and arranging community funerals would enable those services to be properly funded on a sustainable footing.

It is acknowledged that some people will fall into multiple categories and may have more than one increase. However, any increase in a person's charges for their Care Act eligible care and support, would not be above what they have been financially assessed as being able to afford. The circumstances of any individual faced with a significant increase will be considered on a case-by-case basis with the potential to taper the impact of increased charges over several years.

6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

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

Option 2

Not to agree to the recommendations in paragraph 1.2 of this report.

Option 1 is the recommended option.

7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The recommendations are intended to increase the amount of funding available in North Tyneside to provide social care services to those who cannot meet the costs of their care. The recommendations also address some aspects of inequity which have been identified which need to be addressed to ensure all people are treated the same, according to their financial assessment.

Appendices

Appendix 1: Contributions Policy for Adult Care and Support Services Proposed Amendment

Appendix 2: Contributions Policy Schedule of Charges

8 Contact officers:

Ellie Anderson, Assistant Director Business and Quality Assurance, Adult Social Care, tel. (0191) 643 7354

Sue Graham, Health and Social Care Integration Manager, Adult Social Care, (0191) 643 4063

Jane Cross, Senior Business Partner, Finance, tel. (0191) 643 3166

9 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:

Equality Impact Assessment

[https://northtyneside.sharepoint.com/:w:/r/sites/ASCReportsforClearance/Shared%20Documents/General/26.10.2023%20-%20Charging%20Policy%20\(Cabinet%20Report\)/Background%20Document%20-%20EqIA%20Adult%20Social%20Care%20Charges%20Oct%2023%20v3.docx?d=w6b277d2ea7a34b778e11196cdbfe05cf&csf=1&web=1&e=obnCgl](https://northtyneside.sharepoint.com/:w:/r/sites/ASCReportsforClearance/Shared%20Documents/General/26.10.2023%20-%20Charging%20Policy%20(Cabinet%20Report)/Background%20Document%20-%20EqIA%20Adult%20Social%20Care%20Charges%20Oct%2023%20v3.docx?d=w6b277d2ea7a34b778e11196cdbfe05cf&csf=1&web=1&e=obnCgl)

Contributions Policy for Adult Care and Support Services. Policy in Tri.x. Local Resources, Finance, Financial Assessment and Appendix B Schedule of Charges

<https://northtynesideadults.trixonline.co.uk/resources/local-resources>
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/charging-and-financial-assessment-for-care-and-support-policy-updated-june-2021%20%281%29.pdf>

Contributions Policy for Adult Care and Support Services Appendix B Schedule of Charges

<https://trixcms.trixonline.co.uk/api/assets/northtynesideadults/e4b6cf1e-c4e9-4722-a0fb-6d118f1008df/appendix-b-contributions-policy-schedule-of-charges.docx>

The Care Act 2014

[Care Act 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

The Care and Support (Charging and Assessment of Resources) Regulations 2014

[The Care and Support \(Charging and Assessment of Resources\) Regulations 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

The Care and Support Statutory Guidance

[Care and support statutory guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

These proposals, if ultimately accepted, will increase income from client contributions and fees and charges which form part of the Authority's funding for social care services. The expected increased income has been included within the initial proposals for the Authority's 2024-2028 Medium Term Financial Plan and

budget proposals for 2024/25. Any changes to these assumptions as a result of Cabinet's decisions would need to be built into the final proposals.

2.2 Legal

Although service users receiving Adult Social Care support from the Authority, be it home care, residential/nursing care or day care will be affected by the proposed changes set out in the report, the proposed changes are in accordance with the Care Act 2014 and its accompanying Statutory Guidance as regards charging for such care.

Given that the proposed changes will impact on service users and their carers/families it is essential that the proposed changes to the charging policy are consulted on.

2.3 Consultation/community engagement

2.3.1 Internal Consultation – Engagement has taken place with officers within the Authority with positive feedback from Senior Leadership Team and Adult Social Care senior management team. Consultation with Cabinet Member for Adult Social Care has also been undertaken.

2.3.2 External Consultation/Engagement

If the proposal receives approval from Elected Members, then a 6-week public consultation exercise will be carried out. This could include broad public consultation through social media opportunities. An online survey could be created to gather people's feedback. Individuals who are affected by the proposed changes will be contacted separately to be given information about the proposals in line with the Authority's accessibility policy. For the 120 people who will be adversely affected by the proposals care will be taken to understand their preferred way to participate in sharing their views, involving family members and advocates if this is needed.

2.4 Human rights

In deciding whether to agree the changes to charging for adult social care services in principle and approve the commencement of a public consultation, the Authority must have particular regard to the rights set out in Article 8 of the European Convention of Human Rights. This Article sets out rights to respect for a person's private and family life, a person's home and his correspondence. Article 8 rights apply to almost every aspect of daily life and are critical to those in need of adult social care services. The mitigations described in this report and within the Equality

Impact Assessment will ensure that people can continue to receive the services they require to maintain their human rights.

2.5 Equalities and diversity

All potential equality implications that may arise from these proposals have been considered. There are some negative impacts which are highlighted in the Equality Impact Assessment. These impacts have measures in place to reduce their impacts and support those needing assistance. This Equality Impact Assessment is part of the background information.

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.

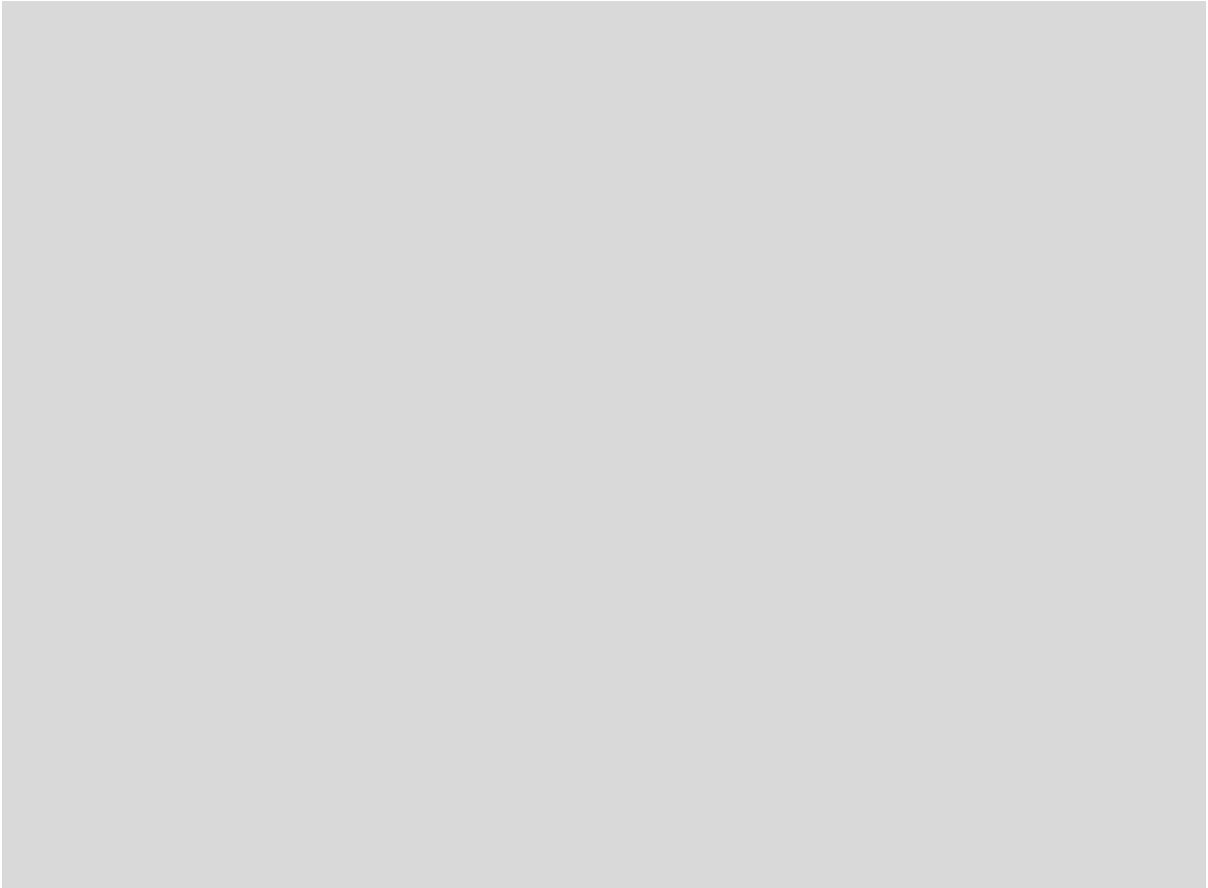
2.8 Environment and sustainability

There are no environment and sustainability implications directly arising 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

Contributions Policy for Adult Care and Support Services



Date: June 2021; Version: 4b

Author: Alison Tombs

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1. Introduction

- 1.1** North Tyneside Council's Contributions Policy for adult care and support services complies with the Care Act 2014, in particular, Sections 14 and 17.

Its aim is to produce a fair and consistent framework for charging and financial assessment for all adults who receive care and support services, following an assessment of their individual needs, and their individual financial circumstances.

The policy will be continually reviewed and amended in line with statutory guidance and advice issued by the Department of Health.

- 1.2** For the purposes of this policy, an adult is any customer aged 18 and above.

2 Legal basis for charging and financial assessment

- 2.1** The Care Act 2014 provides a single legal framework for charging for care and support. It enables Local Authorities to decide whether to charge an adult when it is arranging to meet care and support needs of the adult, or a carer's support needs. This is based on an individual's financial assessment

- 2.2** Section 14 of The Care Act 2014 provides Local Authorities with the power to charge adults in receipt of care and support services, where the Local Authority is permitted to charge for the service being provided.

- 2.3** Section 14 of The Care Act 2014 provides Local Authorities with the power to charge for services meeting carer's needs, by providing services directly to the carer.

- 2.4** Section 17 of The Care Act 2014 permits Local Authorities to undertake an assessment of financial resources. The financial assessment will determine the level of an adult's financial resource, and the amount (if any) which the adult may be likely to be able to pay towards the cost of meeting their needs through care and support services.

2.5 Section 14 of The Care Act 2014 instructs that Local Authorities are not permitted to charge for provision of the following types of care and support:

- Community equipment (aids and minor adaptations): a service which consists of the provision of an aid, or minor adaptation to property, for the purposes of assisting with nursing at home or aiding daily living. An adaptation is minor if the cost of making the adaptation is £1,000 or less;
- Intermediate care (including re-ablement support) services for **up to 6 weeks**;
- Care and support provided to people with Creutzfeldt-Jacob Disease;
- Services that are provided under Section 117 of the Mental Health Act (1983) which relate to an adult's mental health problems and cannot be charged for
- Any service or part of service which the NHS is under duty to provide. This includes Continuing Healthcare and the NHS contribution to Registered Nursing Care, or health services provided to adults who are terminally ill and assessed as palliative end of life care;
- Services which the Local Authorities have a duty to provide through other legislation;
- Assessment of needs and care planning, including the cost of the financial assessment, as these constitute 'meeting needs'.

2.6 North Tyneside Council will refer to the Care and Support Regulations (Statutory Instruments) and Care and Support Statutory Guidance and Annexes issued under The Care Act 2014, in all regards for specific guidance relating to charging and financial assessment.

As such, these statutory regulations form the basis of this policy, except where the Council exercises its power of discretion as set out within the regulations.

3 Equality and Diversity

3.1 Equality

The Care Act 2014 Section 14 outlines the principle for charging people in receipt of Adult Social Care services and Section 17 outlines the process for carrying out financial assessments to determine individuals' contributions.

The guidance states that charging rules must be applied equally so those with similar needs or services are treated the same and minimise anomalies between different care settings.

3.2 Diversity

The Council is committed to ensuring that no one is treated in any way less favourably on the grounds of personal differences such as age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

4 Policy objectives

4.1 The principles underpinning this policy are:

- Where the Council is required to arrange care and support for free, it does so;
- That adults are not charged more than it is reasonably practicable for them to pay following a Financial Assessment. The Financial Assessment will consider any additional costs that an adult may face as a result of their disability;
- To provide clear and transparent information so adults know what they will be charged for;
- To apply the rules consistently, to avoid variation in the way adults are assessed and charged;
- To promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control;
- To support carers to look after their own health and wellbeing and to care effectively and safely;
- To be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet needs of adults;
- To apply charging rules equally so those with similar needs or services are treated the same and to minimise anomalies between different care settings;
- To ensure that the charge to the adult for services provided is no greater than the cost of that service being delivered to the Council;
- To encourage and enable those who wish to stay in or take up employment, education or training, to plan for the future costs of meeting their needs to do so;
- To ensure that where an adult lacks capacity to undertake a Financial Assessment that the Council consults a suitable person defined as having either

- Enduring Power of Attorney (EPA);
- Lasting Power of Attorney (LPA) for Property and Affairs;
- Lasting Power of Attorney (LPA) for Health and Welfare;
- Property and Affairs Deputyship under the Court of Protection; or
- any other person dealing with that person's affairs, for example - someone who has been given Appointeeship by the Department of Work and Pensions (DWP) for the purpose of benefits payments

5. Principles

- 5.1** An adult requiring care and support must initially satisfy an eligibility assessment and only where an adult has an eligible need, will a financial assessment be required.
- 5.2** All adults requiring care and support must have a financial assessment. An adult's financial circumstances will determine whether the adult is eligible for support towards the cost of their care and support from the Council.
- 5.3** The purpose of the financial assessment is to ensure that the level of contribution calculated is within the adult's means and what they can reasonably afford to pay and leaves them with at least the guaranteed minimum level of income set by the Department of Health and Social Care.
- 5.4** The Council will ensure that all adults are supported to maximise their benefit entitlement and assist with the completion of benefit claim forms where necessary.

6. The Financial Assessment

- 6.1** Where the Council has determined that an adult is eligible for care and support services, it will undertake a financial assessment to ensure that the adult is not charged more than it is reasonably practicable for them to pay.
- 6.2** Once completed a written record of how the financial contribution has been calculated will be provided to the adult.
- 6.3** The adult is responsible for advising the Council of any changes to their financial circumstances that may impact upon their financial assessment.

7. 'Light-Touch' Financial Assessment

- 7.1** In some circumstances the Council may choose to treat a person as if a financial assessment had been carried out. In order to do so, the Council must be satisfied on the basis of evidence provided by the individual adult that they can afford, and will continue to be able

to afford, any charge due. This is known as a light-touch' financial assessment. The individual adult has the right at any time to request a full financial assessment.

- 7.2** The Council will consider a light-touch' financial assessment if:
- The adult has significant financial resources and does not wish to undergo a full financial assessment for personal reasons, but wishes nonetheless to access local authority support in meeting their needs;
 - In such circumstances, and where care and support is provided in a community setting, including respite care, the Council will charge an 'arrangement fee'. (see section 12.7 below)
 - Where an adult is in receipt of benefits/income which demonstrate that they would not be able to contribute towards their care and support costs; and
 - Where there is difficulty in contacting the adult or their representative within a reasonable time to undertake the financial assessment. In such cases the Council will assess the client using a light-touch' financial assessment and charge accordingly. The charge will be reviewed when contact has been established and a full financial assessment undertaken.

8. Non-Disclosure of Financial information

8.1 An adult has the right to choose not to disclose their financial circumstances, for example where they can afford to and will continue to be able to afford to pay any charges due for care and support. If the adult chooses to exercise this right, then they will be required to pay the full cost of their care and support at the time the service is delivered.

8.2 If the adult lacks capacity and their representative fails to engage in the Financial Assessment process, then the Council will require the representative to pay the care costs in full.

8.3 If the Council is concerned that the representative is not acting in the adult's best interests, then the Council will consider following the Adult Safeguarding process.

9 Charging and financial assessment for care and support in a care home on a permanent basis

9.1 The Council will charge for care and support delivered in a Care Home on a permanent basis.

- 9.2** Adults requiring permanent care and support in a Care Home must initially satisfy an eligibility assessment for care and support. Only where an adult has an eligible care and support need will a financial assessment be required.
- 9.3** All adults requiring permanent care and support in a Care Home must have a Financial Assessment. The adult's individual financial circumstances will determine whether they are eligible for support towards permanent care costs from the Council.
- 9.4** Adults will be made aware at the outset of the maximum amount of funding the Council makes available towards care and support provided by independent / voluntary sector Care Homes. This is known as 'The Local Authority Rate'. This rate is inclusive of any assessed customer contribution, and in the case of Nursing Care, includes the free Funded Nursing Care element (FNC) paid by the NHS.
- 9.5** Third party top ups may be applicable when an adult chooses more expensive accommodation than the Local Authority Rate. The top-up is to be paid by a third party, the third party must confirm they are able to meet the costs of the top-up for the duration of the agreement, including any price changes that may occur.

Both they and the adult will be made aware of the cost and to whom payment is to be made, together with the frequency, as well as provision for review, the consequences of failing to maintain payment and the effect changes in any parties' financial circumstances will have on the agreement.

It is recommended that the top up is paid directly to the care home by the third party, this is the simplest option. The second option is for North Tyneside Council to pay the top up to the care home and then invoice the third party for the four-weekly amount.

Non-payment of the top up; if the top up is not paid the service user may be moved to a room or other home that does not require a top up. Any unpaid top up costs that are paid by North Tyneside Council will be passed on to the third party as debt to be recovered.

If the Local Authority were not involved in the placement of the person, any third party top up would be a private arrangement.

- 9.6** Where an adult is eligible to receive Local Authority funding for support in a care home setting, but decides to reside in another Local

Authority area, North Tyneside Council will pay the Local Authority rate for the area where the customer decides to live.

Where an adult chooses more expensive accommodation than the Local Authority Rate of their chosen area and the top-up is to be paid by a third party, the third party must confirm they are able to meet the costs of the top-up for the duration of the agreement, including any price changes that may occur.

Both they and the adult will be made aware of the cost and to whom payment is to be made, together with the frequency, as well as provision for review, the consequences of failing to maintain payment and the effect changes in any parties' financial circumstances will have on the agreement.

It is recommended that the top up is paid directly to the care home by the third party, this is the simplest option. The second option is for North Tyneside Council to pay the top up to the care home and then invoice the third party for the four-weekly amount.

Non-payment of the top up; if the top up is not paid the service user may be moved to a room or other home that does not require a top up. Any unpaid top up costs that are paid by North Tyneside Council will be passed on to the third party as debt to be recovered.

If the Local Authority were not involved in the placement of the person, any third party top up would be a private arrangement.

9.7 Adults who own a property, over which security can be taken, may be eligible to defer care costs against the value of the property.

This is known as a Deferred Payment Agreement. On an individual basis, North Tyneside Council will consider other assets than a property as eligibility for the Deferred Payment Scheme.

North Tyneside Council will make Deferred Payment Agreements available under the national 'Universal Deferred Payment Agreement Scheme' and 'North Tyneside Council Deferred Payment Agreement Scheme' providing the eligibility criteria has been met.

Details of Deferred Payment Agreements can be found within the Council's Deferred Payment Agreement Policy located at www.northtyneside.gov.uk

9.8 The Council will undertake a financial and benefits check for adults entering Residential Care on a permanent basis to ensure that their income is maximised. Contributions are payable from the date care commences.

9.9 The Financial Assessment will consider income, capital and the value of any assets.

The charging methodology will take into consideration any mandatory disregards of income, capital and property as defined in the Care and Support (Charging and Assessment of Resources) Regulations 2014.

9.10 The Financial Assessment will take into account statutory amounts required to be retained by the customer from their income. These are known as 'Personal Expenditure Allowance' (PEA) and 'Disposable Income Allowance' (DIA). These amounts are dependent upon the adult's individual financial circumstances and are reviewed annually by the Department of Health and Social Care.

The rates applicable for the relevant financial year (April — March) are set out on the Councils website www.northtyneside.gov.uk Where a customer has no income the Local Authority must ensure that they receive a personal expenditure allowance at the prevailing rate.

9.11 Financial assessments will be regularly re-assessed to ensure that the person is able to meet the cost of any charges. An assessment will take place if there is a change in circumstances or if the person requests an assessment.

10. Charging and financial assessment for care and support in a care home on a temporary basis - short-term placement (excluding respite care)

10.1 The Council will charge for care and support delivered in a care home on a temporary basis (short-term placement).

10.2 Following an assessment of an adult's eligible care and support needs, a decision may be taken that the adult would benefit from a temporary stay in a Care Home. A temporary resident is defined as an adult whose need to stay in a Care Home is intended to last for a limited period of time and where there is a plan to return home. The adult's stay should be unlikely to exceed 52 weeks, or in exceptional circumstances, unlikely to substantially exceed 52 weeks.

- 10.3** Where an adult's stay is intended to be permanent, but circumstances change and the stay becomes temporary, then the Council will assess and charge as a temporary stay.
- 10.4** Adults that have a temporary stay that becomes permanent will be assessed for a permanent stay at the date permanency is confirmed and the Care and Support plan is amended.
- 10.5** The Council will financially assess all adults having a temporary stay in a Care Home and will charge from the date of admittance.
- 10.6** The financial assessment for temporary stays will completely disregard the adult's main or only home where the adult intends to return to that home.
- 10.7** The financial assessment will treat income and capital in the same way as if the customer was entering a Care Home on a permanent basis with the following exceptions:
- Where the adult is in receipt of Disability Living Allowance, Personal Independence Payment or Attendance Allowance, these are completely disregarded from the financial assessment;
 - Where the adult receives Severe Disability Premium or Enhanced Disability Premium, these payments cease when Disability Living Allowance, Personal Independence Payment or Attendance Allowance ceases
- 10.8** The Council will ensure that where a spouse or partner resides in the same residence as the adult, that the spouse/partner will have an income of at least the basic level of income support or pension credit, to which they would be entitled to in their own right.
- 10.9** The Council will ensure that where Housing Benefit is paid, this is disregarded.

The Council will ensure that payments made by the adult to keep and maintain their home, such as rent or insurance premiums are disregarded at the rate of £20 per week.

In exceptional circumstances, where the payments are more than this amount, the Council will consider disregarding a higher amount but will request evidence to support the decision.

Contributions are payable from the date care commences.

A new financial assessment will be required in each financial year where an adult requires temporary accommodation in a Care Home.

11. Charging and financial assessment for respite care provided in a care home setting

The Council will charge for respite care delivered in a care home.

Respite care is defined as a short-term placement, which has an agreed start date and agreed end date, as identified in a support plan. Respite arranged outside of the support plan would be considered a private arrangement.

It is classed as 'replacement care' and is usually provided to a cared for person, to enable their carer to take a break from their caring role.

The Council will assess an individual's ability to pay for respite care, using the charging and financial assessment process for care and support services within a residential placement, however additional disregards will be provided to ensure the person is not financially disadvantaged due to housing costs.

The Council will ensure that payments made by the adult to keep and maintain their home, such as rent or insurance premiums are disregarded at the rate of £20 per week.

In exceptional circumstances, where the payments are more than this amount, the Council will consider disregarding a higher amount but will request evidence to support the decision.

Contributions are payable from the date care commences.

12. Charging and financial assessment for care and support in an adult's own home, including supported living

- 12.1** North Tyneside Council will charge individuals a contribution, based on their ability to pay following a financial assessment, against the full cost of care and support delivered in other care settings including a person's own home. This could include charging for a second carer if required. There will be no upper ceiling on the amount of contribution an adult will make, contributions will be solely based on the adult's ability to pay following the outcome of a financial assessment. Where the support is a one-off intervention that benefits the adult for a number of months, for example a "deep clean" of their property, the charge will be made, based on the weekly contribution decided by the financial assessment for a period of 6 months or until the full cost of the intervention is recovered, whichever is sooner.

- 12.2** Adults requiring care and support in their own home or other care settings, such as Extra Care Housing must initially satisfy an eligibility assessment for care and support. Only where an adult has an eligible care and support need will a financial assessment be required.
- 12.3** Where an adult has an eligible care and support need, the Council will calculate how much the personal budget might be using its

Resource Allocation System (RAS). Once the indicative budget is known, the care support planning process, taking into account the adult's desired outcomes, will determine the agreed personal budget.

- 12.4** Adults will have the option to take their personal budget as: a council commissioned services; an Individual Service Fund; as a Direct Payment; or a combination of any of these options.

Adults who take their personal budget as a Direct Payment may purchase alternative types of care to meet their care and support needs as defined in Sections 31 to 33 of The Care Act 2014

- 12.5** The Council has specific 'Direct Payments Guidance' that sets out the criteria for care and support being managed through Direct Payments available on our My Care website.

<https://mycare.northtyneside.gov.uk/web/portal/pages/help/facts>

- 12.6** The Council will undertake a financial assessment to determine the amount an adult can contribute towards their care and support costs. The financial assessment will be based, as a minimum, on income, capital, housing costs and Disability Related Expenditure (DRE).

Adults with capital in excess of the higher capital limit will be responsible for meeting all of their care and support costs.

Evidence will be required to substantiate fully an adult's financial circumstances. Please refer to Appendix A of this policy for Guidance in relation to DRE.

- 12.7** Where an adult has capital in excess of the higher capital limit and is therefore classed as 'self-funding' they can choose to make their own arrangements and pay privately to meet their needs.

Alternatively, they can request that their services are arranged by the Council. They would then be considered 'full cost client' and would be required to pay the full cost of their care and support.

The Council will charge an 'arrangement fee' for doing this.

The annual fee is set out in Appendix **B** Schedule of Charges. This schedule will be reviewed and updated annually.

12.8 The Schedule of Charges will be managed under the Council's Delegated Responsibilities and will be reviewed annually. This will include charges for support being met through technology.

12.9 The Council will ensure that adults retain at least the 'Minimum Income Guarantee.' As set out in Appendix C General Living Allowance

This retained income level is designed to promote independence and social inclusion and is intended to cover basic needs for ordinary living expenses such as food, light and heating, after housing costs have been taken into consideration.

Direct housing costs will only be considered where the adult is liable for such costs, i.e. holds the tenancy agreement or is party to the mortgage.

The 'Minimum Income Guarantee' is set out under The Care Act and is confirmed each year by Department of Health and Social Care.

12.10 The financial assessment will refer to the Care and Support (Charging and Assessment of Resources) Regulations 2014 for all disregards in respect of income and capital when making a determination of the adult's financial resources.

12.11 When the financial assessment has been concluded, the adult will be informed in writing of the weekly amount they must contribute towards their care and support costs.

Adults will not be charged more than the amount determined by the financial assessment.

Contributions are payable from the date that care and support services commence.

Adults who require services to be arranged by the Council will be invoiced on a four-weekly basis in arrears for their care and support costs.

Adults receiving their care and support costs through a Direct Payment will receive payments weekly, inclusive of their financial contribution. They will then receive an invoice for their financial contribution which will be paid to the Council.

Adults who receive their care and support through an Individual Service Fund, ISF, will be invoiced on a four-weekly basis for their assessed contribution.

12.12 The Council will aim to review all financial assessments with the adult or their financial representative on a regular basis.

12.13 The Council will back date any uplifts in charges based on the uplift in benefit rates which occur each April.

12.14 Adults who receive their care and support through an Extra Care schemes may be liable for a core charge, for maintenance and 24 hour concierge support. The amount will be disregarded from their financial assessment and separate invoices raised on a 4-weekly basis. If the person is not in receipt of care and support from the Council, they would still be liable for the core charge.

13 Charging and financial assessment for support for carers

13.1 The Care Act 2014 provides Councils with the power to charge for support for carers, where they have an eligible support need in their own right.

13.2 Carers support is support provided directly to the Carer and not support provided directly to the adult being cared for. For example, sitting services and respite care are provided to the cared for person and are chargeable, although their provision benefits the Carer.

13.3 North Tyneside's current policy is not to charge Carers for the support they receive in their own right.

This decision will be reviewed on a regular basis and any appropriate notice of change will be given.

Following, the review, if the Council changes its policy in terms of charging Carers, the financial assessment will follow the same calculation methodology as those receiving care and support outside of a care home. This may be a 'light-touch' financial assessment, however the Carer can request a full financial assessment, if they so wish.

14. Financial Assessment Considerations

14.1 Deprivation of income and/or assets is the disposal of income and capital (property and investments) in order to avoid or reduce care charges.

Disposal can take the form of transfer of ownership or conversion into a disregarded form.

In all cases, it is up to the adult to prove to the Council that they no longer possess an income or an asset.

The Council will determine whether to conduct an investigation into whether deprivation of income or assets has occurred.

Where an investigation is conducted, this could be conducted under guidance contained within the Regulation of Investigatory Powers Act 2000.

Following the investigation, where the Council decides that an adult has deliberately deprived themselves of an asset or income in order to reduce a charge for care and support, the Council will initially charge the adult as though they still own the asset or income.

- 14.2** Property other than the adult's main or only home will be included within the financial assessment as a capital asset where they are the beneficial owner or have a beneficial interest in the property.

The only exception to this rule is where the adult is taking steps to sell any additional property(s). The Council would expect that reasonable steps are taken by the adult to ensure that the sale is progressed in a reasonable timeframe. The Council reserves the right to review this situation on a 6-monthly basis.

- 14.3** The Care Act 2014 requires that financial assessments are completed for adults as individuals.

Where capital is held and income is received on a joint basis, then it is assumed that each person is entitled to 50% of that income. A couple is defined (for administration of their financial affairs) as two people living together as spouses or partners.

Where appropriate the Authority will assess as a couple, if the outcome of the financial assessment is more beneficial to the adult being cared for.

- 14.4** An allowance for housing costs (e.g. rent/mortgage/council tax) will be made within the financial assessment for actual costs incurred, on production of evidence to substantiate liability for expenditure. Where the adult is not liable for these costs but contributes towards these through a private board agreement or similar, then the adult

will be expected to meet this expenditure from their guaranteed income.

14.5 Where funds are held in trust, the financial assessment will seek to determine whether income received, or capital held in trust should be included or disregarded. Copies of trust documents (e.g. Trust Deed, Will Settlement etc) are required to be produced as part of the financial assessment.

14.6 Where the adult receiving care and support has capital at or below the higher capital limit, but more than the lower capital limit, they will be charged £1 per week for every £250 in capital between the two amounts. This is called "tariff income". For example, if an adult has £4,000 above the lower capital limit, they are charged a tariff income of £16 per week.

15. Recovery of Debt

15.1 The Care Act 2014 consolidates the Council's powers to recover money owed for arranging care and support for an adult.

Section 69 of this Act provides equal protection to both the Local Authority and the person.

Section 70 of the Act also provides the Local Authority with the power to recover charges from a third party where a person has transferred assets to them in order to avoid paying charges for care and support.

Where North Tyneside Council is not able to recover the debt, it will pursue the recovery by making a claim to the County Court for a Judgment Order.

These powers can be exercised where an adult refuses to pay the amount they have been assessed as being able to pay, or have been asked to pay (where the cost of care and support is less than their assessed contribution).

15.2 The powers granted to the Council for the recovery of debt also extends to the adult or their representative, where they have misrepresented or have failed to disclose (whether fraudulently or otherwise), information relevant to the financial assessment of what they can afford to pay.

15.3 Where there is a refusal to pay for care and support costs by the adult or their representative, the Council will act reasonably and

endeavour to resolve the issue in one of the following ways, before making application to the County Court.

These include:

- Contacting the adult or their representative in writing, to establish why the contribution to care and support costs has not been met and for payment arrangements to be made. These repayments must be affordable and relevant to the outstanding debt.
- Where mental capacity is not established North Tyneside Council may support the representative to gain Deputyship as appropriate;
- Where mental capacity is not established and there is no appropriate representative to gain Deputyship North Tyneside Council will consider applying to be a Deputy; or requesting a Panel Deputy be appointed and
- Use of independent mediation through an independent third party such as a voluntary organisation, advocate or solicitor where appropriate

15.4 Documentary evidence must be gathered in all cases to support any application to the County Court. This includes documentary evidence that -

- the adult is eligible for, has been offered, and refused, a Deferred Payment Agreement (where applicable)
- All invoices raised
- Recorded dates of contact made with the adult or their representative and the outcome of these meetings
- Any other relevant information

15.5 In all cases the desired outcome is to prevent debt escalating and for the adult to enter into affordable repayments of the debt as well as being able to pay on-going costs as they arise.

15.6 Social workers will be advised of the debt and will become involved as appropriate

15.7 The Council will give regard to the level of debt and the cost of recovery and will not proceed with recovery action where the cost of recovery would be disproportionate.

15.8 All debt that arises from 1st April 2015 must be recovered within 6 years from when the sum became due to the council.

16. Reviews and Complaints

- 16.1** If an adult is unhappy with the assessment or considers after the assessment that they cannot afford to pay, then they have the right to request a review of the charge that has been assessed. The review will be carried out by a manager of the individual who has completed the assessment.

16.2 Review Process — Financial Assessments

Residential and Non-Residential Services

16.3 Purpose:

The Council refers to the Care and Support Regulations (Statutory Instruments) and Care and Support (Charging and Assessment of Resources) Regulations 2014 in all regards for specific guidance relating to charging and financial assessment.

This policy allows some discretion in terms of dealing with individual cases and each case is determined on individual financial circumstances and the outcome of a financial assessment.

The Local Government Ombudsman has emphasised that customers should be given clear information as to the criteria for having charges reviewed, reduced or waived.

The Financial Assessment Review process sets out the mechanism through which individuals may request a review of their assessed charge.

16.4 Review Process

Where a customer disagrees with the level of charge set following a financial assessment, they can request a review. The request would normally be within 1 month of receiving confirmation, in writing, of the assessed charge.

The review will be completed and undertaken by a Manager within Adult Social Care Finance. The customer will be notified in writing of this, with an undertaking that any reduction (if agreed) will be applied from the date of notification of the assessed/re-assessed charge, i.e. the date from which the charge would take effect.

The Manager will:

- Establish that the charging policy has been appropriately applied and that the charge has been calculated correctly.
- Establish that benefits have been maximised appropriately.
- Establish that any additional costs of disability have been allowed in accordance with agreed amounts.
- Consider any exceptional costs that result from disability, identified by the customer and assess the need for a reduction in the charge through the exercise of discretion.
- Check the care and support plan and discuss with the Care Manager whether any other exceptional circumstances apply.
- Ensure that, where appropriate, additional supporting evidence of actual expenditure is provided
- Arrange to meet with the customer user/family or carer as necessary to discuss the circumstances of the review.
- Obtain the agreement of the Review with Business Process Manager or Assistant Director Wellbeing and Assessment regarding the outcome of the review.
- Notify the customer in writing of the outcome of the review and advise the customer of the right to complain through the Council's Corporate Complaints process, if dissatisfied with the outcome of the review.

17 Complaints

17.1 If a customer is dissatisfied with the process or outcome of the financial assessment, then they are entitled to make a complaint. The leaflet entitled "How to Complain about Adult and Children's Social Services" is available upon request from Customer & Member Liaison Office, North Tyneside Council, Quadrant, The Silverlink North, Cobalt Business Park, Newcastle upon Tyne NE27 0BY,

Tel: (0191) 643 2280.

Fax: (0191) 643 2430

Email: CML@northtyneside.gov.uk

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North Tyneside Council
Contributions Policy for Adult Care and Support Services
Appendix B - Schedule of Charges

Residential Care Charges

Care Category	Grade	Weekly Fee
Residential - General Care		
	Grade 1	£785.46
	Grade 2	£738.27
	Grade 3	£692.44
	Grade 4	£654.26
Residential – Dementia Care		
	Grade 1	£830.25
	Grade 2	£781.30
	Grade 3	£733.78
	Grade 4	£694.19
Nursing – General		
Plus RNCC	Grade 1	£785.46
	Grade 2	£738.27
	Grade 3	£692.44
	Grade 4	£654.26
Nursing – Dementia		
Plus RNCC	Grade 1	£830.25
	Grade 2	£781.30
	Grade 3	£733.78
	Grade 4	£694.19

Community Based Support

Support to live at home, older people, and other client groups

From 1 April 2023

HOMECARE SERVICE RATES		
GENERAL CARE	Zones 1 to 4	Zones 5 to 6
15 minute visit	£5.46	£6.00
30 Minute Visit	£10.65	£11.73
45 Minute Visit	£15.52	£17.05
60 Minute Visit	£19.28	£21.21
Sleep in (fixed rate rate)	£118.39	£118.39
Waking night (9 hours x hourly rate)	£173.52	£190.87
ENHANCED CARE		
	Zones 1 to 4	Zones 5 to 6
15 minute visit	£5.54	£6.09
30 Minute Visit	£11.06	£12.16
45 Minute Visit	£16.59	£18.24
60 Minute Visit	£22.11	£23.29
Sleep in (fixed rate rate)	£129.71	£129.71
Waking night (9 hours x hourly rate)	£198.95	£209.67

EXTRA CARE SERVICE RATES	
GENERAL CARE	
Hourly pro-rata rate	£17.87
ENHANCED CARE	
Hourly pro-rata rate	£22.11

Direct payment agency rates

General homecare, zones 1 to 4	£21.20
General homecare, zones 5 to 6	£23.32
Enhanced homecare, zones 1 to 4	£22.11
Enhanced homecare, zones 5 to 6	£24.23

Personal Assistant rates

£10.42 per hour

Independent supported living, learning disability and mental health

From 1 April 2023

- Hourly rate – complex care £18.96
- Hourly rate – non-complex care £18.29
- Overnight rate – Waking night As per the above hourly rate x 10 hours
- Overnight sleep-in £113.19

Self-funding Administration Charge

£260 per year proposed change to £11.50 per week, £598 per year

Extra Sheltered Care Core Charge

£25 per week

Individual Service Fund

Priced per provider

Day Care

£32.26 for a full day

£19.28 for a half day

Plus transport costs

Proposed to change to actual cost of service which in 2023/24 is between £38.55 and £41.72 per full day

Proposed to charge for transport services associated with attending day care which in 2023/24 is between £5.97 to 12.22 per day

Appointee and Deputyship Charges

Currently £5 per week – propose change to £10 per week

Community Funerals

Proposed to introduce an administration charge of £300 for estates with funds in excess of cost of the funeral.

Care Call Charges – proposed changes

Service level	Charge per week 2023/24	Proposed Charge per week in 2024/25
Provision of telecare equipment, monitoring and emergency response	£6	£7
As above with a fortnightly welfare check	£9	£10.50

North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Home to School Transport

Portfolio(s):	Finance and Resources Education, Inclusion, Employment and Skills Supporting and Protecting Children	Cabinet Members:	Councillor Anthony McMullen Councillor Steven Phillips Councillor Peter Earley
Report from Service Area:	Commissioning and Asset Management Children's Services		
Responsible Officer:	Mark Longstaff, Director of Commissioning & Asset Management	(Tel: (0191)643 8089)	
	Julie Firth, Director of Children's Services	(Tel: (0191)643 1454)	
Wards affected:	All wards		

PART 1

1.1 Executive Summary:

New statutory guidance for local authorities was published by the Department for Education in June 2023 concerning the travel to school of children of compulsory school age. It is therefore necessary to review the Authority's Transport Policy to ensure that it is compliant with new statutory guidance, to make any necessary amendments and to clarify the offer to parents and carers.

This report also seeks permission to commence a consultation on some proposed changes to the Home to School Transport Policy and the Annual Post 16 Transport Statement with a view to ensuring all statutory responsibilities are met within the current budget. Currently the Authority provides transport provision over and above the statutory requirements placed on it – this is no longer financially sustainable.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Note the Draft Revised Home to School Transport Policy at Appendix 1 of this report and the Draft Revised Annual Post 16 Transport Statement at Appendix 2 of this report;
- (2) Approve the proposal to commence public consultation on the revised Policy and Statement referred to in recommendation (1) above; and
- (3) Agrees to receive a further report on the outcome of the public consultation and to consider if the proposed changes to the Draft Revised Home to School Transport Policy and the Draft Revised Annual Post 16 Transport Statement should be made and implemented having regard to the consultation responses.
- (4) Asks officers to continue to work closely with Transport North East, to deliver the Bus Service Improvement Plan (BSIP) with particular regard to supporting young people in meeting their travel needs.

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 19 October 2023.

1.4 Council Plan and Policy Framework

This report relates to the following priority(ies) in the 2021/25 Our North Tyneside Plan:

A family friendly North Tyneside
A green North Tyneside

1.5 Information:

1.5.1 Background

The Authority has a statutory duty to provide home to school transport to children and young people who meet the criteria prescribed in legislation.

Currently just over 1000 Children of a statutory school age are supported by home to school transport arrangements. This represents an increase of nearly 40% in the number of children who receive such support when compared with 2019.

This increase has placed significant pressure on the current home to school transport budget. In the current financial year, the forecasted pressure is £2.9 million. This is not a sustainable position therefore it is proposed to commence consultation on proposed changes to the current home to school transport policy.

Travel assistance is currently provided by the Authority over and above the statutory requirements placed on it. Such additional assistance consists of: -

- Providing fully funded travel assistance to secondary schools with a designated religious character where they have been chosen on the grounds of religion or belief.

There is no requirement for the Authority to arrange travel assistance to a school with a designated religious character for a child whose parents or carers have chosen it on the grounds of their religion or belief (unless the child meets other eligibility criteria for free travel to that school).

- Providing fully funded transport assistance for some young people over the age of 16 and re-imbursing 50% of transport costs for others.

There is no requirement for the Authority to provide free or subsidised post 16-year-old travel. There is however a duty placed on the Authority to publish an Annual Post 16 Transport Statement specifying the arrangements for the provision of transport that the Authority considers necessary to facilitate the attendance of persons of sixth form age receiving education or training.

It is also proposed to re-assess all non-statutory provision and to consult on the introduction of a standard charge as a contribution towards transport provision in line with other North East Authorities.

- Providing transport assistance for students with an Education Health and Care plan who live more than 1 mile from their school.

Statutory Walking Distances

A child under the age of 8 is eligible for free travel to their nearest suitable school if it is more than 2 miles from their home.

A child aged 8 years or over is eligible for free travel to their nearest suitable school if it is more than 3 miles from their home.

Extended Rights

If a family is eligible for free school meals or in receipt of maximum working tax credit, travel assistance is available if a child is:

- Aged 8 but less than 11 and lives more than 2 miles but no more than 6 miles to the nearest school (measured by road)
- Aged 11 to 16 and lives more than 2 miles but less than 6 miles if attending 1 of the nearest 3 schools (measured by road).

It is proposed to consult on the removal of the 1-mile distance and revert to statutory mileage distances.

- Transporting students to and from Additionally Resourced Provision (ARPs) with such transport provision accommodating individual part-time timetables.

It is proposed to consult on such transport being provided only at the start and the end of the school day for eligible students.

It is proposed that the Authority consults on the Draft Revised Transport Policy (Appendix 1) and the Draft Revised Annual Post 16 Transport Statement (Appendix 2) including the proposed amendments set out above to ensure the most efficient use of the public funding for the provision of home to school transport.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Give consent to the proposed consultation on changes to the current Home to School Transport Policy and Annual Post 16 Transport Policy Statement.

Option 2

Do not give consent and make no changes to the current Policy and Statement.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

It is not possible to address all of the current pressure on the home to school transport budget without making appropriate changes to the current Transport Policy and Annual Post 16 Transport Statement and those potential changes require consultation. These changes will not affect our ability to meet statutory obligations in relation to home to school transport.

1.8 Appendices:

Appendix 1: Draft Revised Home to School Transport Policy

Appendix 2: Draft Revised Annual Post 16 Transport Statement

1.9 Contact officers:

Mark Longstaff, Director of Commissioning and Asset Management, Tel: 0191 643 8089

Barbara Patterson, Head of Service (Catering and Fair Access). Tel: 0191 643 8340

Val Johnson, Access Manager, Tel: 0191 643 8721

Mark Mirfin, Assistant Director for SEND Transformation. Tel: 0191 643 4426

Jane Cross, Senior Business Partner, Strategic Finance, Tel: 643 3166

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) [Current Home to School Transport Policy](#)

(2) [Current Annual Post 16 Transport Statement](#)

(3) [DfE Post-16 transport and travel support to education and training statutory guidance for local authorities – January 2019](#)

- (4) [DfE Travel to school for children of compulsory school age Statutory guidance for local authorities June 2023](#)
- (5) [2023-24 Performance and Financial Management Report to Cabinet - 18 September 2023](#)
- (6) [Equality Impact Assessment](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The current pressures on the home to school transport budget are estimated to be £2.9 million in for the financial year 2023/24. The proposed consultation would provide valuable feedback on the proposed changes that could be made to improve the current financial position whilst still supporting children and young people to access education in line with statutory requirements.

Looking ahead, the Authority will continue to work closely with Transport North East, to deliver the Bus Service Improvement Plan (BSIP) utilising £163.5m government funding. The purpose of this is to lower bus fares, grow networks and speed buses up over the next two years. This has included a new young person's £1 single bus fare meaning affordable travel on any bus service for those aged 21 and under across Tyne and Wear, Northumberland and Durham. The offer is also matched on the Metro and Shields Ferry.

2.2 Legal

The requirement for the Authority to provide travel assistance to and from school is imposed by the Education Act 1996. In the case of an 'eligible child', Section 508B of that Act states that the Authority must make such travel arrangements as it considers necessary for facilitating the child's attendance at school. Schedule 35B of the Act defines an 'eligible child'. The Authority must exercise its duty in a manner which is lawful, rational and procedurally proper.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation has been undertaken with the Director and Head of Service responsible for provision and with the home to school transport service, Financial Officers, the Special Educational Needs Disability Support Services.

2.3.2 External Consultation/Engagement

Good practice suggests that consultation should last for a minimum of 6 weeks. It is intended, subject to approval to run the consultation from 4 December 2023 for a period of 8 weeks to 28 January 2024.

This report requests permission to undertake external consultation with all parties including but not limited to schools, colleges, multi academy trusts, learning trusts, parents and carers across the borough.

2.4 Human rights

There are no human rights implications arising directly from this report in relation to the request for permission to consult on future changes to the policy.

2.5 Equalities and diversity

An Equality Impact Assessment has been undertaken in relation to the consultation process and with regard to any changes to the policy which may follow as a result of the consultation. There are equality implications in relation to age, disability, sex, race and religion or belief. Whilst not legally protected characteristics, we are mindful that there may be implications for those families who are socio-economically disadvantaged or carers.

The consultation will be undertaken in such a way as to ensure digital exclusion is minimised. Consideration has been given to those who may be digitally excluded across a number of protected characteristics this could include for socio-economic reasons, because of a disability, or be related to age.

2.6 Risk management

The risks associated with the consultation process have been considered as part of the Equality Impact Assessment. Based on previous experience of engagement and communication we understand that different engagement methods may be required for children and young people and that some people may have communication and accessibility needs.

A detailed consultation plan will be developed to ensure consultation in a variety of different formats and across a range of groups. This will include electronic and paper formats. Our access statement will let people know that information can be made available for translation into different languages. Links will be sent direct to current users of the service. This should ensure that a good cross section of those likely to be affected by the changes will be notified of the consultation.

2.7 Crime and disorder

There are no crime and disorder implications linked to the proposal to consult.

2.8 Environment and sustainability

Any proposed changes to the policy as a result of the proposed consultation would include a focus on encouraging children and young people to gain from the benefits offered through independent travel training, walking or cycling to school where possible and, where this is not possible, travelling in the most sustainable way.

PART 3 – SIGN OFF

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

Home to School Transport Policy

Date TBC



North
Tyneside
Council

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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 the Home to School Transport on 0191 643 8726 or email hometoschooltransport@northtyneside.gov.uk.

Home to School Travel Policy

1. Introduction

1.1. Legal Background

The duty for the Council to provide travel assistance to and from school is imposed by the Education Act 1996 (hereafter referred to as 'the Act'). In the case of an 'eligible child', Section 508B of the Act states that the Council must make such travel arrangements as they consider necessary for facilitating the child's attendance at school. Schedule 35B of the Act defines an 'eligible child'. The Council must exercise this duty in a manner which is legal, rational and procedurally proper.

This home to school travel policy (hereafter referred to as 'the policy') has been developed with regard to statutory guidance on the provision of home to school travel. The guidance covers the Council's duties under Section 508A of the Act to promote sustainable travel and transport as well as covering arrangements for the provision of school travel for children and young people. Local authorities must make arrangements, free-of-charge, for eligible children to travel to school.

This policy has been reviewed following statutory guidance issued by the Department for Education in June 2023 and covers travel to school for children of compulsory school age. There is a separate statement in relation to post 16 travel assistance.

Parents are responsible for ensuring their child attends school. This means they must take all the action necessary to enable their child to attend school. For most parents, this includes making arrangements for their child to travel to and from school.

1.2. Policy Outcomes

The policy ensures that eligible young learners of compulsory school age within North Tyneside have access to educational settings during the day as a means of promoting learning, social inclusion, choice and diversity of learning provision.

1.3. Policy Aims

The policy supports a number of local priorities and contributes to the Council's aim of promoting social inclusion and supporting our children and young people to continue to receive an outstanding education by minimising potential barriers to learning. The policy will continue to be reviewed with this in mind.

1.4. Scope of Policy

The policy sets out the Council's arrangements for fulfilling its statutory duties and the exercise of the Council's discretionary powers for home to school travel. This will apply to travel arrangements made at the start and end of the school day but does not relate to travel between sites during the school day. The policy covers provision for primary and secondary schools (including first, middle and high schools) and applies to residents whose home address is within the Borough of North Tyneside.

Pupils who are not yet statutory school age (e.g. children in Nursery class) are excluded from the scope of this policy. Children in Nursery Class may be provided with discretionary support if they are attending their nearest special school for an EHCP assessment.

2. Eligibility for Assistance with Home to School Travel

2.1. Terms of Reference

For the purpose of this policy the term 'nearest suitable school' will be used to mean the nearest school with places available that provides education appropriate to the age of the child, and any identified special educational needs that the child has.

The nearest suitable school for a child with special educational needs may be different than that for other children. The nearest school is determined by distance measured using Q Routes and Q Paths. When considering eligibility for travel assistance, a school must have places available to be considered 'suitable'. In all cases the Council will determine what is the nearest suitable school.

It is a parent/carers responsibility to ensure their child attends school and that a child will be accompanied to school by a parent/carer where necessary unless there is a good reason why it is unreasonable to expect a parent/carer to do so.

For children who divide their time between parents who are separated and have two addresses the Council will assess eligibility for travel assistance based on the parent living nearest to the school attended. In reaching a decision on providing support with travel assistance it will use the eligibility criteria within this Policy.

The Council will not provide travel assistance when the child resides with the parent furthest from school, other than in exceptional circumstances. The Council reserves the right to determine any assistance at its own discretion.

A child may be an 'eligible child' according to Schedule 35B of the Act and therefore qualify for assistance with travel if they meet one or more of the following criteria:

2.2. Distance

The Council will provide free school travel for children of compulsory school age if their nearest suitable school is:

- beyond 2 miles (if below the age of 8 years).
- beyond 3 miles (if aged between 8 and 16 years).

Free travel will not be provided if there are places available in a suitable school closer to home. The Council will determine what is considered to be the nearest suitable school.

Free school travel applies to travel arrangements at the start and end of the school day. It does not relate to travel between educational establishments during the school day.

The Council has previously provided travel assistance to pupils attending special schools or ARPs who had an EHC plan and who lived over 1 mile from their special school / ARP. The statutory requirement is over 2 miles for children up to age 8 and 3 miles for those over 8. The statutory mileage limits will be applied to those starting special schools / ARPs from September 2025. Students already in receipt of transport assistance will continue to receive support until they reach the end of their current phase of education in year 6, (year 11 for Southlands). Woodlawn and Beacon Hill travel arrangements would stop at year 6 and year 11. All primary ARPs would stop at year 6 and all High School ARPs would stop at year 11.

2.3. Low Income

Low-income eligibility criteria are intended to secure access to schools for children for whom a lack of affordable transport could otherwise be a barrier to choice.

Children will meet low-income eligibility criteria if they are entitled to free school meals on grounds of low income, or if parents are in receipt of the maximum level of Working Tax Credit (the level of entitlement to Working Tax Credit is shown on the notice issued by H.M. Revenue and Customs) and if:

- The nearest suitable school is beyond 2 miles but no more than 6 miles (for children from age 8 and under 11 years).
- The school is between 2 and 6 miles (if aged 11-16 years and they are attending one of their three nearest schools).

- The school is between 2 and 15 miles from home (if aged 11-16 years) and has been chosen on the grounds of religion or belief.

There is no discretionary entitlement for a child to travel for free to a parent's choice of faith school on grounds of religion unless the above low-income criteria apply.

The Council has previously provided transport to St Thomas More Academy and St Mary's Catholic High School (Newcastle) under their discretionary power to provide transport to schools with a designated religious character. This provision is being phased out and there will be no further assistance from September 2025, unless statutory criteria apply or there are exceptional circumstances. Students who had travel assistance prior to 2025 will continue to be provided with travel assistance until they finish year 11.

Eligibility for free travel does not guarantee a place at a school, or vice-versa. Parents must still satisfy the admissions criteria for the school they are applying for.

The 2-mile distance limit for low-income eligibility is measured in the same way as statutory walking distances.

In all cases it will be for the Council to determine what constitutes a safe route. If there are any disputes about the suitability of the route identified, the Council may carry out a review of the route to help determine decisions on eligibility.

2.4. Special Educational Needs and Disability

The Council will make transport arrangements for all children who cannot reasonably be expected to walk to school because of their mobility problems or because of associated health and safety issues related to their special educational needs or disability.

Parents need to ensure their child's school is aware of any mobility or disability issues that would prevent them from walking the statutory mileage limit to school even if accompanied by an adult. This information will be passed to the Home to School transport team by the school or SEND team. Transport assistance may not be provided to a setting if there is a nearer suitable school.

In determining whether a child cannot reasonably be expected to walk for the purposes of eligibility, the Council will consider whether the child could reasonably be expected to walk if accompanied and if so, whether the child's parent/carer can reasonably be expected to accompany the child. A range of factors may be taken into account such as the age of the child and whether one would ordinarily expect a child of that age to be accompanied.

2.5. Children in Our Care

Corporate parenting is one of the Council's statutory responsibilities and the Government's expectation of the Council as a corporate parent includes the expectation that it will 'provide care, a home and access to health and education and other public services to which all children are entitled according to their needs'.

In order to fulfil the Council's corporate parenting role, the Council may provide free transport from home to school for a looked-after child if the child is attending a special school. A child will be deemed looked-after if their circumstances meet the relevant criteria specified in current legislation and statutory guidance.

Foster carers are expected to provide transport to school in accordance with their fostering agreement. Foster carers receive an allowance to cover the cost of caring for a child. Being in receipt of foster care allowance does not affect a child's eligibility for free travel to school, but a local authority may meet their duty in respect of an eligible child by including additional funding in the foster care allowance, provided this is agreed with the foster carer.

If a child has an EHC plan and is a looked-after child under the responsibility of North Tyneside Council, the Council will provide travel assistance to the school named in their EHCP. This may involve agreements with neighbouring authorities and Children's Services.

2.6. Disabled Parents

The Equality Act 2010 places a duty to promote equality of opportunity for disabled people and to eliminate discrimination. The Council is therefore under a duty to review all policies, practices, procedures and services so as not to discriminate against disabled people and to ensure that the needs of disabled people are anticipated during service planning.

If a parent would need to accompany their child on a walking route for it to be considered safe, but the parent's disability prevents them from doing so, the Council may consider providing free home to school travel assistance for the children of the disabled parent.

The Council has a duty to manage its limited resources and reserves the right to challenge any claims of parents that they are unable to support their children's attendance at school. Evidence from an appropriate health professional may be required to support a claim of disability.

2.7. Children with temporary mobility problems

Children with a mobility problem caused, for example, by a temporary medical condition may require assistance in order to facilitate their attendance at school. Where the school is unable to make suitable alternative arrangements for the child's education, at its discretion the Council may choose to provide travel assistance.

Parents / carers will need to demonstrate that they are unable to assist the child to get to school. The request for assistance will need to be supported by written evidence provided by a specialist involved with the child.

2.8. Children unable to walk in safety to school

The Council is under a duty to provide travel assistance (usually in the form of a travel pass), where the nature of the route is such that a child cannot reasonably be expected to walk (accompanied as necessary) in reasonable safety. Therefore, free home to school travel may be provided for children who live within the statutory walking distance of their nearest suitable school where the nature of the route is such that a child cannot reasonably be expected to walk to school (accompanied as necessary) because of the unsafe nature of the route.

In determining whether a child cannot reasonably be expected to walk for the purposes of unsafe route eligibility, the Council will consider whether the child could reasonably be expected to walk if accompanied and if so, whether the child's parent can reasonably be expected to accompany the child. A range of factors may be taken into account such as the age of the child and whether one would ordinarily expect a child of that age to be accompanied.

When determining eligibility, a range of factors will be taken into consideration including:

- the age of the child
- whether potential risks might be mitigated if the child were accompanied by an adult
- the width of any roads travelled along and the existence of pavements
- the volume and speed of traffic travelling along any roads
- the presence of street lighting
- the condition of the route at different times of the year, at the times of day that a child would be expected to travel to and from school

In reaching decisions on suitable safe routes, the Council will not override a parent's legal responsibility to ensure their child attends school regularly and punctually. The fact that parents may face other pressures at this time, such as the need to go to work, is not in itself sufficient reason for the Council to provide travel support. This would apply in cases where the route may be deemed unsafe for young children travelling unaccompanied, but which would be regarded as safe should their parents fulfil their legal responsibilities. In all cases it will be at the Council's discretion to determine whether or not a route is safe and whether or not it is reasonable for parents to accompany their children on the school journey.

2.9. Travel in years 10 and 11

If a child moves house in the final two years of their statutory education (years 10 or 11) and if the new address and the child's school are both in the borough of North Tyneside, assistance with travel (usually a travel pass) may be available to allow the child to continue to attend the same school. Parents/carers' ability to support the child to get to school will be assessed as part of the decision-making process.

This provision is designed to optimise the child's potential educational achievement. This provision is subject to a maximum distance limit of 15 miles between home and school. Any costs over and above this limit would need to be met by parents. Options could include paying a mileage or cycling allowance, or contribution towards public transport costs. Taxi fares will not usually be paid.

2.10. In-Year Fair Access Protocol Placements

The School Admissions Code places a statutory duty on local authorities to operate an In-Year Fair Access Protocol. Children who move from outside the borough into a North Tyneside address without a school place may be placed at a school under the In-Year Fair Access Protocol. Children who re-enter mainstream provision following a period on roll at a Pupil Referral Unit, or after a period of home schooling may also be placed under the In-Year Fair Access Protocol.

Travel assistance for a child in these circumstances will be assessed taking into account distance, income, the child's age and parents / carers ability to support the child. Any travel assistance provided will usually be in the form of a travel pass.

2.11. Managed Moves

In certain circumstances, children may be placed at a school as a managed move as an alternative to permanent exclusion. A managed move does not automatically qualify for travel assistance. Travel assistance will not be allocated to a child placed following a managed move if the school has been chosen by parental preference unless statutory eligibility criteria apply.

2.12. Commissioned alternative provision

Eligibility for children of statutory school age under this policy relates specifically to journeys between home and school. If a school chooses to commission alternative provision for a child on their roll, the child's parents / carers should consent to the decision and should be expected to make and fund any transport arrangements necessary to secure their child's attendance.

If parents / carers are unable to do so, the commissioning school may choose to make and fund any such transport arrangements. The Council will not fund transport for children to alternative provision commissioned by schools.

Transport for permanently excluded children may be supported by the Council only on a discretionary case-by-case basis. Any travel assistance would only be on a temporary basis. Sites with commissioned alternative provision will be expected to work in partnership with the Council to minimise additional transport costs (e.g., arising from modified timetables).

Where a child is registered at two qualifying schools which are not pupil referral units, the local authority's duty to provide free travel to school applies to whichever of the schools the child is attending on any school day on which travel is required.

It is the responsibility of parents / carers to meet other transport needs including travel to and from work experience placements, extra curricula activities or any other arrangements they may enter into with their child's school.

The Council currently provides transport for students to attend Moorbridge and ARPs across the borough. Transport is only provided at the start and the end of the school day and will not be provided to accommodate short-term support plans / part-time timetables or transport between sites.

3. Measurement of Routes

3.1. Statutory Walking Distance

The measurement of the statutory walking distances is not necessarily the shortest, safest distance by road. It is measured by the shortest route along which a child, accompanied as necessary, may walk safely. As such, the route measured may include footpaths, bridleways, and other pathways, as well as recognised roads. This will be measured using a recognised system – currently Q Paths.

3.2. Limit for Extended Rights

The 2-mile limit for low-income eligibility will be measured in the same way as the statutory walking distances. However, the 6-mile upper limit to a choice of schools, and the 15-mile upper limit to a school preferred on grounds of religion or belief are not walking routes and should therefore be measured along routes that are passable using a suitable motorised vehicle. In short, the upper limits should be measured along road routes using a recognised system – currently Q Routes.

4. Transport Options

4.1. Getting to School

The Council is under a duty to promote sustainable travel to schools. This will bring health benefits to children through increased activity, for example through walking or cycling. There will also be benefits for the community through improved road safety, reduced traffic congestion and associated noise, air pollution and carbon emissions.

Parents/carers are encouraged to allow their children to walk, cycle, or use public transport instead of using a car for the school journey. If parents/carers choose to drive, they are encouraged to car-share and are urged to drive and park safely.

Parents / carers social or work commitments cannot be taken into consideration when making the necessary arrangements to implement home to school / college transport.

4.2. School Travel Plans

Many schools in North Tyneside have developed school travel plans to encourage children and parents/carers to use sustainable transport alternatives when travelling to and from school. This policy supports the implementation of individual school travel plans by encouraging parents to make sustainable choices for the school journey. Parents/carers are encouraged to contact their local schools to find out about their school travel plan.

4.3. Passenger Assistants

Passenger assistants are employed to supervise and assist children in their care whilst travelling to and from school as a part of their travel package. Passenger assistants may be provided where this requirement has been identified as a part of the assessed needs of the individual child. This will form a part of the transport assessment which identifies individual travel requirements.

5. Service Standards

5.1. Safeguarding Vulnerable Groups

Proper and effective safeguarding of children is of paramount importance. It is the Council's responsibility to ensure the suitability of its employees and any contractors or their employees by undertaking the required safeguarding checks on those whose work or other involvement will bring them into contact with children, or more widely, vulnerable adults. This includes bus drivers, taxi drivers and passenger assistants, as necessary. Checks will be carried out by the local authority through the Disclosure and Barring Service (DBS).

5.2. Code of Conduct for Drivers and Passenger Assistants

Drivers and passenger assistants on coaches, minibuses and taxis provided by the Council for the purposes of home to school travel are subject to a Disclosure & Barring Service check. All such drivers will follow a code of conduct covering general standards of behaviour, safeguarding and child protection awareness. In addition, passenger assistants will follow a dedicated training schedule appropriate to their role. Additional specialist training to meet specific individual needs will be made available to passenger assistants as soon as practicable.

Drivers will make a dynamic risk assessment of situations on transport as they arise. Should the driver assess that action is necessary, including removal of the child from transport or making alternative arrangements for the child to travel, they must seek authorisation for that action from a Home to School Transport Officer before proceeding.

5.3. Code of Conduct for Children

Parents/carers and children themselves are responsible for their behaviour on the school journey. Parents/carers are advised to familiarise themselves with the Council's Behaviour on Transport Protocol, which is available to view on the Council's website.

Inappropriate behaviour will not be tolerated on school transport. The service operators and the Council reserve the right to withdraw travel support or permits from anyone who persistently behaves inappropriately on the school journey. If this happens the Council will not make any other arrangements to support the attendance of the child concerned at school. Responsibility for behaviour, as always, rests with the parent/carer.

The school's disciplinary policy can be reasonably extended to cover the journey to and from school. Head teachers are encouraged to promote high standards of pupil behaviour on the school journey. Disciplinary sanctions may be used for those displaying poor behaviour on the walk, cycle, or journey to school.

5.4. Journey duration

The Council recognises that it is good practice for the maximum journey duration for a child of primary age to be 45 minutes each way and for a child of secondary age, 75 minutes each way. A child's special educational needs or disability may require a shorter maximum journey time.

5.5. Changes to Transport Arrangements

The Council will endeavour to minimise changes to transport arrangements, but sometimes operational factors will mean that changes have to be made to vehicles, drivers or passenger assistants. Where possible, if time allows, the Council will notify parents when changes have to be made in advance.

Transport arrangements can only be made by the local authority, not by parents direct with the provider. Requests for amendments to provision must be made by email to hometoschooltransport@northtyneside.gov.uk or in writing to:

North Tyneside Council
Home to School Transport Team
Quadrant East, Silverlink North
Cobalt Business Park
North Tyneside, NE23 0BY

Amendments are at the discretion of the local authority.

6. Information, Complaints and Appeal

6.1. Publication strategy

The Council's aim is to develop a clear and unambiguous policy framework which is promoted through accessible information. A summary of travel eligibility is included in the Council's Essential Guide to North Tyneside Schools (School Admissions).

The full policy is available on the Council's website:

<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Essential%20Guide%202024.pdf>

6.2. Complaints

The Council's aim is to always provide the best possible services. If a complaint is received, the Council will investigate and take corrective action, if necessary. Any complaint about the service provided through the home to school travel policy will be investigated in line with the Council's corporate complaints procedure.

6.3. Appeals

There is a two-stage appeal process for parents/carers who wish to challenge a decision about the following:

- the transport arrangements offered
- their child's eligibility
- the distance measurement in relation to statutory walking distances
- the safety of the route.

Please note that if all parties take the maximum time to respond then the appeal process can take **up to 20 weeks** excluding bank holidays, during which time, parents will need to make alternative travel arrangements for their child.

6.4. Appeals Process

Stage one: Review by a senior officer

A parent/carer has 20 working days from receipt of the Council's decision not to provide travel assistance, to make a written request asking for review of the decision.

The written request should detail why the parent/carer believes the decision should be reviewed and give details of any personal and/or family circumstances the parent/carer believes should be considered when the decision is reviewed.

Within 20 working days of receipt of the parent/carers written request a senior officer will review the original decision and send the parent/carer a detailed written notification of the outcome of the review, setting out:

- the outcome of the appeal which will state if the original decision has been upheld or not
- how the review of the original decision was conducted
- information about other departments or agencies consulted
- how the parent/carer can escalate their case to Stage two, if they wish to do so
- what happens next if the original decision to refuse travel assistance is not upheld

6.5. Stage two: Review by an independent appeal panel

A parent/carer has 20 working days from receipt of the Council's stage one written decision notification to make a written request to escalate the matter to stage two.

Within 40 working days of receipt of the parent/carers request, an independent appeal panel will consider written representations from the parent/carer and from officers involved in the case.

The panel will provide the parent/carer with a detailed written notification of the outcome. The parent/carer will be informed of their right to put the matter to the Local Government Ombudsman, if appropriate.

The independent appeal panel members should be independent of the process to date and ensure a balance between meeting the needs of the parents and the Council. It will consider road safety requirements are complied with and that no child is placed at unnecessary risk.

School travel can sometimes become the subject of disputes between parents and their local authority and of complaints to the Local Government and Social Care Ombudsman (LGSCO). It is not always possible to make a decision that parents are happy with, but we aim to ensure parents are treated fairly and understand how the decision has been reached.

Please note: A Transport Appeal will be dealt with through the Transport Appeal procedure. A complaint will be investigated through the relevant Complaints Procedure.

Should parents/carers continue to be dissatisfied with the decision, the parent will be informed that they have a right to raise the matter with the Local Government Ombudsman (LGO).

Local Government Ombudsman, PO Box 4771, Coventry, CV4 06H
Online complaint available at <http://www.lgo.org.uk>

7. How to Apply for Assistance with Travel

7.1. Application procedure

Applications for assistance with travel will be considered by the Home to School Transport Service in line with this policy. In all circumstances a transport assessment will be made by the Council's Home to School Transport Service in order to determine initial eligibility. For those students who are not eligible for support from the local authority, parents / carers should check all other options available from Nexus.org.uk.

7.2. Application on grounds of distance, low income or unsafe walking route

Parents / carers must complete an application form in relation to travel passes (available on the Council's website or by post if requested) when making an application for assistance on grounds of distance, low income (eligibility for free school meals) or unsafe walking route. Appropriate, documentary evidence, may be required to confirm eligibility on grounds of low income.

Applications for assistance with travel can be made at any time but it is anticipated that the vast majority of applications will coincide with the normal school admissions round. Parents should complete the application form upon acceptance of a school offer.

Parents/carers will need to apply each year for assistance with travel and eligibility may change depending on changes in personal circumstances. The Council's Home to School Transport Service will also review travel arrangements across the year and the Council reserves the right to withdraw support as appropriate.

7.3. Other Applications

For applications on all other grounds including children with an EHCP, permanent exclusions, managed moves and looked-after children with an EHCP / SEND, an application form (Form H2ST) must be completed by school or SEND officer and sent to the Home to School Transport Team. Assessment for eligibility will be undertaken by the Home to School Transport Team. Requests for transport in the above circumstances cannot be accepted directly from parents.

8. Types of Assistance with Travel

Assistance with travel may be through the provision of a travel permit or allocation of a place on a bus, minibus or taxi where applicable. The Council may also offer alternative support which could include payment of a mileage allowance to the parent/carer driving an eligible child to school in lieu of the provision of a travel permit, taxi or minibus.

8.1. Independent Travel Training

For many children, learning to travel independently is an important part of preparing for adulthood and will help them lead fulfilling adult lives. When making travel arrangements for eligible children with special educational needs or disabilities, the Council may take account of how best to support them to develop independence. This may include considering whether a child who would otherwise travel in a taxi, might be able to travel on a public service bus if provided with support to do so.

On receipt of a referral for travel training a North Tyneside Travel Trainer will contact the student to talk through the travel training experience. The trainer will link in with the student's school to develop the training to suit each young person's needs. A risk assessment will be carried out and a training plan will be agreed by all involved.

The learner will follow a plan of supervised and unsupervised travel and activities including using the bus and Metro, staying safe and using shops and services, handling money and being aware of others.

Once the learner has been fully trained, the Travel Trainer will regularly carry out observations and catch ups to ensure they are still travelling safely. If a student is transitioning to another school/college, they can provide further training on their new route. The one-to-one service can be used during 'real time' journeys, during the day and during school holidays (where available). Students can learn new journeys, build confidence in travelling independently and using public transport. Ideally travel training will be undertaken whilst a young person is still at school to prepare them for transition to further education.

9. Policy Changes

Please note this policy was reviewed in 2023/24 and will come into effect for all students starting school in September 2025.

Students who had travel assistance prior to 2025 will continue to be provided with travel assistance for the duration of the phase of education they were in at the start of term in September 2024.

For example, children in a first school from the start of term in September 2024 who have been provided with travel assistance will continue to receive travel assistance until they leave the school at the end of year 4.

Children in a primary school from the start of term in September 2024 who have been provided with travel assistance will continue to receive travel assistance until they leave the school at the end of year 6.

Children in a middle school from the start of term in September 2024 who have been provided with travel assistance will continue to receive travel assistance until they leave the school at the end of year 8.

Children in a high school will continue to be provided with any travel support they are in receipt of at the start of term in September 2024 until they finish year 11.

10. Contact Details

For further information and advice please contact:

North Tyneside Council

Home to School Transport Team

Phone: 0191 643 8726

Email: hometoschooltransport@northtyneside.gov.uk

Annual Post 16 Transport Policy Statement

2025 to 2026



North
Tyneside
Council

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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 the Home to School Transport on 0191 643 8726 or email hometoschooltransport@northtyneside.gov.uk.

Introduction

Local authorities do not have to provide free or subsidised post 16 travel support.

They do have a duty to prepare and publish an annual transport policy statement specifying the arrangements for the provision of transport or other support that the authority considers it necessary to make to facilitate the attendance of all persons of sixth form age receiving education or training.

All young people carrying on with their education post 16 must re-apply for travel support. Entitlement to travel support previously provided before young people reach the age of 16 ceases and anyone wishing to be considered for additional support beyond their 16th birthday must re-apply but there is no statutory duty for local authorities to continue to provide free or subsidised travel support even if it has been provided before the age of 16.

'Sixth form age' refers to those young people who are over 16 years of age but under 19 or continuing learners who started their programme of learning before their 19th birthday.

Local authorities also have a duty to encourage, enable and assist young people with learning difficulties / disabilities to participate in education and training, up to the age of 25. This policy uses the term 'Post 16' to include both learners of sixth form age and those with learning difficulties / disabilities up to the age of 25.

This policy document specifies the support that North Tyneside Council considers necessary to facilitate the attendance of Post 16 learners receiving education or training, however there is currently no statutory duty to provide free or subsidised transport.

Education or training refers to learning or training at a school, further education institution, a council maintained or assisted institution providing higher or further education, an establishment funded directly by the Education Skills Funding Agency, learning providers delivering accredited programmes of learning which lead to positive outcomes and are funded by the council.

Aims and Objectives

The main objective of the Post-16 Transport Policy Statement is to specify the arrangements for the provision of transport or otherwise that the authority considers necessary to make to facilitate the attendance of all persons of sixth form age receiving education and training.

Young people are required to stay in education or training until their 18th birthday. There is no statutory requirement for young people to stay in school, they are able to choose one of the following options Post-16:

- Full time education;
- An apprenticeship;
- Part-time education or training if they are employed, self-employed or volunteering full time (which is defined as 20 hours or more a week).

This policy statement outlines the support young people can apply for if they are over 16 and live in North Tyneside. It outlines transport schemes and assistance for Post 16 learners who live and study in North Tyneside or those who live in North Tyneside and attend an educational establishment outside of the borough but only if this is the nearest provider offering the chosen course of study.

North Tyneside Council supports and encourages safe and sustainable independent travel wherever possible. It promotes walking and cycling and the use of public transport. Our aim is to help students prepare for adult life and we will support with independent travel training wherever possible.

Transport and travel support

Concessionary tickets for young people 16 – 25 from public transport providers

North Tyneside Council does not provide free transport for Post 16 students. Concessionary tickets for young people are available from transport providers.

Students who are aged 16 to 19 at the start of the academic year (1 September 2025) in full time further education and studying in Tyne and Wear are eligible for the Student Network One Ticket.

This ticket for students and young people is the only travel ticket that will let you travel throughout Tyne & Wear on virtually any bus, the Metro, Sunderland to Blaydon rail line and Shields ferry. You can use it all day, every day, from the start to the end of service. Please use the following link for more information. <https://networkonetickets.co.uk/tickets/students-young-people/>

Current Network One Pricing

Prices	One Week	Four Week
One Zone Ticket	£16.40	£57.60
Two Zone Ticket	£20.30	£70.80
All Zones Ticket	£24.50	£85.60

Pop Blue cards are available from Nexus allowing students discounts on travel. <https://www.nexus.org.uk/ticket-information/pop/pop-blue>

Go North East Bus Services great value day, week and month tickets for everyone aged from 5 up to and including 25 - valid on most Go North East buses across the whole region. There's also a £1 single fare for people aged 21 and under that can be bought in bundles of 10.

<https://www.gonortheast.co.uk/tickets#ac41d230-41d7-4ca1-96e6-f0b7fe23e541>

Nexus TaxiCard

The TaxiCard scheme can help people with mobility difficulties travel independently. It allows its members to travel with one of Nexus's approved taxi companies at a discounted price. Applications for taxi cards are available from www.nexus.org.uk.

You will be issued with a membership card – a TaxiCard – the same size as a credit card. You will also be issued with a book of vouchers credited with an annual amount of £225. You will use the vouchers to help pay towards your taxi journey.

When you arrive at your destination you must present your TaxiCard to the taxi operator, along with a voucher. Each voucher is worth £3. If the taxi fare is more than £3 you will have to pay the extra amount yourself. All journeys must start and/or finish in Tyne and Wear. There are no restrictions otherwise on where or when you can travel with your TaxiCard.

Travel support from schools and colleges

The 16 to 19 Bursary

All students whether attending college or 6th Form may be entitled to claim funds from their learning provider through the 16 to 19 bursary funding that their college receives from central government. The bursary fund is based on individual circumstances and can be used for any expense such as travel, meals, equipment or resources for the course.

The 16 to 19 Bursary Fund provides financial support to help young people overcome specific barriers to participation so they can remain in education.

There are 2 types of 16 to 19 bursaries:

1. A vulnerable bursary of up to £1,200 a year for young people in one of the defined vulnerable groups below:

- in care
- care leavers
- in receipt of Income Support, or Universal Credit in place of Income Support, in their own right
- in receipt of Employment Support Allowance or Universal Credit and Disability Living or Personal Independence payments in their own right

2. Discretionary bursaries which institutions award to meet individual needs, for example, help with the cost of transport, meals, books and equipment

To be eligible for the discretionary bursary young people must:

- be aged 16 or over but under 19 on 31 August **2025** or
- be aged 19 or over on 31 August **2025** and have an Education, Health and Care Plan (EHCP)

- be aged 19 or over on 31 August **2025** and continuing on a study programme they began aged 16 to 18 ('19+ continuers')
- be studying a programme that is subject to inspection by a public body which assures quality (such as Ofsted), the provision must also be funded by either a Government funding agency or the local authority

Schools and colleges are responsible for managing both types of bursary.

Young people who want to apply for support from the bursary fund should contact their chosen school or college to make an application unless the establishment is listed below.

North Tyneside Council's Student Support Team process the 16 to 19 bursary on behalf of the following schools:

- Beacon Hill School
- Burnside Business and Enterprise College
- Churchill Community College
- George Stephenson High School
- Longbenton Community College
- Monkseaton High School
- St Thomas More Academy
- Whitley Bay High School
- Woodlawn School

You can read more and apply following this link:

<https://my.northtyneside.gov.uk/category/1722/bursary-scheme-20232024>

Further information can be found at www.gov.uk by searching post 16 bursaries.

Young parents / Care to Learn

If you are a young parent under 20, Care to Learn can help pay for your childcare and related travel costs, up to £160 per child per week, while you're learning. Care to Learn can help with the cost of:

- childcare, including deposit and registration fees
- a childcare 'taster' session (up to 5 days)
- keeping your childcare place over the summer holidays

- taking your child to the childcare provider

The childcare provider must be Ofsted registered and can be a:

- childminder
- pre-school playgroup
- day nursery
- out of school club

If your child needs specialist childcare, the provider must also be on the Care Quality Commission's register for specialist provision.

If you want a relative to get Care to Learn for looking after your child, they need to be both:

- providing registered childcare for children they're not related to
- living apart from you and your child

Payments

Childcare payments go directly to your childcare provider. Before your childcare provider can be paid:

- your childcare provider needs to confirm your child's attendance
- your school or college needs to confirm that you're attending your course

Payments for travel costs go to your school or college - they'll either pay you or arrange travel for you.

Payments will stop if:

- you stop attending your course
- you finish your course
- your child stops attending childcare

Eligibility

You can get Care to Learn if:

- you're a parent under 20 at the start of your course
- you're the main carer for your child
- you live in England
- you're either a British citizen or a national of a [European Economic Area \(EEA\) country](#)

- your course is publicly funded (check with your school or college)
 - your childcare provider is registered with Ofsted or the Care Quality Commission

Types of Course

Care to Learn is only available for courses in England that have some public funding. This includes courses that take place in:

- schools
- school sixth forms
- sixth form colleges
- other colleges and learning providers, including Foundation Learning
- your community at Children's Centres

Young parents are also entitled to apply for an Under 19 Bus Only Ticket or for those aged 19 and over can apply for the 19 – 25 card.

For more information, please visit <https://www.gov.uk/care-to-learn/how-to-claim>

LA support for young people without additional needs or disabilities

There is currently no statutory duty to provide free or subsidised transport for post 16 students. Should you feel that there are exceptional circumstances around your requirement for transport then please contact the Home to School Transport Team to discuss your individual circumstances at hometoschooltransport@northtyneside.gov.uk

Local authorities do not have to provide free or subsidised post 16 travel support, but they do have a duty to ensure effective and responsible use of public funds.

LA support for Learners with an Education Health and Care Plan or disability

Students who have had an Education, Health and Care Plan up to the age of 16 or where appropriate up to 19 who wish to attend a Further Education College as a direct continuation of their education may be eligible for travel assistance if it is appropriate to their needs. However, having an EHC plan does not mean that a student is automatically eligible for travel assistance. Eligibility is assessed based on the individual needs of each student taking into account their age, needs, mobility, chosen course and location of their preferred college. Support is only provided to the nearest college providing the course who can meet the needs of the student.

For any course which commences after a student reaches the age of 19, requests for support transfers to the Adult Services Team.

Some placements for Post 16 students with SEND are made at specialist establishments outside the further education sector. These specialist placements are usually agreed for up to two years.

Cases for transport will be considered on an individual basis but attendance must be at:

- an establishment funded directly by the Education and Skills Funding Agency.
- a learning provider funded by the local authority to deliver accredited learning.
- an establishment directly funded by the Education and Skills Funding Agency that provides unpaid apprenticeships or traineeships.

A student with an EHC Plan may continue to receive help past 19 years of age if on a continuing course of study commenced before the age of 19. We consider a period of study to be no longer than 2 years, and in exceptional circumstances up to 3 years at the discretion of the Council. Transport assistance will not be afforded to applicants over the age of 24 years prior to the start of the new term.

From age 19 or after 2 consecutive years of travel assistance, any further support will be assessed / provided by the Adult Services Team at North Tyneside Council. Please contact the team at adult.education@northtyneside.gov.uk for further information.

What will be provided?

Where transport is considered necessary, it will be provided by the most economic means which could include:

- i. a seat on an existing service or
- ii. a grant or;
- iii. in exceptional circumstances, travel assistance will be arranged

Where transport is arranged, students travelling on combined transport routes will be expected to wait up to a maximum of 1 hour at the start / end of the day, to facilitate combined pick-up times.

Closest School College

If parents /carers prefer to send a student to a school or college which is not the closest school / college which can meet needs offering the same or a similar course, then they are not eligible for transport assistance. In these cases, the school or college has been chosen on the basis of parental preference not on the basis that the school / college is the only one offering the course, that can meet the student's needs.

Refunds

North Tyneside Council does not offer an applicable refund policy for travel, but students may be able to access support via their college or 6th form.

Charges

North Tyneside Council have introduced a Post 16 travel contribution for the provision of dedicated transport where eligibility has been met. The travel contribution is £672 per academic year and can be paid in monthly instalments over 12 months through a Standing Order arrangement. The amount identified is equivalent to 50% of the cost of an annual All-Zone over-16 Nexus Network 1 Anytime Ticket.

The local authority will continue to organise travel assistance where eligibility has been met and, in all cases, will still subsidise a large proportion of the cost.

Exemptions to the contribution include:

- Looked After Children (LAC)
- Low-income families (Highest Working Tax Credits or Free School Meals)
- Young people assessed in their own right who are already making payments to Adult Social Care via a Personal Budget

Travel training

How does it work?

On receipt of a referral for travel training a North Tyneside Travel Trainer will contact the student to talk through the travel training experience. The trainer will link in with the student's school / college to develop the training to suit each young person's needs. A risk assessment will be carried out and a training plan will be agreed by all involved.

The learner will follow a plan of supervised and unsupervised travel and activities including using the bus and Metro, staying safe and using shops and services, handling money and being aware of others.

Once the learner has been fully trained, the Travel Trainer will regularly carry out observations and catch ups to ensure they are still travelling safely. If a student is transitioning to another school/college, they can provide further training on their new route. The one-to-one service can be used during 'real time' journeys, during the day and during school holidays (where available). Students can learn new journeys, build confidence in travelling independently and using public transport. Ideally travel training will be undertaken whilst a young person is still at school to prepare them for transition to further education.

Applications for travel assistance for post 16/19 learners require parents / carers to agree to independent travel training. For further information on this please email us at hometoschooltransport@northtyneside.gov.uk.

Apprenticeships

North Tyneside Council does not have transport support available for Apprenticeships.

Those not in education, employment or training (NEET)

North Tyneside Council does not have transport support available for NEET at this time.

Applying for LA transport support

For further information on this please email us at hometoschooltransport@northtyneside.gov.uk

Appeals

There are limited grounds on which you can challenge the Council's decision in respect of school transport. Those grounds are:

- The transport arrangements offered
- The student's eligibility
- The distance measurement in relation to statutory walking distances
- The safety of the route

All other concerns or complaints should be registered via the Council's Corporate Complaints Procedure by email to customerfirstoffice@northtyneside.gov.uk

The Council's Home to School Transport Appeals Process consists of 2 stages, as detailed below:

Stage 1 Appeal

If a parent or carer believes the transport policy has been applied incorrectly or feels there are exceptional circumstances which the transport policy does not cover, they can appeal the decision.

An appeal must be made in writing and parents / carers must provide the reason as to why they are appealing the decision and provide supporting evidence with their appeal. A senior officer reviews the decision and sends the parent / carer a written notification of the outcome including:

- The outcome of the decision
- Detailed reasons for the decision made
- Details of what happens next should the appeal be successful or
- Notification of option to escalate to Stage 2 (an appeal panel) should the appeal be unsuccessful at this stage.

The response to an appeal will be made within 20 working days of receipt of the appeal.

The parent / carer has 20 working days from the date of the Stage 1 decision letter to advise if they wish to progress to Stage 2. They should do this in writing stating their reasons why they consider the Stage 1 appeal decision was incorrect and why they wish to progress the matter to Stage 2.

Stage 2 Appeal Review by an appeal panel

The appeal panel will review the written representation from the parent / carer. The appeal should be heard within 40 working days of the parents' / carer's notification to progress to Stage 2. The panel is independent of the process to date. Meetings will be minuted for evidence purposes. Stage 2 decision is final, there are no further options to appeal to the Local Authority.

The Appeal panel will confirm their decision in a letter to the parent / carer within 5 working days of the date the panel met.

Should parents / carers continue to be dissatisfied with the decision, the parent / carer will be informed that they have a right to raise the matter with the Local Government Ombudsman (LGO).

Local Government Ombudsman, PO Box 4771, Coventry, CV4 06H
Online complaint available at <http://www.lgo.org.uk>

North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Annual Corporate Complaints Report 2022/23

Portfolio(s): Deputy Mayor	Cabinet Member(s): Councillor Carl 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:

Serving over 209,000 residents, the Authority delivers individual services and millions of transactions each year, including those to businesses and visitors. Any complaint received, is an opportunity to demonstrate that the Authority listens to its residents and cares about their views and concerns.

The number of complaints raised each year, is a very small proportion of the overall number of services and transactions delivered.

The Authority has reviewed and refreshed its Corporate Complaints Procedure this year so that the Complaints Procedure is made easier and clearer for those customers who wish to raise complaints about the Authority's services.

In its 2023 Annual Report, The Local Government and Social Care Ombudsman (LGSCO) stated that, "evidence points to the importance of attending to the experience of residents and the need to invest in and support their complaint

functions – it is a false economy not to”. It is for that reason that in addition to refreshing the Corporate Complaints Procedure, the Authority has since 2019 regularly invested in the Customer Service Programme as well as investing in the Customer First Team in 2022. These steps have strengthened the focus that the Authority places on improving customer experience, and how it manages and responds to complaints.

The Annual Complaints Report for 2022/23 is attached to this report at Appendix 2 and summarises the closed and registered customer complaints the Authority received between April 2022 and March 2023.

The Local Government Ombudsman’s Annual Review of complaints for North Tyneside Council 2022-23 is attached to this report at Appendix 3. This details the complaints received by the LGSCO from complainants and the outcomes of any investigations carried out.

Since 2019/20 customer complaints received by the Authority have almost halved. The rate of decrease does show signs of levelling, where the number of complaints investigated by the Authority, is almost the same in 2022-23 as it was the previous year, with 645 received this year, compared with 647 the year before.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) agrees the amended Corporate Complaints Procedure attached to this report at Appendix 1;
- (2) agrees the Annual Complaints Report for 2022/23 attached to this report at Appendix 2 and agrees to its publication on the Authority’s website.
- (3) notes and receives the Local Government and Social Care Ombudsman’s Annual Review of complaints concerning North Tyneside Council for 2022/23 attached to this report at Appendix 3; and
- (4) agrees that should the Local Government and Social Care Ombudsman and Housing Ombudsman Joint Complaint Handling Code of 2024 result in the need to review the Authority’s Corporate Complaints Procedure, the Assistant Chief Executive has authority to undertake such a review and make any proposed amendments to the Procedure, and to bring a

further report to Cabinet seeking its agreement to any amended Corporate Complaint's Procedure.

1.3 Forward plan:

28 days' notice of this report has been given and it first appeared on the Forward Plan that was published on 7 September 2023.

1.4 Council plan and policy framework

The Our North Tyneside Plan sets out bold ambitions for ensuring that the Borough's residents, businesses, environment and economy continue to thrive; making North Tyneside an even greater place to live, work and visit by 2025. The plan outlines a vision of building a better North Tyneside, looking to the future, and listening to and working better for residents.

Listening and learning from all customer feedback, including that from complaints, is an integral part of this ambition.

1.5 Information:

1.5.1 Background

The definition of a complaint can be wide-ranging but can be expressed as, dissatisfaction with the service provided, or lack of action by the Authority or its employees. This can include failure to achieve specific standards of service.

The Authority's Corporate Complaint Procedure 2023 covers all services it provides and has a Three-Stage investigation process. Corporate complaints also include statutory social services complaints received through the Local Authority Social Services Complaints (England) Regulations 2006.

Cabinet reviewed the work of the second phase of its Customer Service Programme – 'we listen, and we care' at its meeting of 17 October 2022. That report detailed feedback on customer experiences of Authority services and the improvements the Authority is making in response to this feedback. Cabinet will receive a further update on the work of the Customer Service Programme no later than May 2024.

All customer feedback, including complaints, is an opportunity to demonstrate that the Authority listens to its residents and delivers its services in line with the Authority's customer promise.

Complaint information is an insight into what is working well and what is not and informs future planning and service delivery.

A new Customer First Team was established by the Authority in July 2022. This team continues to administer the Authority's corporate complaints in line with its Corporate Complaint Procedure but is now also delivering the work using 'lessons learned' from the Customer Service Programme.

In addition to complaints, the Customer First Team manages service requests; a request from a customer which requires action to be taken to put something right, but which is not categorised as a complaint. Service requests provide additional information to the Authority about a customer's experience and drives service improvement.

1.5.2 Corporate Complaints in 2022/23

The Annual Complaint Report at Appendix 2 of this report, details further activity from complaints in 2022/23, with data shown in Section 10 of that report.

Whilst complaints have remained almost static from the previous year, service requests administered by the Customer First Team, have decreased. This may be due to the improvements made to the Authority's website which better explains the range of ways in which customers can raise complaints, report issues, and have them resolved quickly on line. In addition, there has been an increase in the number of Elected Member enquiries received in the year, that may be helping to positively address resident issues, before they escalate to a complaint.

The data in the 2022/23 Annual Complaints Report indicates that whilst over 75% of complaints are successfully resolved at Stage One, this percentage has decreased over the previous three years.

The Local Government Ombudsman (LGSCO) has said in his national Annual Report for 2022/23, his office is less likely to carry out investigations into 'borderline' issues and are therefore finding a higher proportion at fault.

Section 12 of the Annual Corporate Complaints Report, details how the Authority has listened to customer complaints and made changes as a result. The following highlights some of this work; the Authority has:

- produced new guidance to ensure the views of children and families is better captured in assessments,
- enhanced the quality of care to vulnerable young people who may need support out of hours, following an incident of crisis,
- increased litter bin provision, adding 100 multipurpose bins to sites across the Borough,
- introduced 'tree calling cards', as part of the 'neat streets' campaign which are given to customers to update them following a tree inspection or any works carried out nearby,
- worked to enhance biodiversity areas as part of the Estate Management Programme, especially on roundabouts throughout the Borough,
- introduced new procedures, to ensure a zero-tolerance approach to damp and mould in council homes and properties, and
- complied with new requirements from the Housing Ombudsman and its code of practice, embedding these changes into service delivery.

The Authority has reviewed and refreshed its governance framework for complaints and in early 2024, a new complaints management IT system will be introduced which will provide improved information for service teams.

The LGSCO and Housing Ombudsman have communicated their intention to implement a Joint Complaint Handling Code in 2024. The Authority will need to consider any new guidance in the Joint Complaint Handling Code, and if applicable, make changes to its Corporate Complaints Procedure. If such a review is necessary, then subject to Cabinet's approval, the Assistant Chief Executive will undertake such a review and bring a further report to Cabinet highlighting any proposed amendments to the Complaints Procedure

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet agrees the recommendations set out in paragraph 1.2 of this report.

Option 2

Cabinet notes does not agree with the recommendations set out in paragraph 1.2 of this report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reason:

All Local Authorities providing social service functions are legally required to publish an annual report on complaints received and the Local Government and Social Care Ombudsman's Annual Review of its complaints.

The recommendations ensure that the Authority has an amended Corporate Complaints Procedure as well as making provision for a potential review of the Authority's Corporate Complaints Procedure should any Joint Complaint Handling Code be issued by the LGSCO and Housing Ombudsman that requires a review and any subsequent amendment to the Complaints Procedure.

1.8 Appendices:

Appendix 1: The Corporate Complaints Procedure.

Appendix 2: North Tyneside Council Annual Corporate Complaint Report 2022-23.

Appendix 3: The Local Government Ombudsman's Annual Review of complaints about North Tyneside Council 2022-23.

1.9 Contact officers:

Haley Hudson, Customer Services and Digital Strategy Manager,-
tel. (0191) 643 7008

Eilidh Cook, Customer First Office Manager, - tel. (0191) 643 5363

David Dunford, Senior Business Partner, - tel. (0191) 643 7027

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 Council Corporate Complaints Procedure October 2023
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Complaint%20Procedure.pdf>
- (2) The LGSCO Review of Local Government Complaints July 2023
<https://www.lgo.org.uk/assets/attach/6437/LG-Review-2022-23-F.pdf>
- (3) The LGSCO Annual Review of Adult Social Care Complaints October 2022
<https://www.lgo.org.uk/assets/attach/6312/ASC-Review-2021-22-FINAL.pdf>
- (4) Report to Cabinet - We Listen, We Care - Customer Service Programme End of Phase Two Review 17 October 2022
<https://democracy.northtyneside.gov.uk/documents/s10006/We%20Listen%20We%20Care%20%20Customer%20Service%20Programme%20End%20of%20Phase%20Two%20Review.pdf>
- (5) The Local Authority Social Services Complaints (England) Regulations 2006 and Guidance (Children)
<http://www.legislation.gov.uk/uksi/2006/1738/contents/made>
- (6) The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 and Guidance (Adults)
http://webarchive.nationalarchives.gov.uk/+/www.dh.gov.uk/en/SocialCare/DH_120361
- (7) The NHS Bodies and Local Authorities Regulations 2012
<http://www.legislation.gov.uk/uksi/2012/3094/introduction/made>

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial or other resource implications arising directly from this report. The delivery of the service is provided for from existing budget provision. Compensation payments are funded from existing budgets in the relevant service areas.

2.2 Legal

As a 'responsible body' under the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 the Authority must make arrangements for handling and considering complaints concerning the provision of social services in accordance with the 2009 Regulations.

The Regulations specify what should be included in the complaints handling arrangements and also require the Authority to prepare an annual report for each year which must specify the number of complaints which the Authority has received. The number of complaints which the Authority decided were well-founded and the number of complaints which the Authority has been informed have been referred to the LGSCO and HO.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The findings from the Authority's 2022/23 Annual Complaint Report, have been shared with the Authority's Senior Leadership Team and Cabinet Members for Housing, Adult Social Care and Supporting and Protecting Children.

Meetings with senior service management teams across the top five complaint areas, have provided feedback on lessons learned, improvements made and priorities for 2023/24.

A summary of the 2022/23 Annual Complaint Report, was received by the Authority's Regulation and Review Committee on 19 October 2023.

2.3.2 Community engagement

Satisfaction surveys are sent to all complainants following the closure of their complaint. Feedback from these surveys is valuable in helping the Authority to improve and enhance the complaint management process. A summary of survey responses can be found in the 2022/23 Annual Complaints Report, Appendix 1, of this report.

The 2022/23 Annual Complaint Report will be published on the Authority's website, if approved by Cabinet.

2.4 Human rights

The service promotes equal access to complaint services and opportunities to contribute to service improvement.

2.5 Equalities and diversity

The Authority promotes equal access to complaint services and opportunities to contribute to service improvement. Material is available in different formats and officers actively help those with individual needs as required.

Equality monitoring is undertaken so that the Authority can ensure it meets the needs of people with protected characteristics across all of the borough's communities.

2.6 Risk management

There are no risk implications directly arising from this report.

2.7 Crime and disorder

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

2.8 Environment and sustainability

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

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

[]

Corporate Complaints Procedure

October 2023



North
Tyneside
Council

Current Version	0.10 17 October 2023
Date Published	20 October 2023
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Document Owner	Complaint Manger



North Tyneside Council

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1. Customer Promise – we listen, we care

North Tyneside Council is here to serve the residents, businesses, and visitors of the Borough; it strives to deliver excellent customer service to keep North Tyneside a great place to live, work and visit.

The Authority's Customer Promise sets out what customers should expect of council services and what they can do if things don't go well. The Authority encourages comments and feedback about any of its services, both positive and negative; they provide the opportunity to learn and continually improve how things are done.

The Authority is committed to doing everything possible to resolve complaints for its customers fairly, early and as efficiently as possible.

This document outlines the Authority's complaint procedure, that encompasses a wide range of council services, requirements of two different national Ombudsmen and a wide range of issues that customers could experience.

For the purpose of this procedure, customers are defined as people who use council services, including, residents, council home tenants (including ex-occupiers), businesses and visitors to the Borough.

2. What can be complained about

A complaint can be described as an expression of dissatisfaction, however made, about the services the Authority provides. It can relate to the standard of service, actions or lack of action by the Authority, its own staff, or those acting on its behalf, affecting an individual resident or group of residents and which requires a response. It may relate to one or more of the following:

- quality of the service
- delay in service
- non provision of service
- refusal to provide a service.
- communications related to the provision of a service, and
- manner and attitude of staff engaged in the delivery of a service.

However, this is not an exhaustive list, and the Customer First Office can provide guidance. (See Appendix 2).

3. Who can complain

Any Authority customer or any person who the Authority is satisfied is acting on behalf of the customer; this includes those who are ex-occupiers of council homes.

A customer or their representative, do not have to use the word complaint for it to be treated as such.

The Authority will make reasonable enquiries to satisfy itself as to the standing of any other person, e.g. by asking the customer if they are aware of and are happy for the other person to pursue a complaint on their behalf. This might be in person or in writing and sensitivity will be always used to ensure a person has sufficient capacity to provide that assurance and to avoid any unnecessary or inappropriate distress.

4. This procedure

This procedure is for all services the Authority operates which are not covered by the statutory 'social services' complaints procedures or subject to any exclusions (Appendix 1).

This procedure does not cover other ways that customers can ask for services or get in contact with relevant teams to discuss their current or future service provision. It does however include service requests.

A service request is a request from an individual to the Authority that requires action to be taken to put something right. Service requests are received by the Authority's Customer First Office. They are not categorised as complaints, but are recorded and reviewed, and included in this procedure as a wider source of information about customer satisfaction and service performance.

A complaint will be raised when the individual expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. The Authority will not stop its efforts to address the service request if the individual complains.

Complaints and service requests are accepted over the telephone, in person, in writing, by email, via the website or by any other reasonable means.

Customers always have the right to refer their complaint to the relevant Ombudsman at any point during the complaint process. The Ombudsman may

request that the complainant exhausts the Authority's complaint procedure before they consider investigating.

If a complaint investigation shows that the Authority has got something wrong, the Authority will record the complaint as being upheld, even if there are elements of the complaint not upheld. It is not appropriate to record a complaint as being partially upheld, although the Authority may provide additional information to show such activity.

Service Request	<p>A service request is a request from an individual to the Authority that requires action to be taken to put something right. Service requests are received by the Authority's Customer First Office. They <u>are not</u> categorised as complaints but are recorded and reviewed.</p> <p>The Customer First Office can be contacted any time by email customerfirstoffice@northtyneside.gov.uk or Tel. 0191 643 2280 Monday to Friday, 9am to 4.30pm.</p> <p>Service requests should initially be responded to within two working days.</p>
Corporate Complaint	<p>Complaints can be investigated at any point. Complaints will be logged and reported in the Authority's Annual Complaint Report.</p> <p>Complaints must be investigated at Stage One before they can be investigated at Stage Two, and similarly at Stage Two before they can progress to Stage Three.</p> <p>The complainant will always have the right to escalate their complaint to subsequent Stages.</p> <p>Complainants will be asked to write a statement of complaint (help is available), describing the complaint and what outcome they would like to see.</p> <p>Complaints can be started by using this form; emailing customerfirstoffice@northtyneside.gov.uk or by calling the Customer First Office on 0191 643 2280.</p> <p>There are three Stages to complaints.</p>

Stage One – Is investigated by the manager of the service or team being complained about. The complainant will receive a written acknowledgement, after they have submitted their statement of complaint, including information about the relevant Ombudsman.

A response will be provided within 10 working days from receipt of the statement of complaint for Housing complaints, and 15 working days for all other services. This response will include information about next steps and a person's right to approach the Ombudsman about the decision.

Stage Two – if after Stage One, the complainant remains dissatisfied, they can ask for the Stage One complaint is reviewed by a Senior Manager of the service or team they are complaining about. Stage Two is a review of the complaint and the response provided at Stage One. It is also the opportunity for a further investigation if needed.

At Stage Two the complaint cannot be fundamentally different from Stage One and new issues cannot be introduced. New issues will prompt the registration of a new complaint, which will start at Stage One.

A response will be provided within 20 working days for Housing complaints, and 15 working days for all other services. This response will include next steps and information about a person's right to approach the Ombudsman about the decision.

Stage Three – if after Stage Two the complainant remains dissatisfied, senior leaders will review Stages One and Two and decide if the complaint should be considered by the Authority's Regulation and Review Committee, which is made up of Elected Councillors.

The decision to proceed, or not, to Regulation and Review Committee, and the rationale, is recorded. The complainant is informed in writing as to the rationale for proceeding to Regulation and Review Committee or not.

All Stage Three complaints are responded to within 20 working days, whether reviewed by the Regulation and Review Committee or not. This response will include information about a person's right to approach the Ombudsman about the decision.

	<p>The number of Stage Three requests that are, and are not, reviewed by the Regulation and Review Committee, are shared with the Committee, and are shown in the Authority's Annual Complaints Report.</p>
<p>Social Care Complaints</p>	<p>There are two further procedures for investigating adult and children's social care complaints:</p> <ul style="list-style-type: none"> • https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Statutory%20Childrens%20Complaint%20Process.pdf • https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Adult%20Social%20Care%20Statutory%20Complaints.pdf <p>Social care complaints should be raised by using this form, or by calling the Customer First Office on 0191 643 2280.</p>
<p>Ombudsman</p>	<p>A complainant always has the right to refer their complaint to the relevant Ombudsman at any point. The Ombudsman may ask that they exhaust the Authority's complaint procedure first.</p> <p>Local Government and Social Care Ombudsman – has jurisdiction of complaints about council services.</p> <p>0300 061 0614</p> <p>www.lgo.org.uk</p> <p>The Housing Ombudsman – has jurisdiction of complaints about social housing, this includes council tenants.</p> <p>0300 111 3000</p> <p>www.housing-Ombudsman.org.uk</p>

5. Accessibility and equal opportunities

The Authority is committed to ensuring that everyone has equal access to all services; to support this:

- complaints are accepted over the telephone, in person, in writing, by email, via the website or by any other reasonable means
- the Authority can provide information and responses in alternative formats including, Braille, large print, easy read format, BSL video, audio formats and other languages where needed; and
- the Authority can provide interpreters (including sign language translators) where needed.

6. Providing advocacy and support

The complainant can be supported through the complaints process by a representative, such as a family member or friend, when raising any complaint at any time, if it will help facilitate full and effective consideration of their complaint.

The Customer First Office can also signpost the complainant to local advocate services; there is no duty on local authorities to provide an advocacy service in respect of this procedure but other procedures, such as those for social care services, will have their own arrangements.

Appendix 1

1.1 Which is the correct complaints procedure

There are a number of complaint procedures used by the Authority. It is important that the complaint is dealt with in line with the correct procedure.

- Complaints about services provided by the Council, this procedure.
- Complaints about local Elected Councillors: [Complain about a councillor](#)
- Complaints about Data Protection: [Data Protection](#)
- Complaints about Schools, should be directed to the school in the first instance: [Find a School](#)
- Complaints about Adult Social Care: [Adult Social Care](#)
- Complaints about Children's Social Care: [Childrens Social Care](#)

1.2 What is exempt from this complaints procedure

This complaints procedure does not apply when:

- the person wishing to complain does not meet the requirements of 'who may complain'.
- matters over one year old, unless there is good reason and will be at the discretion of the Authority's Complaint Manager. For example, someone who has been unable to lodge their complaint earlier due to incapacity, or where new information has come to light which could have affected the original investigation.
- complaints about the Authority's policy*
- where the same complaint has already been dealt with at all Stages of this procedure and/or by the Local Government or Housing Ombudsman
- the complaint is unclear, frivolous, or vexatious.
- matters which should be dealt with under other proceedings, e.g.
 - disciplinary proceedings**
 - complaints from staff about personnel issues
 - services for which alternative statutory appeals process already exists, including the statutory 'social services' complaints procedures.

* The Authority's Policy includes decisions formally agreed by a Committee, Cabinet or Council. This might extend to incorporate formally approved procedures and well-established custom and practice but there will be a requirement on a person seeking to rely on this exception to demonstrate, possibly ultimately to the Local Government or Housing Ombudsman, that the issues should be deemed as being The Authority's Policy.

Complaints about policy will be 'investigated' at Stage One and relevant Elected Members will be advised by the Customer First Manager but no further action is taken within these procedures.

Complaints can be accepted if they relate to the interpretation and/or application of policy.

** Complaints are treated as being about quality of service, not an individual employee or employees. Staff can be named in complaints as most of the Authority's services are provided by its staff. However, the complaints procedure is not a disciplinary tool. Complaints will only be referred for consideration under the separate disciplinary procedures where gross misconduct is alleged; or other serious issues appear to have occurred; or where the individuals have live warnings of a relevant nature. Such referrals shall be made at the discretion of the relevant service manager who will advise the member of staff accordingly. In such circumstance the complaint, or relevant element of complaint, will not be considered further under these procedures and the complainant will be informed accordingly.

In the event that a complaint is not accepted at any Stage, a detailed explanation is provided to the person wishing to complain, setting out the reasons why the matter is not suitable for the complaints process or the next Stage and their right to refer that decision to the relevant Ombudsman.

Stage Three complaint consideration

Progression to Stage Three is at the discretion of the Authority. Stage Three is an opportunity, where relevant, for the Complaints Manager and other Senior Officers, to refer completed Stage Two complaints, to the Authority's Regulation and Review Committee which is made up of Elected Members.

Referrals to the Regulation and Review Committee are made when:

- the complainant has requested that a complaint is considered at Stage Three, and
- it has not been possible to find an alternative and acceptable resolution, and / or
- the Authority's Complaints Manager and other relevant senior Authority Officers, deem that the complainant may have been experienced a service failure and this has not been properly addressed, and / or appropriate redress offered.

If after consideration of the points above, the request for a Stage Three complaint is not accepted, the complainant will receive details of the decision, the rationale, next steps, and how the complaint can be referred to the relevant Ombudsman.

1.3 Anonymous complaints

Anonymous complaints will be recorded within the procedure and examined at Stage One. Relevant service management will have discretion to decide what action it should take. The fact that the complaint is from an anonymous source will not justify a decision not to examine the matter, nor will it rule out referral to other procedures as appropriate.

1.4 Offensive complaints

A complaint is considered offensive if it includes comments (including swearing) which are of a derogatory, discriminatory, or offensive in nature. The complaint will be referred to the Customer First Manager who will determine the appropriate response. A distinction will be drawn between the above and a statement made in good faith. For example, a customer might allege a member of staff swore at them and when the customer repeats back what was said to them, or what they heard a member of staff say, they must give this detail as part of making their complaint.

1.5 Persistent complainants

There may be an occasion where a complainant will persist in their cause, often following multiple routes (corporate complaint, Chief Executive or Director of Service, Councillor or MP, Advocate, Freedom of Information, Subject Access Requests, and social media). All potentially persistent complaints will be considered, but if the substance of the complaint is the same as the previously

determined one, and there are no new issues presented, then the Service Manager and/or Customer First Manager will consider applying the Managing Unreasonable Behaviour Policy.

1.6 Insurance claims

The Authority will not investigate a complaint if the issue is something that should be dealt with as an insurance claim against the Authority. Where this is the case, the customer will be advised of this decision and the reasons for it.

Appendix 2

2.1 Customer First Office

All Authority teams are responsible and accountable for the services they provide. The Authority's Complaints Manager is responsible for managing the corporate complaints procedure and is based within the Customer First Office.

To contribute to fairness and objectivity, the Authority's Complaints Manager does not directly deliver front line council services. While fostering good working relationships with key parties, e.g., complainants, council service areas and other agencies, the Authority's Complaints Manager will contribute towards promoting the rights of customers to challenge the Authority about the quality of the services it provides. The Authority's Complaints Manager will take an active role in encouraging and facilitating resolution of complaints.

All complaints will be managed in line with the Authority's Customer Promise principles of 'we listen, we care', to ensure the best possible customer experience throughout the process.

2.2 Monitoring

The Authority has a Complaint Governance Framework which sets out how complaints are monitored, reported, reviewed and escalated.

Service requests; are not categorised as complaints, but are recorded, monitored and reviewed, as a wider source of information about customer satisfaction and service performance.

Complaints; the Authority's Complaints Manager and Customer First Office, apply this complaints procedure and monitor the progress of individual complaints. They ensure records are kept of:

- each complaint received
- the outcome of each i.e., the decisions made in response to the complaint and any action to be taken
- complaints upheld and not upheld
- record of any lessons learned as a result of the complaint, and

- whether there was compliance with the timeframes.

To monitor customer satisfaction and equality and diversity, the Authority asks complainants for relevant equality monitoring information and feedback on their experience of the complaint process; this is however, not mandatory to make a complaint.

Information on complaint related activity is made available to all service areas to highlight trends in complaints, repeating issues and to assist service areas in shaping and improving service delivery to the customer. The method by which this is carried out, is constantly being improved.

2.3 Record management and data protection

All functions of the complaints procedure adheres to the requirements of the Data Protection Act, 2018, UK General Data Protection Regulations, Freedom of Information Act, 2000 and other related requirements.

Appendix 3

3.1 The Ombudsman

A complainant has the right to contact the Ombudsman at any time regarding their complaint.

In most cases the Ombudsman would expect the complainant to have completed the council's complaint process. However, all customers have the right to access the relevant Ombudsman, throughout their complaint journey, not only when the Authority's complaints process has been exhausted.

3.2 Early referral to the Local Government and Social Care Ombudsman

Where the presenting facts indicate that reasonable, appropriate consideration of the complaint has been undertaken at Stage Two and that further consideration by a Panel of the Regulation and Review Committee would not produce a demonstrably different outcome, the Authority Complaints Manager will consider the possibility of early referral to the Local Government and Social Care Ombudsman

There are a number of important safeguards that should be in place before proceeding with this option. Stage Two should have delivered:

- a very robust examination,
- a complete response,
- all significant elements have been upheld,
- a clear action plan for delivery has been set out; and/or
- all reasonable and significant desired outcomes presented by the complainant have been met.

The Ombudsman will apply a test of reasonableness to this decision. If the Ombudsman concludes that the early referral was incorrect, they may select from a range of responses, including proposing that the complaint be considered by the Authority at Stage Three.

Early referral will also not restrict the Ombudsman from later consideration of the complaint if they so choose.

3.3 Local Government and Social Care Ombudsman (LGSCO)

The LGSCO investigates all complaints about Authority's, other than those that come under the jurisdiction of the Housing Ombudsman, as set out below. Once a complaint has exhausted the Authority's corporate complaints procedure the complainant can refer their complaint to the LGSCO for consideration.

3.4 Housing Ombudsman (HO)

Complaints about provision and management of the Housing service come under the jurisdiction of the HO. This does not include complaints about homelessness, rent or service charges; the Customer First Manager will advise if this is the case. Once a complaint has exhausted the Authority's corporate complaints procedure the complainant can refer their complaint to the Housing Ombudsman. Further details can be found here: <https://www.housing-ombudsman.org.uk/residents/understand-complaints-process/>

This complaints procedure aims to ensure that people who complain have their concerns resolved swiftly and, wherever possible, by the people who provide the service. The procedure is aimed at being a useful tool for indicating where services may need adjusting. It is not a negative process to apportion blame. It is a positive aid to inform and influence service improvements.

The complaints procedure is easy to use; helpful and receptive; fair and objective; based on clear responsibilities; timely; thorough; rigorous; decisive; consistent; comprehensive; sensitive to special or individual needs; adequately resourced and respected by all staff and elected Members.

The Customer First Office will provide advice to complainants about the options open to them during the six months after the Authority's complaints procedure has been completed. They will also provide assistance to the complainant, if required, in making the referral to the LGSCO and HO.

If anyone needs the Authority to do anything in this procedure differently (reasonable adjustments), to help them access Authority services, including providing this information in another language or format, they should contact:

Email: customerfirstoffice@northtyneside.gov.uk

Tel: 0191 643 2280

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Annual Complaints Report 2022 – 2023



North
Tyneside
Council

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1. Purpose and introduction

North Tyneside Council publishes an Annual Complaints Report which summarises the closed and registered customer complaints it has received. This is the report for the year April 2022 to March 2023.

For this report, customers are defined as people who use council services, including, residents, council home tenants (including ex-occupiers), businesses and visitors to the Borough.

The aim of the report is to:

- learn from any mistakes so that the Authority can continually improve customer experience and outcomes
- encourage a culture of feedback, comments and suggestions, to aid service improvement
- be transparent about the complaints received, how they've been responded to and what has been done as a result
- assess the Authority's Corporate Complaint Procedure, evaluating and improving its effectiveness, and
- publicise and explain the Authority's Corporate Complaints Procedure.

North Tyneside Council is here to serve the residents, businesses, and visitors of the Borough; it strives to deliver excellent customer service to keep North Tyneside a great place to live, work and visit.

The Authority's Customer Promise sets out what customers should expect of council services and what they can do if things don't go well. The Authority encourages comments and feedback about any of its services, both positive and negative; they provide the opportunity to learn and continually improve how things are done. The Authority is committed to doing everything possible to resolve complaints for its customers fairly, early and as efficiently as possible.

The Customer First Office (CFO) was established in July 2022 and administers the Authority's corporate and statutory complaints, in line with its associated complaints Procedures and using the standards set out in the Authority's Customer Promise.

2. Complaints defined

- The Authority has a Corporate Complaint Procedure for all its services, that satisfies the requirements of both the Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman (HO).
- Childrens social care complaints are governed by the Childrens Act 1989 and the Authority has a supplementary but complimentary Procedure for managing these, that satisfies the requirements of the Act, the LGSCO, and associated regulators.
- Adult social care complaints are governed by the Local Authority Social Services NHS Complaint Regulations (England) 2009 and the Authority has a supplementary but complimentary Procedure for these, that satisfies the requirements of the Regulations, LGSCO, and associated regulators.

The principles and commitment of the Corporate Complaint Procedure, guide the way that all complaints are managed by the Authority, regardless of any supplementary procedures used. The Authority's Corporate Complaint Procedure 2023, defines a complaint as an expression of dissatisfaction, however made, about the services the Authority provides. It can relate to the standard of service, actions or lack of action by the Authority, its own staff, or those acting on its behalf, affecting an individual resident or group of residents and which requires a response.

In addition to complaints, the CFO manages service requests; a request from a customer which requires action to be taken to put something right, but which is not categorised as a complaint. Service requests provide useful, additional information to the Authority about a customer's experience and help with service improvement.

3. Corporate complaint procedure

The Authority’s Corporate Complaint procedure is for all services the Authority operates which are not covered by the statutory social services complaints procedures or subject to any exclusions.

This procedure does not cover other ways that customers can ask for services or get in contact with relevant teams to discuss their current or future service provision. It does however include service requests as set out below.

<p>Service Request</p>	<p>A service request is a request from a person to the Authority that requires action to be taken to put something right. Service requests are received by the Authority’s Customer First Office. They <u>are not</u> categorised as complaints but are recorded, monitored, and reviewed.</p> <p>A complaint will be raised when a person expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. The Authority will not stop its efforts to address the service request if the person complains.</p>
<p>Corporate Complaint</p>	<p>Complaints can be raised at any point and will be logged and reported in the Authority’s Annual Complaint Report.</p> <p>Complaints must be investigated at Stage One before they can be investigated at Stage Two, and similarly at Stage Two before they can progress to Stage Three.</p> <p>The complainant will always have the right to escalate their complaint to subsequent Stages.</p> <p>Complainants will be asked to write a statement of complaint, describing the complaint and what outcome they would like to see. Help is available if anyone needs that to make the statement.</p> <p>The three complaint investigation Stages are -</p>

Stage One – Is investigated by the manager of the service or team being complained about. The complainant will receive a written acknowledgement, after they have submitted their statement of complaint, including information about the relevant Ombudsman.

A response will be provided within 10 working days from receipt of the statement of complaint for Housing complaints, and 15 working days for all other services. This response will include information about next steps and a person's right to approach the Ombudsman about the decision.

Stage Two – if after Stage One, the complainant remains dissatisfied, they can ask for the Stage One complaint to be reviewed by a senior manager of the service or team they are complaining about. Stage Two is a review of the complaint and the response provided at Stage One. It is also the opportunity for a further investigation if needed.

At Stage Two the complaint cannot be fundamentally different from Stage One and new issues cannot be introduced. New issues will prompt the registration of a new complaint, which will start at Stage One.

A response will be provided within 20 working days for Housing complaints, and 15 working days for all other services. This response will include next steps and information about a person's right to approach the Ombudsman about the decision.

Stage Three – if after Stage Two the complainant remains dissatisfied, the Authority's Senior Complaint Manager and Assistant Chief Executive, will review Stages One and Two and decide if the complaint should be considered by the Authority's Regulation and Review Committee, which is made up of Elected Councillors.

The decision to proceed, or not, to Regulation and Review Committee, and the rationale, is recorded. The complainant is informed in writing as to the rationale for proceeding to Regulation and Review Committee or not.

All Stage Three complaints are responded to within 20 working days, whether reviewed by the Regulation and Review Committee or not. This response will include information about a person's right to approach the Ombudsman about the decision.

	<p>The number of Stage Three requests that are, and are not, reviewed by the Regulation and Review Committee, are shared with the Committee, and are shown in the Authority's Annual Complaints Report.</p>
Social Care Complaints	<p>There are two Procedures for investigating adult and children's social care complaints:</p> <ul style="list-style-type: none"> • https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Statutory%20Childrens%20Complaint%20Process.pdf • https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Adult%20Social%20Care%20Statutory%20Complaints.pdf
Ombudsman	<p>A complainant always has the right to refer their complaint to the relevant Ombudsman at any point. The Ombudsman may ask that they exhaust the Authority's complaint procedure first.</p> <p><u>Local Government and Social Care Ombudsman</u> - has jurisdiction of complaints about council services. 0300 061 0614 www.lgo.org.uk</p> <p><u>The Housing Ombudsman</u> - has jurisdiction of complaints about social housing, this includes council tenants. 0300 111 3000 www.housing-Ombudsman.org.uk</p>

4. Ombudsman

The Authority's Complaint Procedures are underpinned by guidance by both the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman (HO).

The LGSCO can review and / or investigate complaints from members of the public who consider they have experienced injustice because of maladministration by the Authority, typically, once the complaint has exhausted the Authority's Complaint Procedures. The Housing Ombudsman considers complaints about housing associations and some relevant complaints from Local Authority tenants. Occasionally a complaint may be considered by both Ombudsman schemes.

The LGSCO received 38 complaint referrals from customers who had been through the Authority's corporate complaints process during in 2022-23, of these the Ombudsman:

- undertook eleven detailed investigations; ten of which upheld the complaint submitted by the customer
- provided recommendations for seven complaints, and the Authority fully complied with all of these
- referred eleven back to the Authority for resolution
- closed fourteen after they made initial enquiries, and
- recorded two as invalid or incomplete.

In two of the ten upheld cases, the LGSCO found the Authority had provided a satisfactory remedy before the complaint reached the Ombudsman.

The HO publish data for Authorities who have had five or more referrals investigated. There was no data published for North Tyneside between 1 April 2021 – 31 March 2022.

Data for 2022-23 will be published by the HO in December 2023, if they have investigated more than five referrals.

6. Summary of activity and findings 2022-23

Serving over 209,000 residents, North Tyneside Council delivers millions of individual services and transactions each year, including those to businesses and visitors. . The number of complaints raised, is a very small proportion of the overall number of services and transactions delivered.

- The number of complaints and service requests has continued to decrease from 1,825 in 2021/22 to 1,616 in 2022/23. These are complaints investigated using the Authority's Three Stage investigation process and service requests that are administered by the CFO, where swift action is taken to put something right, without using the Three Stage complaint process.
- The number of complaints investigated by the Authority, is almost the same in 2022-23 as it was the previous year, with 645 received this year, compared with 647 the year before.
- Since 2019-20, complaints investigated by the Authority, using its Three Stage process, have decreased from 1,069 to 647 in 2022-23.

Below is further information about the 645, closed complaint investigations in 2022-23.

- 50% of all complaints were for housing, property and repairs.
- Complaint reasons are broadly in line with those of the previous three years; the most frequent are:
 - time taken to receive a service
 - communication, and
 - disagreement with a decision made by the Authority, such as priority rating for housing or the outcome of an assessment by a service team.
- The proportion of complaints not upheld by the Authority, has increased from 46% in 2021-22 to 55% in 2022-23; this sees a return to similar levels before the Covid-19 Pandemic in 2019-20 of 54%.
- Fewer complaints were resolved at Stage One in 2022-23 – 76%, compared with the previous year – 81%. More were resolved at Stage Two this year, 24%, compared with 19% in 2021-22.
- The number of requests for Stage Three (excluding social care), has decreased by one in 2022-23 from the previous year. As in the previous four years, there have

been no Stage Three complaints (excluding social care) heard by a panel of the Regulation and Review Committee.

- Once again, the number of cases received by the LGSCO has reduced from 45 in 2021-22, to 38 in 2022-23. The number of complaints where the Ombudsman has upheld the complaint, has increased by one, from nine in 2021-22 to 10 in 2022-23.
- There has been a slight increase in the number of children's social care complaint investigations, from 19 in 2021-22 to 21 in 2022-23; this remains almost half of the numbers seen in pre Covid-19 Pandemic levels, of around 40. Of these 21 complaint investigations, the proportion that have been upheld, in full or in part, by the Authority, has increased notably from 10% in 2021-22 to 42% in 2022-23.
- The proportion of children's social care complaints that have been upheld, in full or in part, by the Authority, has increased notably from 10% in 2021-22 to 42% in 2022-23.
- The proportion of children's social care complaint investigations that are resolved early, continues to

increase – with 96% of complaints resolved at Stage One, this is an 8% increase from 2019-20.

- Adult social care complaints have increased from 29 in 2021-22, to 35 in 2022-23, this remains a reduction from pre Covid-19 Pandemic levels of around 40.
- There has been a notable decrease in the proportion of adult social care complaints upheld in full or in part, from 52.5% in 2021-22 to 40% in 2022-23.

Whilst complaints have remained almost static from the previous year, service requests administered by the CFO, have decreased notably. This may be due to the improvements to the information provided on the Authority's website, which better explains the range of ways customers can raise complaints, report issues and have them resolved quickly.

In addition, there has also been an increase in the number of Elected member enquiries received in the year, that may well be helping to positively address resident issues, before they escalate to a complaint.

The data indicates that the Authority could do more to seek early resolution of complaint investigations at Stage

One, as the percentage resolved at this Stage, has decreased from previous years.

The Authority has reviewed and refreshed its approach to requests for Stage Three referrals (excluding social care). Although proportionally the numbers are very small, 8 of the 11 detailed investigations undertaken by the LGSCO, found the Authority had not provided a satisfactory remedy before the complaint reached the Ombudsman. The Authority expects to see an increase in 2023-24 of the number of complaints that are heard by a panel of the Regulation and Review Committee.

The Local Government Ombudsman (LGSCO) have stated in their national Annual Report for 2022-23, that they are

less likely to carry out investigations into 'borderline' issues and are therefore finding a higher proportion at fault.

Statutory social care services have invested significant time this year in reviewing the quality, process and outcomes of complaints for their customers. Housing, property and repairs services have complied with new requirements from the Housing Ombudsman and its complaint code of practice and are embedding these changes in service delivery.

The Authority has reviewed and refreshed its governance framework for complaints and in early 2024, a new complaints management IT system will be introduced which will provide improved and real time data, on complaints activity, available to service teams.

7. What we said we would do in 2022-23

The 2021-22 Annual Complaint Report identified nine priorities for action.

1. Review and refresh the Authority's Corporate Complaint Procedure

A new Procedure has been produced and published on the Authority's website, this will inform the refresh of customer information available on the Authority's website, customer information leaflets and complaints training for Authority teams.

2. Further review the interface between the CFO and the housing, property and repairs customer experience function and provide more detailed analysis of housing, property and repairs complaint activity, into the 2022-23 annual complaint report

Together the teams have worked closely on complaint resolution for the Authority's tenants at the earliest opportunity. Further synergy between the teams is thought possible and this will continue to be a priority in 2023-24. Further information and analysis on housing, property and repairs complaint activity has been included in this report in Section 10.

3. Ensure complaints categorised as service requests by the CFO, are accurately captured for analysis and learning

Service requests are now monitored in the Annual Complaints Report and as well as providing customers with quick and simple solutions, they provide the Authority with invaluable insight and learning, for future service delivery.

4. Implement a quality assurance framework, in the customer first office

The framework has been developed and implemented in part, including sample checking of complaint responses. This has increased the consistency and improved the quality of complaint responses, but further work is required, and this will be a continued area of priority in 2023-24.

5. Develop and implement a new IT system for Authority wide recording of complaint activity

A new system has been developed and is currently being tested.

6. Explore new approaches to increase the number of customers sharing their experiences about the Corporate Complaint Procedure

Although the response rate is still small, 2022-23 has seen a 42% increase in customers sharing their experience about the Corporate Complaints Procedure. Every customer that uses the CFO, is encouraged to provide feedback which is used to improve how complaints are managed and how services are delivered. In previous years this was an automated email, the CFO now send a personalised email to every customer with a link to the survey.

7. Implement a revised reporting schedule of corporate complaints activity and outcomes, for Authority Directors and Elected Members

A reporting schedule has been introduced for all Directors, sharing complaint activity, and highlighting any areas of concern through complaint activity. A report of complaint activity is also shared annually with the Authority's Regulation and Review Committee, and Elected Members now receive a twice annual summary of complaints for their wards. A new suite of complaint reports has been developed and are due to be introduced alongside the introduction of the new complaint IT system.

8. Strengthen the consistency of capturing, monitoring, and reporting corporate complaint outcomes and learning

A new governance framework for reporting complaints activity and outcomes has been developed; This will continue to be an area of priority in 2023-24.

9. Social care services to review changes in their complaint activity numbers

In October 2022 the LGSCO Annual Review of Adult Social Care Complaints Report, noted that there had been a national decrease in adult social care complaints received by Local Authorities and referred to the LGSCO. North Tyneside Council had similarly received fewer of these complaints. The Authority carried out a health check of its approach to complaints in both adult and children's social care and is satisfied that there were no barriers to customers submitting complaints. Complaints Procedures are detailed on the Authority's website, and customers within adult and children's services are made aware of their right to complain throughout their journey and time with these services.

8. Key actions for 2023-24

Priorities for the year ahead reflect the learning from this report and continue to strengthen the processes, practices and recording systems, which support the Authority to learn and improve from complaints; ultimately ensuring customers receive the best services possible and a great customer experience.

We will...
1. Implement a new recording and administration system for Authority wide recording of complaint activity, improving the Authority's ability to listen and learn from complaints
2. Communicate the Authority's refreshed Complaints Procedure, ensuring customers have clear and easy access to information on how to make a complaint
3. Continued close working between the CFO and the housing, property and repairs customer experience function, to ensure customers receive a timely and effective complaint handling service
4. Embed the refreshed governance framework for complaints, ensuring good information and learning from complaints, informs future service delivery
5. Review Stage 1 processes and sign off to ensure the Authority is doing everything possible to seek early resolution of complaint investigations
6. Introduce and comply with any changes from the new Joint Code of Practice with the Housing Ombudsman and Local Government and Social Care Ombudsman
7. Full implementation of the quality assurance framework in the Customer First office, to demonstrate consistency, fairness and quality in complaint investigations and outcomes for customers

9. Statutory Local Authority social services

The Authority's Corporate Complaint Procedure is governed by the statutory Local Authority Social Services Complaints (England) Regulations 2006, the Local Authority Social Services Complaints (England) Regulations 2006 and Guidance (Children) and the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 and Guidance (Adults)

9.1 Social services complaint practice and approach

- Care providers commissioned on behalf of the Authority, are always assessed on their approach and practices for customer complaints – this informs the scoring for awarding Authority contracts for care delivery.
- The Authority carries out robust quality monitoring and assurance visits to all commissioned services; this includes a review of how customer complaints have been responded to and any themes or issues for further investigation.
- All services delivered and commissioned by the Authority's children social care teams are regulated by the independent regulator Ofsted, who also review complaint and customer feedback. Adult social care commissioned services are regulated by the Care Quality Commission. The Health and Care Act, which received Royal Assent in April 2022, created a new duty for the CQC to independently review and assess the performance of councils' adult social care duties, likely to start from April 2023.
- Safeguarding alerts, both individual and organisational are consistently reviewed and themes monitored for any required action.
- Joint meetings with CQC, Ofsted and NHS and other partners regularly take place, with a focus on service quality and any areas of concern from customers.

- The Authority has a specialist Advocacy service, who work to ensure the rights of children and young people are upheld. This both avoids issues escalating to formal complaint but also supports individuals through the complaint process when required.

9.2 Children's social care

The number of these complaints have increased slightly this year from last, the majority are resolved at Stage One of the process. The proportion upheld by the Authority has increased from last year.

9.3 Adult social care

In line with LGSCO findings in 2021-22, there was a notable decrease in the number of adult social care statutory complaints in North Tyneside in that year. 2022-23 has seen an increase but levels remain lower than pre Covid-19 Pandemic levels of around 40. The proportion of adult social care statutory complaints not upheld by the Authority has increased over the past three years in North Tyneside.

9.4 Reflection and learning

In the past four years, both the Authority's children's social care and adult social care teams have invested significantly in reviewing their processes and approach to all complaints, and this may account for the changing trends in both the number of complaints received and in those upheld by the Authority.

Work is continuing with the Customer First Office in particular with Children Social Care team to review and reflect on their approach to customer complaints. This includes regular reporting into the management team service meetings to review lessons learned.

10. North Tyneside 2022-23 complaint and service request activity

Table 1 Total number of complaints received	2019-20	2020-21	2021-22	2022-23	Trend
Social services complaints investigated	102	68	48	56	
Corporate complaints investigated	967	451	599	589	
Total investigations	1069	519	647	645	
Complaints registered as service requests	1107	914	1178	971	
Total complaints (investigations & service requests)	2176	1433	1825	1616	
Complaints to Ombudsman	50	29	48	38	

10.1 Complaints and channel used

Table 2 Method used to complain	2019-20	2020-21	2021-22	2022-23	Trend
Email	143	126	131	64	
In Person	3	2	7	3	
Online	460	307	349	528	
Telephone	417	63	134	46	
Written	46	21	26	4	

10.3 Complaint service area and reason during 2022-23

Chart 1 – Complaints registered by service area

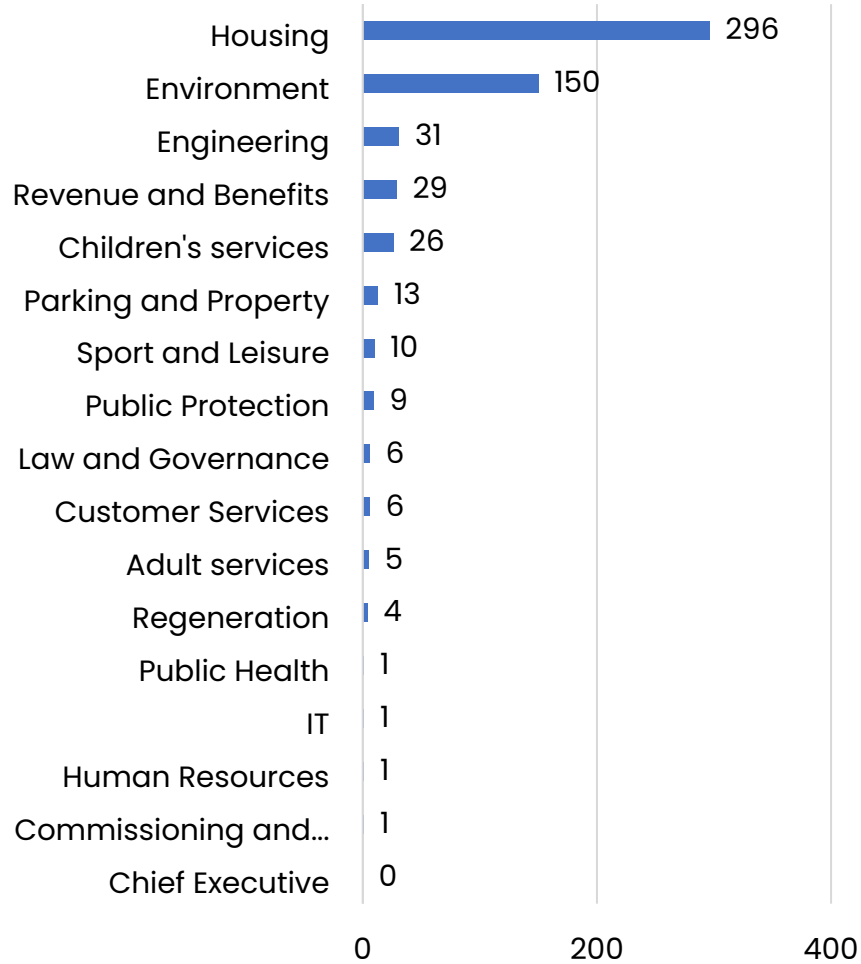
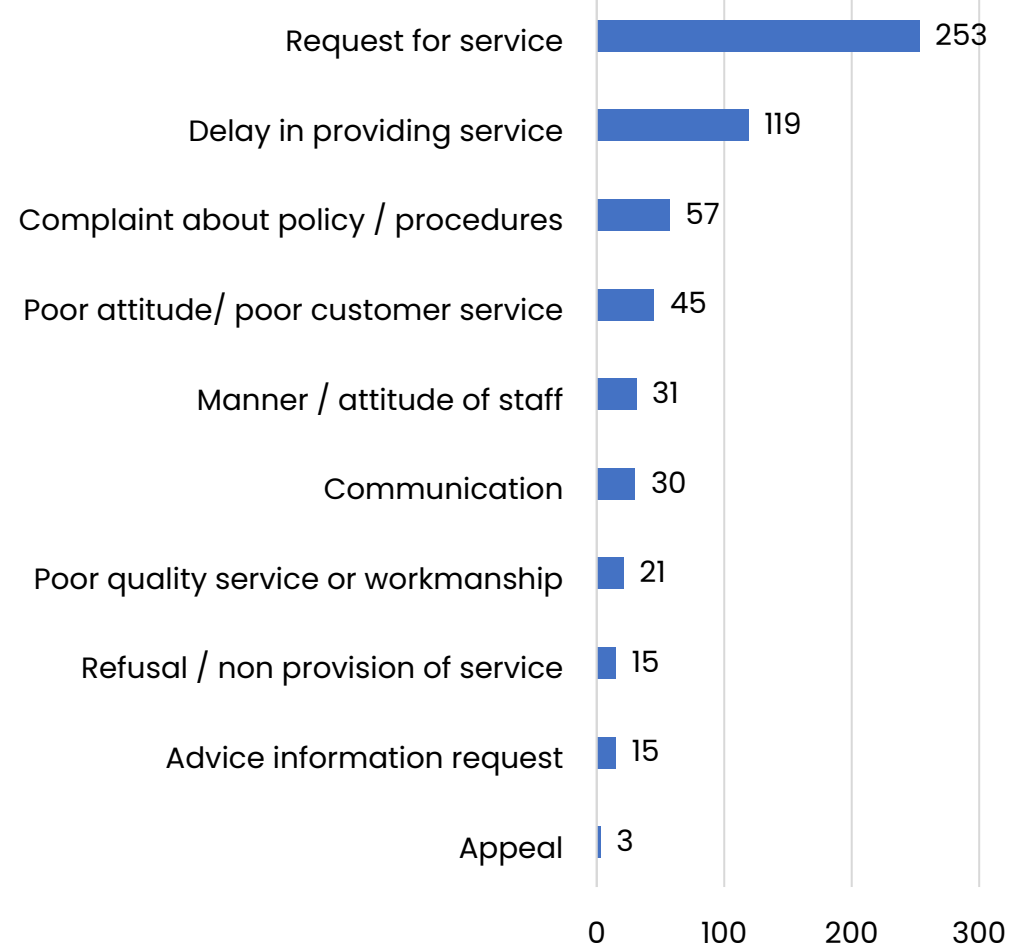


Chart 2 – Reasons for complaint investigations



6.1 Complaint outcomes

	2019-20	2020-21	2021-22	2022-23
Table 3 Complaint outcomes				
Not Upheld	54%	52%	46%	55%
Upheld in Full	24%	25%	33%	23%
Upheld in Part	22%	23%	21%	22%
Table 4 Complaints resolved at each Stage				
Stage One	88%	83%	81%	76%
Stage Two	12%	17%	19%	24%
Stage Three	0	0	0	0
Table 5 Complaints not progressed to Stage Three				
Number of Stage Three complaints requested	-	-	53	54

6.2 Service requests

	2022-23	%
Table 6 Service requests 2022-23 by service area		
Housing, Property and Repairs	434	44.7%
Environment	422	43.5%
Capita Services	60	6.2%
Adult Social Care	15	1.5%
Children and Family Services	14	1.4%
Equans Services	8	0.8%
Commissioning and Asset Management	7	0.7%
Resources and Corporate Strategy	7	0.7%
Regeneration and Economic Development	4	0.4%
Total	971	100%
Table 7 Service requests 2022-23 escalation to complaints investigated by the Authority under the Three-Stage process		
Proportion of service requests escalated to Stage one	0	0%

6.3 Housing, property and repairs complaints

Table 8 Housing, property and repairs complaints categories	2022-23
Request for Service	131
Delay in Service	75
Failure to follow policy / procedure	24
Customer Service	24
Poor quality workmanship	17
Non provision of service	9
Communication	6
Advice / Information	5
Other	5
Total	296

Chart 3 Housing, Property and Repairs investigation complaints resolved at Stage

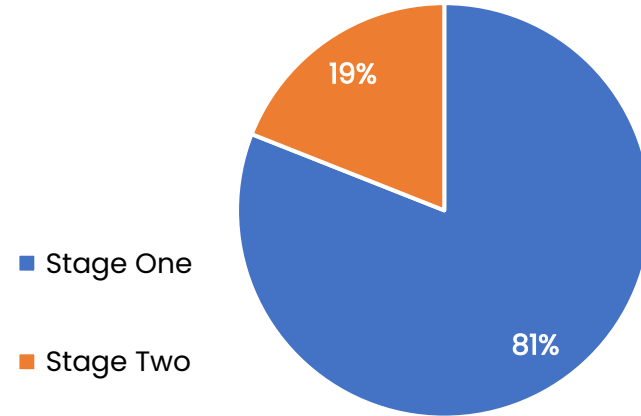
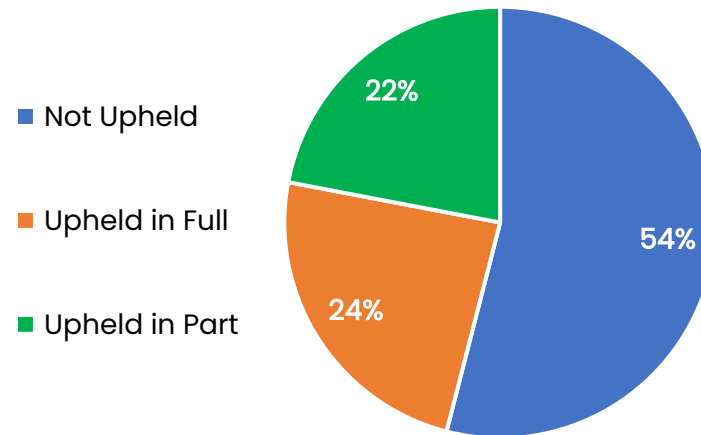



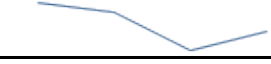
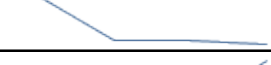

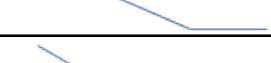

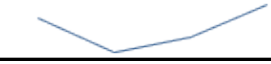

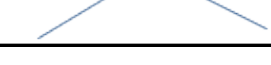
Chart 4 Housing, property and repairs complaints outcomes



6.4 Children's social care complaints

	2019-20	2020-21	2021-22	2022-23	Trend
Table 9 Children and families' services categories					
Adoption/Fostering/LAC*	4	2	2	1	
Safeguarding	33	17	13	14	
Front Door	7	3	2	3	
Commissioning and Investment	0	0	1	1	
Children with Disability Team	4	0	0	0	
Other	1	8	1	2	
Total	42	30	19	21	
Table 10 Children's Social Services Complaints Resolved at Stage:					
Stage One	88%	83%	91%	96%	
Stage Two	10%	10%	9%	0%	
Stage Three	2%	7%	0%	4%	
Table 11 Children's Social Services Complaints Outcomes					
Not Upheld	46%	30%	90%	58%	
Upheld in Full	20%	10%	0%	4%	
Upheld in Part	34%	60%	10%	38%	

1.1. Adult social care complaints

	2019-20	2020-21	2021-22	2022-23	Trend
Table 12 Adult services categories					
Safeguarding	4	2	0	1	
Commissioning	6	5	1	3	
Personalisation/Social Work	33	23	23	22	
Integrated Services	7	6	5	9	
Other	3	2	0	0	
Total	42	30	29	35	
Table 13 Adult social care complaint outcomes					
Not Upheld	55%	42%	48%	60%	
Upheld in Full	7%	11%	5%	0%	
Upheld in Part	38%	47%	48%	40%	

6.5 Local Government Social Care Ombudsman and Housing Ombudsman complaints

	2019-20	2020-21	2021-22	2022-23	Trend
Table 14 Complaints referred to the LGSCO					
Environmental and Cultural Services	4	2	5	3	
Highways, Transport and Planning	10	6	8	7	
Revenue and Benefits	5	2	5	3	
Housing, Property and Repairs	3	6	10	2	
Education and Childrens Social Care	17	10	7	7	
Adult Social Care	6	3	9	10	
Other	5	0	4	6	
Total	50	29	48	38	
Table 15 Number of complaint investigations carried out by the LGSCO					
North Tyneside	12	8	13	11	
Table 16 Complaints referred to the HO					
Housing Property Condition	-	5	3	Dec-23	

7. Complaint customer feedback survey

The Authority asks all customers whose complaints have been investigated, to complete a survey of their experience. Responses to the survey are incredibly low but the Authority continues to do everything that it can to encourage feedback and make it as easy as possible to do so. Low response rates are not untypical for corporate complaint services nationally and indeed with Ombudsman services.

This year we have seen an increase in the number of customers completing the satisfaction survey to 35 from 17 the previous year. Every customer that comes through the Customer First Office is encouraged to provide feedback which is used to improve how we work and improve our service delivery. In previous years this was an automated email, the Customer First Office now send a personalised email to every customer with a link to the survey.

The Authority collects customer equality data at the start of the complaint process. This is collected either through a telephone conversation or at the time of completing the statement of complaint.

- 19 customers found their complaint response easy to read.
- 16 customers said the customer service they received from the CFO was very good.
- 15 customers sought help from a council employee.
- 13 customers used the Authority's website to find out how to make a formal complaint.
- 10 were satisfied with the outcome of their complaint.
- 26 customers said their response letter was clear about what to do if they remained dissatisfied with their response.
- 17 customers who registered a complaint were female.
- 21 customers were 55 or over.
- 13 customers had a physical / mental health condition.
- 11 customers said their physical or mental condition or illness reduced their ability to carry out day to day activities.

8. Listening to complaints and making improvements 2022-23

All completed corporate complaints, should capture any lessons learned. Several changes, generated by complaints, were made to procedures and services during the year. Below are details of some of the themes identified from service areas and action taken.

Lessons learned	Improvements made
Children's services	
<p>Improvements to be made to communication between parents and the allocated social worker throughout the assessment process.</p>	<p>Guidance developed to support workers in completion of assessments to include children's and family views.</p>
<p>Policy and practice should be reviewed with the Leaving Care Team to ensure systems provide relevant support to vulnerable young people who may need the service from the out of hours service following an incident of crisis.</p>	<p>Personal Advisors within teams are clear of the support available out of hours.</p>
<p>Panel recommendation that the multi-agency Safeguarding Board reviews policies and procedures to ensure a standard practice is in place in terms of notifications, following incidents involving vulnerable young people in supported accommodation provided by the local authority.</p>	<p>Revised procedure shared with staff and discussed at Partnership board with partner agencies including the Police.</p>

Environment services

Feedback from complaints showed poor communication following tree surveys contributed to the increased number of complaints around tree management.

'Tree calling cards' introduced, as part of the 'Neat Streets' campaign, to update customers following a tree inspection or any works carried out on trees nearby.

Increase in number of reports of detritus and dirt in pedestrianised areas in 2022-23.

Pedestrian sweeper introduced in early 2023, to attend to areas where previously larger mechanically vehicles could not reach, as well as manual sweeps of the area.

Increase in reports of litter and overflowing wastebins throughout the borough

Increased litter bin provision, adding 100 multipurpose bins in addition to existing resources across the borough.

Increase in reports regarding the biodiversity areas across the borough and how they looked unkempt and lacked colour during Spring 2023

Biodiversity areas continually reviewed. Teams have enhanced biodiversity areas as part of the estate management programme, especially on roundabouts throughout the borough.

Housing and Property services

<p>Increase in complaints year on year attributed to delays in service provision resulting from issues with material supply chain and the ongoing legacy of COVID-19 on the overall availability of resources, including staff.</p> <p>The Housing Service Repairs Policy should be reviewed to reflect current working practices as a result of customer feedback and engagement.</p> <p>Housing Ombudsman's report highlighted the need to improve record keeping and information sharing arrangements.</p> <p>Housing Ombudsman's report highlighted the need to change the approach to damp and mould.</p> <p>Recognise that Housing customers want repairs completed on the first visit.</p>	<p>Introduced a new reporting matrix to ensure early identification of trends in complaint behaviour. Where trends are identified, dedicated service improvement work is undertaken to address concerns immediately.</p> <p>Draft repair's policy sets out our responsibilities as a landlord and our expectations of tenants. Includes our approach to resolving complaints and provision of compensation where required.</p> <p>The Authority is implementing a new IT system to improve record keeping and information sharing between departments and provide customers with a direct interface to access services.</p> <p>Revised the approach to damp and mould to ensure a zero-tolerance approach when reported. Reviewed procedures ensuring any structural works and repairs required to remove the risk of damp and mould in homes are undertaken and support and guidance provided to tenants. Dedicated damp and mould response team established to support these efforts.</p> <p>Functionality to be introduced to enable video calling between the contact centre and tenants, which will allow better understanding of issues reported and allocation of the right resource.</p>
Lessons learnt	Improvements made
Adult Social Care	

Increase in complaints around financial assessments.

Following an LGSCO decision that Authority did not consider information from the mental health team, when considering moving a client from a residential care placement to sheltered accommodation. Recognising the importance of using process if a client doesn't agree with the outcome of assessment.

A complaint highlighted that health wards were giving family members incorrect information regarding the Authority's step-down facilities and services.

New process in place for new clients. This will ensure priority is given to new people and financial assessments completed sooner in the process.

Formalised an improvement process for joint working between social care teams and mental health, and health staff.

Information sessions have been held with ward staff. Detailed information and education of facilities and charges shared at handovers and with Multi-Disciplinary Teams.

We're listening

Your feedback matters
to us and makes a
difference.

If you want to know more about our performance, have something to say about this report, or want to suggest an alternative way of receiving this kind of information in the future, please do contact the Customer First Office:

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Tel: (0191) 643 2280

Email: Customerfirstoffice@northtyneside.gov.uk



North
Tyneside
Council

www.northtyneside.gov.uk

 @NTCouncilTeam



19 July 2023

By email

Mr Hanson
Chief Executive
North Tyneside Metropolitan Borough Council

Dear Mr Hanson

Annual Review letter 2022-23

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates

with previous years carries a note of caution. Therefore, I recommend comparing this statistic with that of similar organisations, rather than previous years, to better understand your organisation's performance.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations.

Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we were satisfied with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 26 July 2023. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered 105 online workshops during the year, reaching more than 1350 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

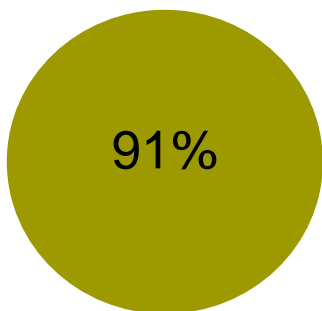
We were pleased to deliver two online complaint handling courses to your staff during the year. I welcome your Council's investment in good complaint handling training and trust the courses were useful to you.

Yours sincerely,

A handwritten signature in blue ink that reads "P. Najsarek". The signature is written in a cursive style with a large, looped 'P' and 'N'.

Paul Najsarek
Interim Local Government and Social Care Ombudsman
Interim Chair, Commission for Local Administration in England

Complaints upheld



91% of complaints we investigated were upheld.

This compares to an average of **77%** in similar organisations.

10
upheld decisions

Statistics are based on a total of **11** investigations for the period between 1 April 2022 to 31 March 2023

Compliance with Ombudsman recommendations



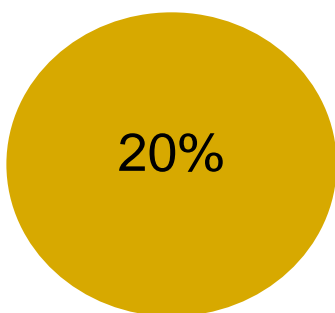
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **99%** in similar organisations.

Statistics are based on a total of **7** compliance outcomes for the period between 1 April 2022 to 31 March 2023

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **20%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **10%** in similar organisations.

2
satisfactory remedy decisions

Statistics are based on a total of **10** upheld decisions for the period between 1 April 2022 to 31 March 2023

North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Highway Asset Management Plan Annual Information Report 2023

Portfolios: Environment	Cabinet Member: Councillor Hannah Johnson
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Report from Service Area: Regeneration and Economic Development

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

Wards affected: All

PART 1

1.1 Executive Summary:

The purpose of this report is to present the Highway Asset Management Plan (HAMP) Annual Information Report for 2023 to Cabinet. This fulfils the commitment to provide Cabinet with an annual information report outlining the highway and infrastructure work undertaken over the last 12 months. It includes future planned work activities as well as other items of relevant interest. The annual information report attached to this report is the seventh annual report presented since adoption of the HAMP.

1.2 Recommendation:

It is recommended that Cabinet note the content of the HAMP Annual Information Report 2023, attached as Appendix 1.

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 25 August 2023.

1.4 Council Plan and Policy Framework

The proposals in this report relate to a number of themes in Our North Tyneside, the Council Plan 2021 to 2025, in particular:

- A secure North Tyneside: We will continue to invest £2m per year on fixing our roads and pavements
- A green North Tyneside: We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast
- A thriving North Tyneside: 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:

Background

- 1.5.1 In September 2017, Cabinet adopted an updated Highway Asset Management Plan 2017 - 2032 (HAMP). This sets out the Authority's approach to maintaining the highways for which the Authority is responsible over a 15-year period and responds to the Elected Mayor and Cabinet's policy direction which included providing a greater emphasis on footways to help support walking and other means of active travel. It also responds to feedback from residents which has consistently told the Authority that the maintenance of roads and footpaths is a top priority. This is reflected in the 'Our North Tyneside Plan' including a commitment to invest additional capital funding in repairing roads and pavements. A well-maintained highway network is vital for supporting the local economy and general wellbeing of the Borough.
- 1.5.2 The HAMP includes a commitment to provide Cabinet with an annual information report outlining progress and key issues associated with the

maintenance of the Authority's public highway network which includes around 900km of roads and over 2000km of footpaths together with more than 200 bridges, subways and other structures. The report has a particular emphasis around the condition of the network and the resources required to maintain it effectively.

1.5.3 Much has been achieved over the lifetime of the HAMP and since 2017, around £95m has been invested in maintenance and improvement works. Investment in specialist ICT highway asset management systems has enabled the gathering of accurate inventory and condition data which allows resources to be targeted in the most effective way. Other innovation includes systems to identify the best treatment options to maximise the life of the asset and get best value for money.

1.5.4 The following has been achieved over the lifetime of the HAMP:

- 178 km of road renewed and 92km of footways improved
- 56 bridges repaired
- 295 footway improvement schemes completed
- 19 major highway projects delivered (e.g. Four Lane corridor improvements)

1.5.5 Currently the highway maintenance capital improvements which are delivered through the HAMP are financed through the following funding streams.

- Government annual grants (Local Transport Plan Maintenance Block allocation). The 2023/24 allocation was £1.253m. This is used for planned maintenance such as road resurfacing and bridge refurbishments
- Government Highway Maintenance Incentive Fund. The 2023/24 allocation was £313k. This is allocated to Authorities that are able to demonstrate best practice in highway asset management. The funding is used to top up the maintenance block funding and associated work programmes
- Government Pothole Fund. The 2023/24 allocation was £1.253m. This is further funding allocated to local authorities for works to repair potholes or undertake works to prevent them forming in the first place

- Additional Central Government roads funding which was announced in the March budget and allocated to highway authorities to spend in 2023/24. The Authority's allocation was £501,000
- Authority investment in additional highway maintenance. For a number of years now, £2m has been invested by the Authority to improve highways. The funding is spent on additional road resurfacing and footpath renewal work that could not otherwise be achieved through regular Government funding. The Authority's Investment Plan currently includes a commitment to continue with this additional investment
- External grants. This is funding for specific projects acquired through bids to various external funders. The Authority has been highly successful in securing numerous capital grants for major highway improvement schemes totalling around £37million over the last 10 years.

1.5.6 Since the introduction of the HAMP, the Authority has been able to maintain the highway network to a good standard, mainly due to its commitment to provide additional investment. However, this has not been without its challenges, most notable of which is inadequate funding from Central Government coupled with increased costs of materials arising from inflation and other world events. The central funding available has not increased in line with these inflationary materials price pressures. Improvement of the network would not have been possible had the Authority been solely reliant on Government funding.

1.5.7 The requirement to operate within government funding restraints and the increased costs of highway maintenance due to continuing inflation pressures in the supply chain are significant challenges. However, in response to these challenges, the HAMP provides a structured programme of targeted investment into the highway network with the objective of ensuring it is maintained in a serviceable condition to meet the needs of the travelling public and businesses.

1.5.8 The Authority has also seen a change in how it manages and invests in the highway network. In line with the Authority's commitment to increase active travel, the Authority has continued to introduced schemes that have reallocated road space to cycling. In October 2023, work commenced on a £11m scheme to build a new sustainable cycling and walking route along the seafront. This builds on previous similar schemes already delivered and,

together with other similar planned works, will see a greater use of the highway by a broader mix of users.

- 1.5.9 However, this opportunity to increase active travel and investment in the Authority's highway infrastructure will also bring increased maintenance liabilities that will need to be factored into the Authority's future financial planning. Based on current funding trends, there is a concern that it will be difficult to sustain the condition of the network in future years. In addition to limited Government funding for core maintenance works, the construction market is still recovering from the impact of the war in Ukraine and inflation remains higher than the Government target. At its peak the cost of surfacing materials was around 22% higher than normal. Although prices are now stabilising, these are still significantly higher than in recent years. As such, as the Authority looks ahead, it will need to align its core maintenance funding with external investment and targeted interventions where they will have the maximum impact.
- 1.5.10 Over the last 12 months, a number of positive changes to the highway maintenance service have been made such as improvements to operational processes and a number of service action plans have been developed. For example, a feasibility study is currently being undertaken around potentially introducing a core testing regime to ensure that public utility reinstatements are undertaken correctly to protect the future structural integrity of the highway. This would be achieved by undertaking core sample testing of the construction layers of reinstatement works to ensure compliance with the national code of practice.
- 1.5.11 Cabinet is therefore invited to consider and note the contents of the HAMP Annual Information Report 2023, attached as Appendix 1. The report will be used to inform investment choices and address the current challenges of maintaining the highway network. The report is aimed at supporting those investment choices so that any decisions about changes in highway maintenance priorities and resources can be made in an informed manner having regard to the Authority's policy objectives.
- 1.5.12 Following the Cabinet meeting, all ward councillors will be invited to view the HAMP Annual Information Report via the members intranet. The report will also be published on the Authority's website so it can be viewed by the public.

Key Highlights of the HAMP Annual Information Report 2023

1.5.13 The following key highlights can be drawn from the annual report:

- The highway network is the most extensive and valuable asset in the Authority's ownership
- The highway network is a strategically important asset and a well-maintained network is vital to support the local economy. Every day, thousands of residents are reliant on the highway network to travel to work and school. Visitors to the borough also use the network to access the Authority's various tourist attractions which further stimulates the local economy
- The current total value of highway assets is **£1,840,000,000 (£1.84 billion)** on a Gross Replacement Cost basis
- The successful implementation of the HAMP and the adoption of asset management principles by the Authority is demonstrating that, over the years, the general condition of the road network is good – however, the Authority is now at a point where further investment should be considered if a decline in condition is to be avoided.
- Due to continued additional Authority investment over the years, the highway network is currently in a good state and adequate to perform its function. However, given the constraints around Government funding coupled with concerns around inflation, it will become increasingly challenging to maintain the highway in a serviceable condition.
- The report suggests that consideration should be given to reviewing investment and maintenance priorities in light of the emerging funding and inflation issues. Discussions will continue around what options might be available for the future management of the network in the most effective way.
- With regard to reactive maintenance and core services, the Technical Services Partnership continues to achieve its Key Performance Indicator targets and through its Annual Service Plan is identifying innovative ways of working and service improvements which is evident in the report.

- Customer engagement remains a prominent feature of the HAMP. Feedback received from customers on their investment priorities is used to inform forward programmes of improvement work.
- The Authority has successfully delivered all programmed highway asset improvement schemes to date.

1.6 Decision options:

As this report is for Cabinet's information there are no decisions options.

1.7 Reasons for recommended option:

No alternative options have been outlined as no further direct decisions by Cabinet are sought in relation to the HAMP Annual Information Report 2023.

1.8 Appendices:

Appendix 1: Highway Asset Management Plan 2017 to 2032 Annual Information Report, November 2023

1.9 Contact officers:

Mark Newlands, Highways & Infrastructure Manager, 0191 643 6129

Nick Preston, Capita Operations Manager, 07594 522 116

Amar Hassan, Principal Accountant, 0191 643 5747

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:

[North Tyneside Highway Asset Management Plan 2017 - 2032](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no immediate financial and resource implications directly arising from this report. However, there are a number of issues contained in the HAMP Annual Information Report which do themselves have long term financial

implications for the Authority. Maintaining the highway in a good condition continues to be challenging at current levels of government funding and consideration now needs to be given to future funding and priorities in order to maintain the network to a high standard. Therefore, investment and prioritisation options will need to be reviewed and considered as part of the medium-term financial planning process.

2.2 Legal

Under section 41 of the Highways Act 1980 the Authority as a Highway Authority has a statutory duty to maintain highway maintainable at public expense, namely, roads, footways and cycle tracks.

2.3 Consultation/community engagement

The Annual Information Report (at Section 10) describes the approach to customer engagement.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

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

2.6 Risk management

The risks associated with matters in this report are managed in accordance with the risk protocols set out in the Highway Asset Management Plan 2017 to 2032.

2.7 Crime and disorder

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

2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report. However, the information report informs Cabinet of the condition of the built environment with regards to the Authority's highway infrastructure.

Wherever possible, the Highways Service seeks to utilise sustainable methods of construction in order to support the Authority's Carbon Net-Zero 2030 Action Plan. This includes the use of recycled materials, low temperature asphalt products and so on. The report also reflects on the improvement to infrastructure that supports active travel and works that support the borough's adaptation to climate change, including drainage works, which improve flood resilience.

PART 3 – SIGN OFF

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

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Highway Asset Management Plan (HAMP) 2017 to 2032 Annual Information Report November 2023

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1. INTRODUCTION

In September 2017, Cabinet adopted an updated Highway Asset Management Plan 2017 - 2032 (HAMP). This sets out the Authority's approach to maintaining the highways for which the Authority is responsible over a 15 year period and responds to the Elected Mayor and Cabinet's policy direction which included providing a greater emphasis on footways to help support walking and other means of active travel. It also responds to feedback from residents which has consistently told the Authority that the maintenance of roads and footpaths is a top priority. This is reflected in the Our North Tyneside Plan including a commitment to invest additional capital funding in repairing roads and pavements. A well-maintained highway network is vital for supporting the local economy and general wellbeing of the Borough.

Much has been achieved over the lifetime of the HAMP and around £95m has been invested in maintenance and improvement works. Continued investment in specialist ICT highway asset management systems has enabled the gathering of accurate inventory and condition data which allows resources to be targeted in the most effective way. Other innovation includes systems to identify the best treatment options to maximise the life of the asset and get best value for money. The following has been achieved over the lifetime of the HAMP:

- 178.27 km of road renewed and 92.45km of footways improved.
- 56 bridges repaired.
- 295 footway improvement schemes completed.
- 19 major highway projects delivered.

This latest HAMP Annual Information report shows that within the last 12 months:

- The highway network is in a serviceable condition, but recent surveys have shown that future maintenance will be challenging. This is due to a combination of factors which will be explained in the report.
- The maintenance challenge has been exacerbated over the last 2 years by the sudden increase in construction costs due to the inflation crisis and the legacy impacts of the war in Ukraine. The cost of surfacing material is now more stable but is nevertheless much higher than it was 12 months ago. As such, as the Authority looks ahead, it will need to align its core maintenance funding with external investment and targeted interventions where they will have the maximum impact.
- Performance in relation to day to day maintenance is good with KPIs being met.
- Highway asset work programmes have been completed successfully.
- A number of service improvements have been developed since the last report including further improvements to the gully service and a feasibility study around introducing a coring regime to better control the quality of utility reinstatements.
- Over the last 12 months the Authority has completed numerous footway improvements in line with the Mayor's priorities. In addition to the Authority's regular footway improvement programme, £150K of additional housing footway improvements have been delivered annually over the last few years.

- The North Tyneside and Capita Technical Partnership has been supporting the Authority's carbon reduction efforts. New initiatives have included trials of a low carbon material for road resurfacing which delivers a considerable carbon saving.

2. THE IMPORTANCE OF HIGHWAY INFRASTRUCTURE

The national highway network comprises the strategic network of motorways and trunk roads and both major and minor local roads. It totals some 235,000 miles and includes assets such as carriageways, footways, cycle-tracks, structures, highway lighting, street furniture, traffic management systems and similar highway infrastructure.

Almost every resident, worker and visitor within North Tyneside uses the highway network in some way on a daily basis, whether as a pedestrian; as a cyclist or motorcyclist, as a car, bus or commercial vehicle driver or passenger, or in other diverse ways such as mobility scooter users etc. The network is used by a range of people including, young and old, disabled persons and by groups such as cyclists and equestrian users. The highway network therefore needs to perform in different ways for different users and social groups each with their own needs and priorities.

A particular driver for the development of the HAMP is the Infrastructure Code of Practice which promotes the use of best asset management practices and the effective management of risk.

The local highway network is the responsibility of the Authority, which acts as the Highway Authority. It is the largest, most valuable and most visible infrastructure asset for which the Authority is responsible. Well maintained and accessible highway infrastructure is vital and fundamental to the economic, social and environmental wellbeing of the communities of North Tyneside. The aim to maintain a good highway network is important to delivering the 'Our North Tyneside' Council Plan and the Mayor and Cabinet's commitment to building a better North Tyneside.

The Authority's highway network is 899.15km in length and comprises of:

- Principal Roads – 105.18km
- Classified B Roads – 37.75km
- Classified C Roads – 34.29km
- Unclassified Roads – 684.73km
- Back Lanes – 37.2km

Within the highway network the Authority is also responsible for the following major asset groups:

Drainage – 35,336 gullies

All highway and infrastructure services are currently delivered by Capita under the North Tyneside Technical Services Partnership.

The Authority is also responsible for a range of bridges and structures as shown below:

Bridges and other Structures	2022	2023
Road Bridges	46	46
Retaining Walls	73	73
Footbridges (inc PROW)	46	46
Bridleway Underbridge	1	1
Bridleway Overbridge	1	1
Culvert	41	41
Subway	25	25
Tunnel	1	1
Underpass	1	1
Total	235	235

Within the highway network there is also street lighting. However, the Authority does not manage this as part of the HAMP and the lighting assets are managed separately through a Private Finance Initiative (PFI) contract. As such, street lighting information is not included in this report.

3. CURRENT MAINTENANCE PRIORITIES

3.1. HIGHWAY MAINTENANCE

At the start of the first HAMP, around 11 years ago, the maintenance of the strategic road network (main classified roads) was given a high priority. These are the roads that carry the vast majority of local and through traffic. The prioritisation was based on the condition of the network at the time and feedback received from residents via customer engagement. As a result, the condition of the main roads improved allowing more resources to be targeted towards estate roads. We are now at a point where main roads require maintenance again and there has been a shift back to more investment in the strategic network. In 2023/24, 48% of the budget will be spent on the classified road network compared to 52% on estate roads which is an increase in main road investment compared to the previous year.

More recently there has also been additional investment in footways after further customer feedback was received and the issue became a Mayoral priority. Whilst the strategic highway network remains important, ongoing additional Authority funding has gradually allowed more resources to be allocated to dealing with the condition of residential roads. We will therefore continue to work with Central Government and funding bodies to attract and secure investment into the network.

In line with current Mayoral priorities, the Authority has also continued to focus on improving the condition of its footways and during the 2023/24 year it will have spent around £1.64 million on footways. A programme of improvement works has been implemented, focusing on key urban routes and residential areas where older flagged constructed footways, which are susceptible to damage, are replaced with lower maintenance bituminous construction.

3.2. BRIDGES AND INFRASTRUCTURE

This area of work is undertaken mainly using Local Transport Plan (LTP) funding. Maintenance priorities for major work for the next 5 years are set out in a forward plan which is supported by a range of framework documents including Highway Structures – Risk-based Principal Inspections. At present the work can be accommodated provided future LTP allocations remain relatively constant. However, a number of structures have been identified which will require attention within the next 5 years. We will continue to monitor these and will work with partners to identify additional funding if this is available.

Day to day reactive repairs are undertaken using a revenue budget which is managed by the Authority's technical partner, Capita. The current programme is focussed and prioritised on locations and schemes which have been identified as requiring general maintenance work or have been identified as requiring work in the next 12 – 18 months following statutory general and principal condition inspections of the Authority's bridges and other infrastructure assets. These inspections are critical in ensuring that the Authority's bridge stock remains in a safe and usable condition.

4. SUMMARY OF WORK UNDERTAKEN DURING THE LAST 12 MONTHS

During the last quarter of the previous 2022/23 financial year, the highway maintenance schemes for the current 2023/24 financial year were finalised in accordance with the Authority's works prioritisation procedures. The following is a summary of the work that has been done to date and what will be achieved by the end of the current financial year.

4.1. CARRIAGEWAY IMPROVEMENT WORKS

In order to achieve better value for money the Authority has continued to use alternative maintenance products. These treatments are in the following treatment groups:

- Structural Maintenance – where renewal of the road is required because the underlying layers have failed and require replacement.
- Preventative Maintenance – where the surface of the road has started to show signs of age and requires this maintenance technique to prolong its life, return a safe running surface and prevent water ingress which is a major cause of deterioration.

By the end of this financial year the Authority will have completed the following works:

Road and Footpath Work Undertaken in North Tyneside in 2020/21 (and comparison with previous years)

Treatment Group	Area Covered in 20/21	Area Covered in 21/22	Area Covered in 22/23	Area Covered in 23/24
Preventative Maintenance	41,831m ² (3.96 miles)	42,665 m ² (3.91 miles)	42,647 m ² (3.93 miles)	47,167 m ² (4.85 miles)
Structural Maintenance	62,154m ² (5.25 miles)	68,141 m ² (6.24 miles)	70,357 m ² (5.68 miles)	75,357 m ² (6.51 miles)
Patching Sites	47 No.	72 No.	67 No.	36 No.
Footway Improvement Schemes	50 No.	11 No.	13 No.	15 No.

By the end of the financial year all structural, preventative and footway maintenance schemes will have been completed in accordance with the approved programme. The list of road resurfacing schemes for the 2023/24 year can be viewed at the following link:

<https://my.northtyneside.gov.uk/category/749/road-resurfacing>

4.2. DRAINAGE WORKS

The Authority has two gully wagon which operate across the borough carrying out gully maintenance and dealing with reported flooding problems on the highway. The Authority operates its gully services with the support of an ICT system called Gully Smart. This provides real time data on the level of silt in gullies and allows them to be cleaned on a 'need' basis.

All gullies on high-speed roads such as the A1058 Coast Road are routinely cleaned twice per year.

Each year a boroughwide programme of capital drainage improvements is developed based on information gathered during cleansing operations. This work typically involves CCTV surveys, localised drainage pipe repairs, jetting of drainage runs, replacing defective gully pots etc. By the end of the current 2023/24 year, around £190k of this type of work will have been completed.

4.3. BRIDGES AND INFRASTRUCTURE

Below is a summary of the bridge/highway structures maintenance inspections for the 2023/24 year:

A total of 27 Principal Inspections will be carried out in 2023/24.

Structure Type	2022/23	2023/24
Footbridges	1	3
Underbridges	5	3
Overbridge	0	0
Culverts	3	8
Subways	1	0
Tunnels	0	0
Retaining Wall	5	14
Total	15	28

A total of 44 General Inspections will be carried out in 2023/24

Structure Type	2022/23	2023/24
Footbridges	1	2
Underbridges	2	9
Overbridge	0	0
Culverts	3	8
Subways	8	10
Tunnel	0	1
Retaining Wall	7	14
Total	22	44

The following bridges work has also been carried out in within the last 12 months.

- Refurbishment and strengthening of Harrow Street pedestrian bridge at Shiremoor.
- Options study for maintenance work at Forest Hall bridge
- Structural assessment of the road bridge at West Allotment
- Around £100k of minor subway and bridges improvements on various structures across the borough

It was intended to demolish Borough Road pedestrian bridge in summer 2023. However, a public inquiry held in February 2023 ruled that the public right of way over the bridge could not be extinguished and therefore the bridge will need to remain as a highway asset. An updated condition assessment has been commissioned and this will inform future maintenance options for the bridge. A further update will be given in the next annual information report.

5. INVESTMENT IN THE HIGHWAY ASSET

The following table provides a summary of the budgets that have been allocated to highway and bridges in 23/24 and a comparison with the previous financial years:

Budget	Budget Type	Type of Work	2021/22	2022/23	2023/24
Service Budgets	Revenue	Day to day reactive minor repairs (e.g. potholes), gully cleansing, traffic management, sign repairs and road marking renewal	£1,114,000	£1,114,000	£1,114,000
Housing Revenue Account	Revenue	Housing footway improvement schemes	£150,000	£150,000	£150,000
Local Transport Plan Maintenance Block	Capital Grant	Road resurfacing, planned footway schemes, drainage repairs, dropped kerb programme, bridges schemes, bridge design work	£1,253,000	£1,253,000	£1,253,000
Additional Highway Maintenance	Authority Capital	Additional road resurfacing and footway schemes	£2,000,000	£2,000,000	£2,000,000
DfT Highway Maintenance Incentive Fund	Capital Grant	Additional road resurfacing and footway schemes	£313,000	£313,000	£313,000
DfT Pothole Fund allocation	Capital Grant	Additional road resurfacing and work to prevent potholes forming in the future	£1,253,000	£1,253,000	£1,253,000
DfT additional funding	Capital Grant	Additional road resurfacing and footway schemes			£501,000
		Total Investment	£6,083,000	£6,083,000	£6,584,000

6. PERFORMANCE

As part of the Technical Services Partnership between the Authority and Capita, a suite of performance indicators is used, monitoring aspects of the Partner's performance in relation to the management and condition of the network. These indicators have been in place since November 2012 and are reviewed on an annual basis. The tables below outline recent data in accordance with the performance indicator methodology.

With reference to the condition of the main classified roads, independent condition surveys are undertaken, and the data is used to calculate a performance indicator figure (Road Condition Indicator (RCI)). The results for recent years are shown in the table below (note: a lower figure is better).

KPI/PI Reference	Performance Indicator	Target	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
ENG 1.4 (RCI)	Percentage of A class roads that should be considered for structural maintenance	5%	2%	2%	2%	2%	3%	6%
ENG 1.5 (RCI)	Percentage of B and C class roads that should be considered for structural maintenance	5%	2%	2%	2%	2%	3%	4%
Not an indicator	Percentage of unclassified (residential) roads that should be considered for structural maintenance	N/A	6%	4%	4%	5%	6%	9%

The above figures illustrate the percentage of structural maintenance required to improve the road network. It can be seen that, there has been a significant increase in maintenance need and the A class roads are no longer on target. This indicates that there is still an ongoing need for sustained investment in the highway network. Further investigation will now be carried out into the reasons for the increase. Generally, there remains a high level of confidence that the network is being maintained in the most efficient way, however, this will require ongoing monitoring as:

- Levels of funding have not significantly changed over the years.
- The amount of improvement work that can be done now is less each year due to inflation.

- The number of highways assets increases each year as new estates are adopted.
- Recent world events have had a sharp and adverse impact of the cost of construction work. Prices have stabilised this year compared to last year but remain significantly higher than before February 2022.

The other performance indicators within the Highways Service relevant to this report are detailed in the following tables:

CATEGORY 1 KPI's				
KPI/PI Reference	Performance Indicator	Target	Average performance over the last 12 months.	
			October 2021 – September 2022	October 2022 – September 2023
ENG 1.3	Roads and Pavements – Percentage of pothole and footpath enquiries inspected within 3 working days	80%	97.33%	98.46

CATEGORY 2 KPI's				
KPI/PI Reference	Performance Indicator	Target	Average performance over the last 12 months.	
			October 2021 – September 2022	October 2022 – September 2023
ENG 2.1	Roads and Pavements – Percentage of routine street care safety inspections carried out on time	95%	99.86%	99.80%
ENG 2.2	Roads and pavements - Percentage of CAT 1 highway defects that were compliant within 24 hours	98%	100%	100%
ENG 2.3	Roads and Pavements - Percentage of CAT 2 highway defects that were made compliant within 10 working days	98%	98.69%	99.61%
ENG 2.4	Roads and Pavements – Permit scheme compliance of Capita workforce	90%	90.56%	91.51%
ENG 2.5	Roads and pavements - Quality of maintenance repairs	93%	86.70%	97.14%

The above figures demonstrate that the Technical Services Partnership is generally achieving and exceeding, in a number of instances, its agreed prescribed performance targets with regard to undertaking the Authority's statutory maintenance duties and undertaking repairs in a safe and timely manner, reducing the risk of any harm occurring to users of the highway network.

7. VALUE OF THE HIGHWAY ASSET

Under the Whole of Government Accounting (WGA) procedure, all local authorities are required to submit an annual detailed valuation of their highways and infrastructure assets. Each year, independent condition surveys of roads, footways and structures are necessary to assess their condition. Depreciated Replacement Costs are used for measurement purposes and are disclosed as a separate class of asset on the Authority's Balance Sheet. For asset management, Gross Replacement Cost (GRC) and the Annual Depreciation are the key drivers.

Gross Replacement Cost (GRC) is the estimated cost of replacing an asset or property with the same quality of construction and operational utility. For carriageways it is replacement of the top 100mm. The most recent GRC values for North Tyneside area are shown in the table below:

Asset Type	2019/20 Valuation	2020/21 Valuation	2021/22 Valuation	2022/23 Valuation
Roads	£1,205 million	£1,165 million	£1,165 million	£1,165 million
Footways and Cycleways	£221 million	£206 million	£206 million	£206 million
Bridges	£469 million	£469 million	£469 million	£469 million

As of **September 2023**, the total value of highway assets equates to **£1,840,000,000**.

The previous GRC changes were due to changes in unit rates and inventory and does not reflect changes in condition, just the gross cost in replacing the asset. There is no change between 20/21, 21/22 and 22/23 due to no changes in the assets recorded. However, the GRC is expected to increase substantially in future valuations due to the expected increase in unit rates if/when the nationally supplied rates are reviewed. The Authority will wait until The Chartered Institute of Public Finance and Accountancy make a recommendation regarding unit rates.

8. CONDITION OF HIGHWAY NETWORK

The Authority uses a specialist computer system, XA©, to model the condition of roads and footpaths under different funding scenarios.

The service standards developed for the Authority's infrastructure assets are 'good', 'early life', 'mid-life' and 'late life'.

- Good
 - These are roads and footpaths which are coloured **green** on the condition maps and reflects that the asset is in as new condition, no or very small amounts of minor defects have been identified in the annual condition surveys. These assets do not require any maintenance, but they are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.

- Early Life
 - These are roads and footpaths which are coloured **yellow** on the condition maps and reflects that the asset has minor defects in small quantities which have been identified in the annual condition surveys. These assets do not require any planned maintenance, but they are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.

- Mid Life
 - These are roads and footpaths which are coloured **amber** on the condition maps and reflects that the asset has large quantities of minor defects and small quantities of major defects which have been identified in the annual condition surveys. These assets require planned preventative maintenance techniques to prolong the life and deliver acceptable service levels. They are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.

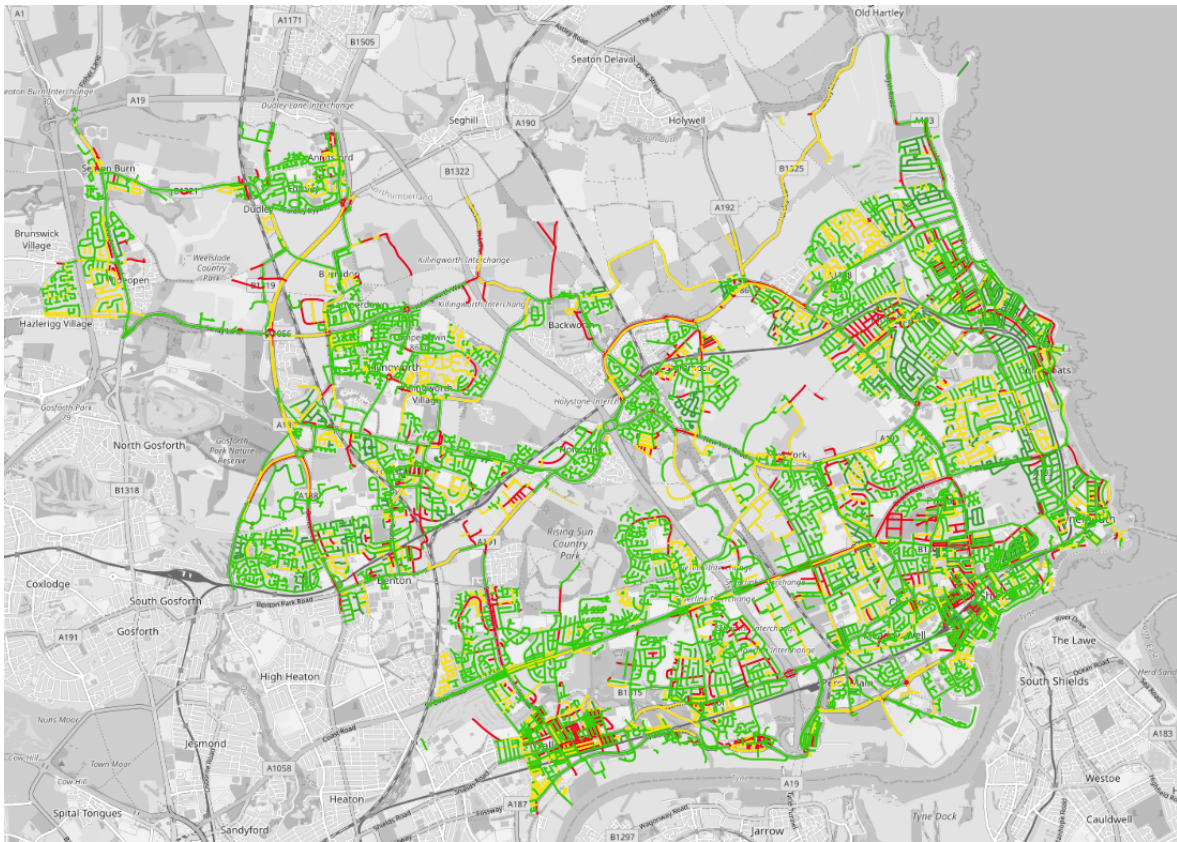
- Late Life
 - These are roads and footpaths which are coloured **red** on the condition maps and reflects that the asset has large quantities of major defects which have been identified in the annual condition surveys. These assets require planned structural (major) maintenance. They are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.

The Authority uses a specialist company, XAIS Asset Management Ltd, to undertake detailed condition surveys of carriageways.

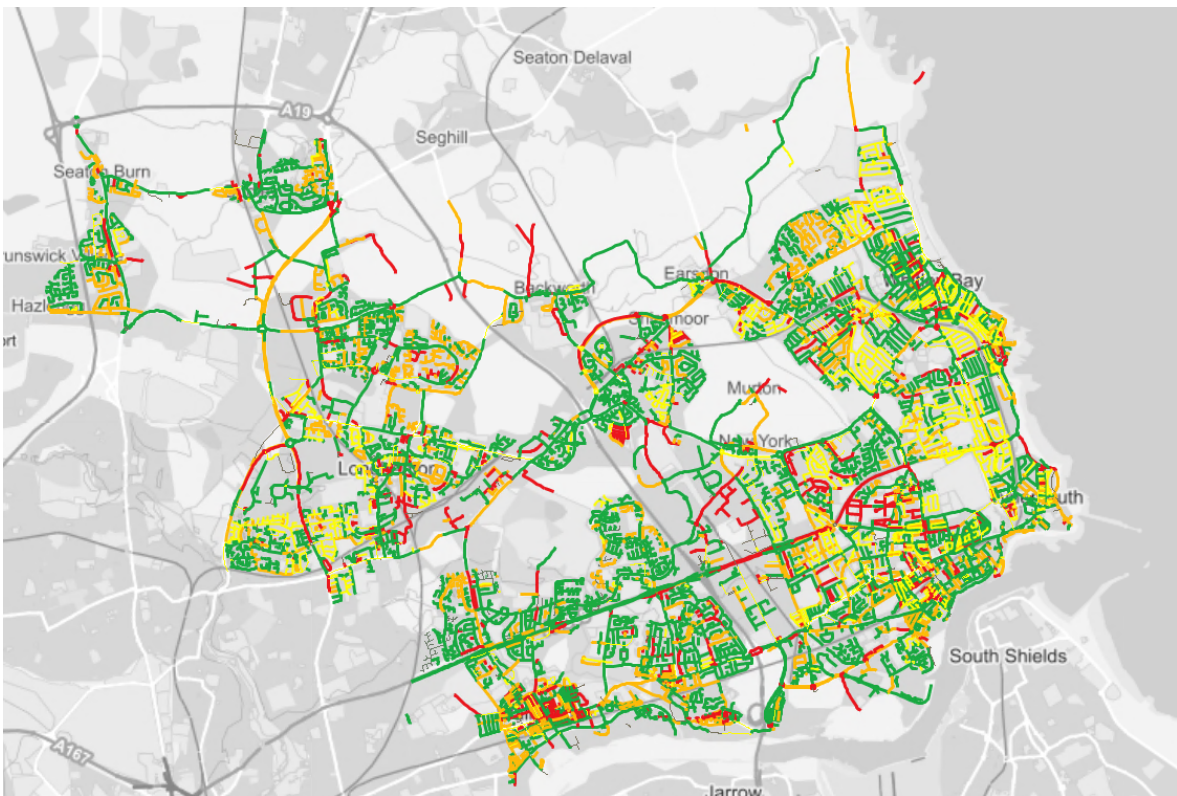
A major improvement introduced in 2022 saw the introduction of 360-degree video surveys and artificial intelligence to help better understand the condition of the highway asset. We are continuing to use this technology to help better understand the condition of the highway asset. Further details are given in Section 11.2 of this report.

8.1. CURRENT CONDITION OF THE ROAD NETWORK

The following plans illustrate the current condition of the whole of the road network compared to a year ago. As a result of the continued investment and the application of asset management principles, the percentage of red routes has remained relatively steady. The authorities additional £2m investment has made a significant contribution to maintaining the Network. However, the number of yellow and amber roads has increased considerably. This indicates that consideration should now be given to additional investment in the network in order to avoid further decline.

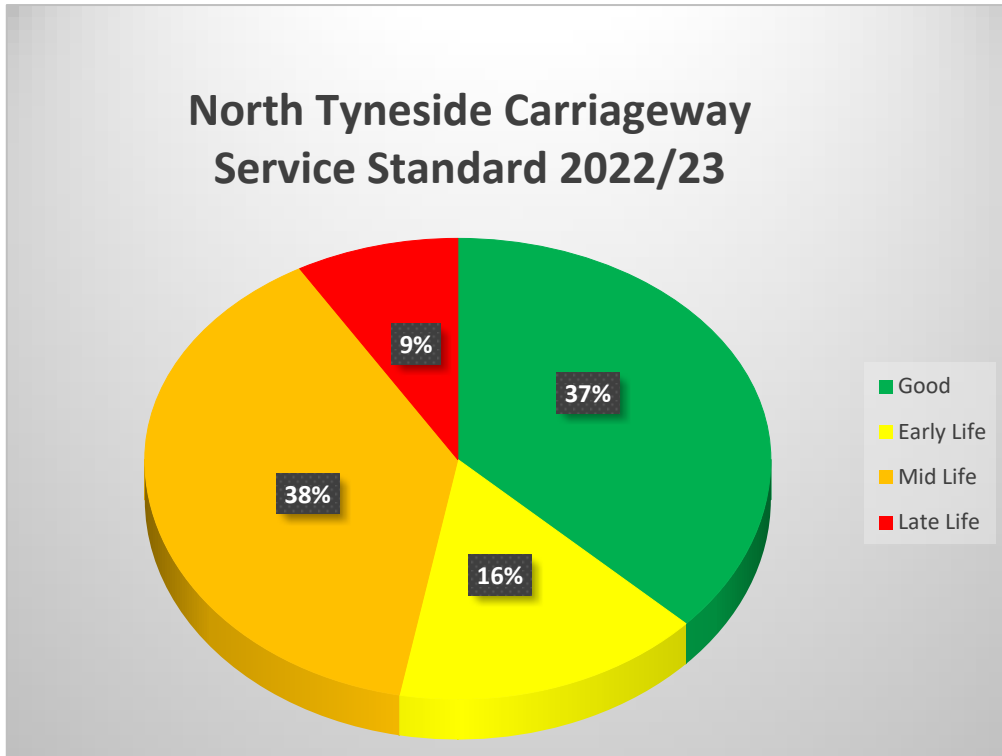


Plan showing condition of highway network – August 2022

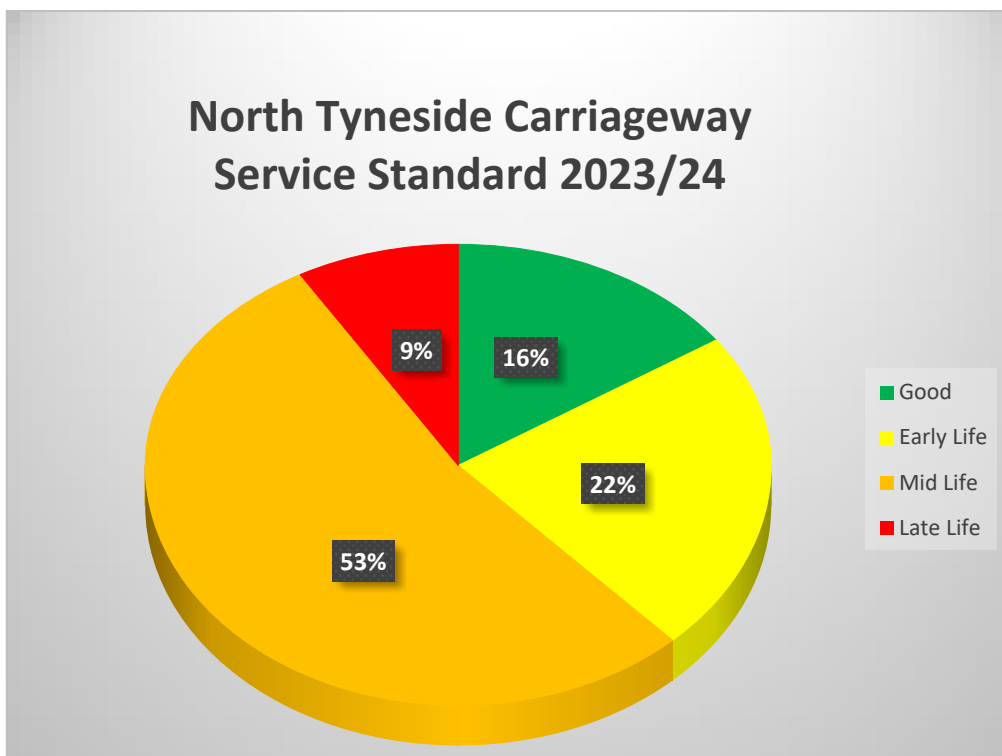


Plan showing condition of highway network – August 2023

The pie chart below demonstrates that under current funding arrangements, 16% of the road asset is good. However, 84% of the network requires some form of maintenance.



Service Standard – Carriageway 2022



Current Service Standard – Carriageway

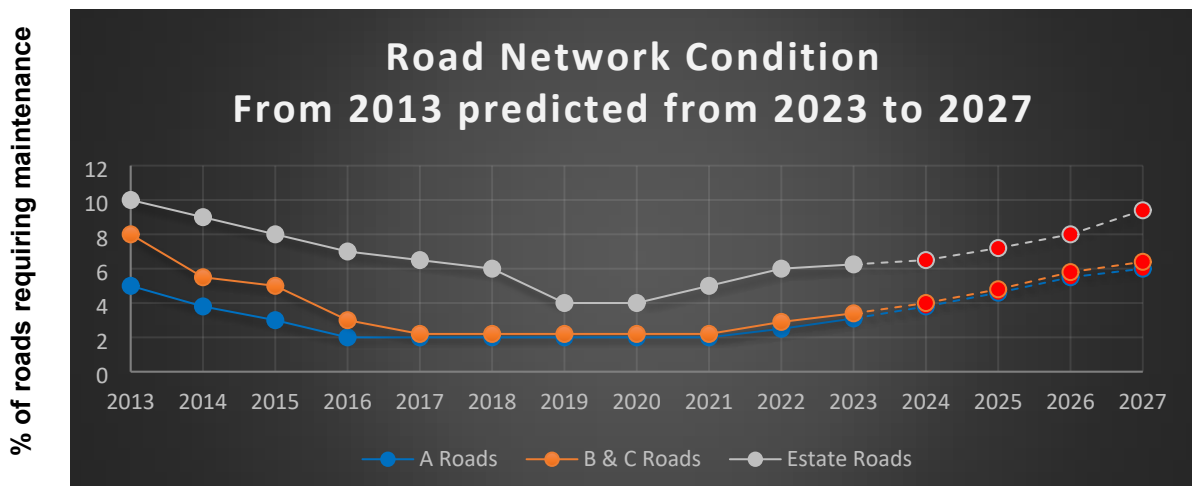
The key to achieving best use of resources to ensure that the majority of the road asset in good condition is to target early and mid-life roads with preventative maintenance treatments to prolong their life. By carrying out preventative cost-effective surface treatments the Authority will stop further deterioration and keep mid-life roads from moving into the red band at which point maintenance work is far more expensive. To ensure the Authority targets its early and mid-life roads it gathers annual condition survey data and inputs this into XA© system which allows the identification of the roads in early and mid-life state. It is this information which the Authority uses to inform its forward works programme for improvement works on the highway.

It can be seen from the charts above, whilst the proportion of red roads is staying similar, the number of amber roads is increasing considerably. The sections requiring immediate preventative maintenance has risen from 38% to 53%.

As the above chart shows, 9% of the borough's roads are in late life condition where structural resurfacing should be considered. This is the same as last year. However, there has been a significant increase in the proportion of green and yellow roads turning to amber. In summary, it appears that despite managing the network in the most effective way, we are now starting to see a decline in the condition of roads as per the condition forecasting set out in the next section.

8.2 FORECAST CONDITION OF THE ROAD NETWORK

The XA© system can accurately predict future highway condition under different funding scenarios. Given the concerns around early indications that the network is facing challenges around funding, the Authority has undertaken a condition modelling exercise to determine how the network will look in 4 years time if current investment levels remain unchanged. The modelling assumes an ideal asset management system is being applied and does not factor in potential unexpected events such as abnormally severe winters. The graph below shows that under current investment conditions, there will be a sustained increase in the percentage of roads requiring maintenance across all road types.

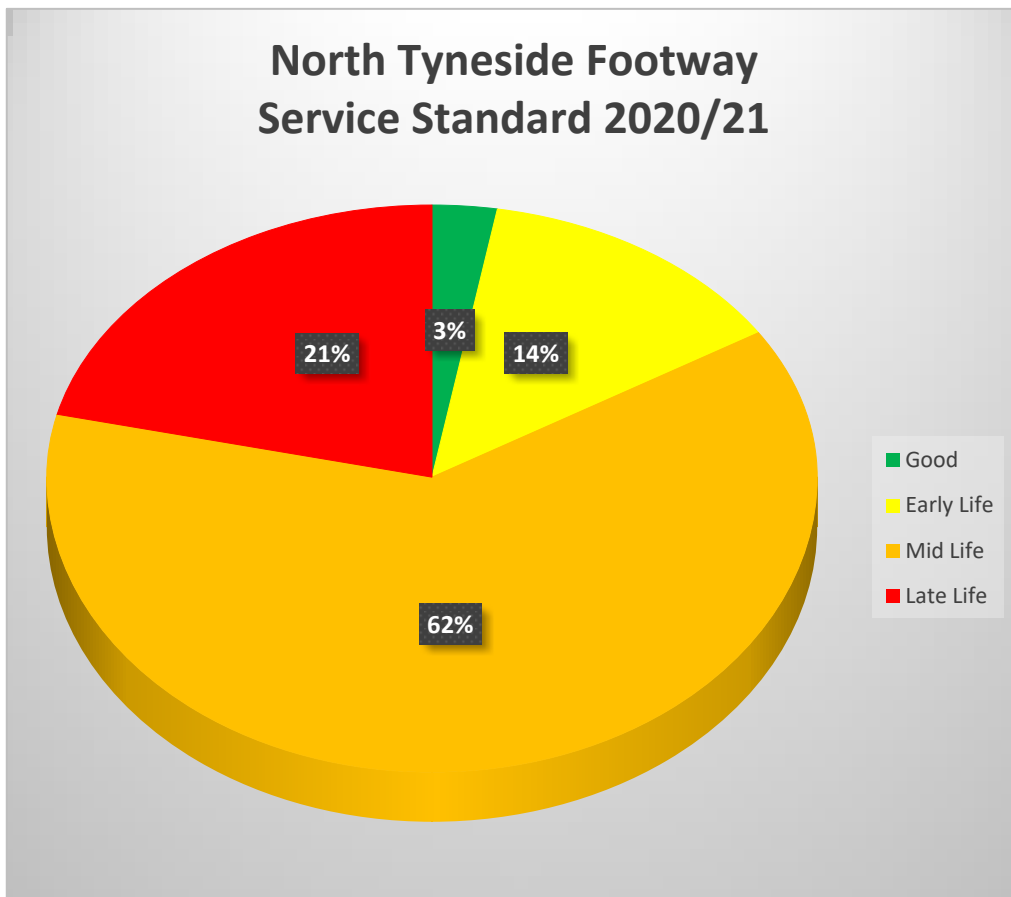


8.3 CURRENT CONDITION OF THE FOOTWAY NETWORK

Investing in our footways is a Mayoral commitment included within the Mayor’s manifesto. It is therefore a priority to ensure footways are invested in. A Footway Network Survey (FNS) was completed in 2020 on 100% of the footway network and the condition is presented in the pie chart below. The DfT recommendation is to undertake a detailed condition survey of the footway network every 4 years. Therefore, it is the intention to re-survey the footway network next financial year to assess the effect of the additional investment in footways since it became a Mayoral priority. Footways are still routinely inspected at least twice per year in estate areas in between detailed condition surveys.

At the time of the last survey, the quality of the footway asset was a concern, with 83% of the footway network requiring maintenance. This may improve once the survey is refreshed and the impact of additional investment is known.

As with roads, the data is held in XA© and is used to identify future footway schemes in line with the Authority’s asset management principles.



Footway Service Standard as of 2020/21 (last survey year)

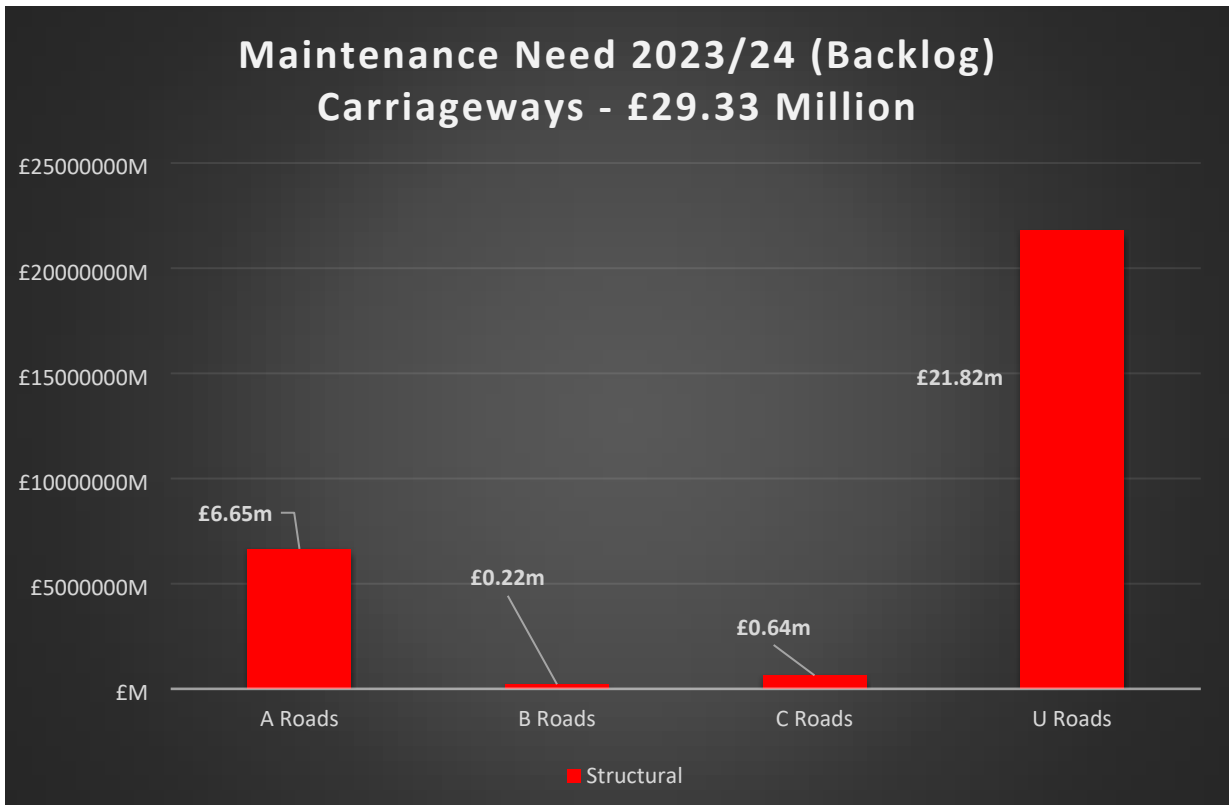
9 HIGHWAY MAINTENANCE BACKLOG

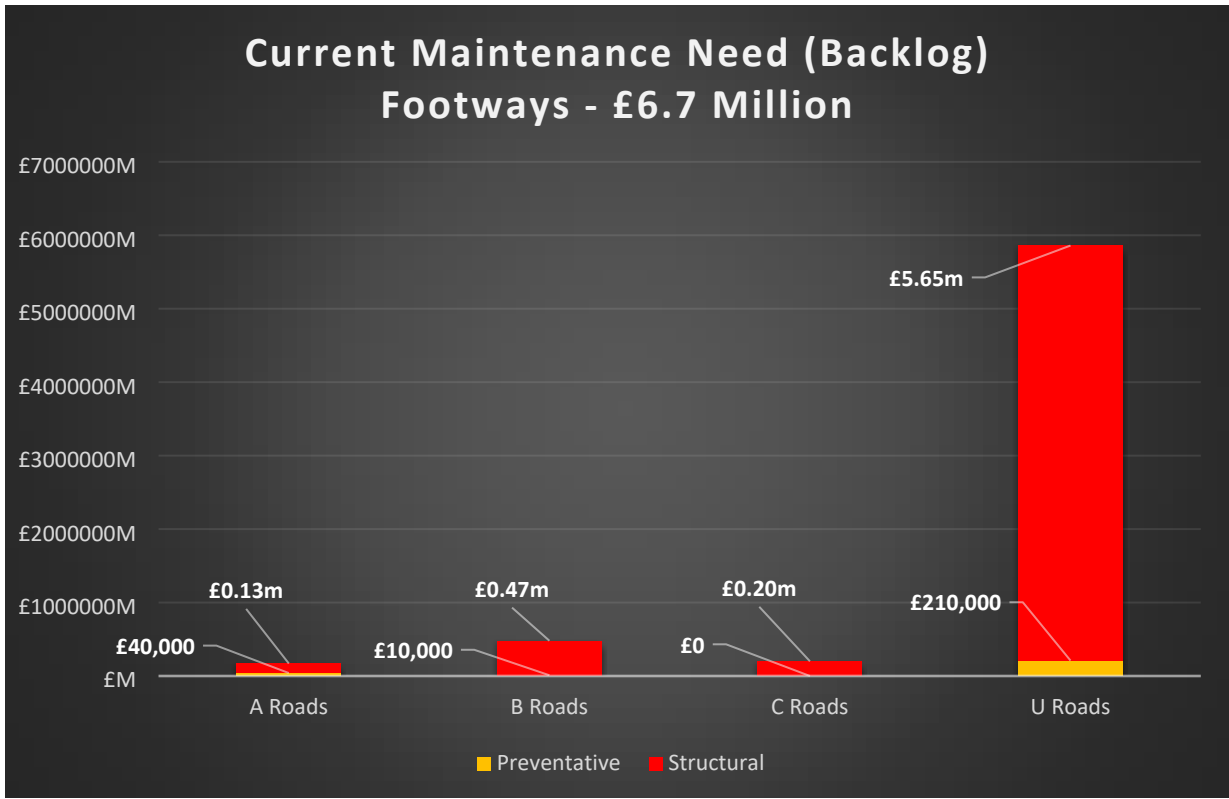
The XA© system can also be used to calculate the current backlog of highway repairs i.e., the one-time theoretical investment required to turn all red roads back to green condition. However, it is important to note that the backlog calculation only considers roads that are already structurally defective (red) and does not include amber roads that require preventative maintenance to avoid them slipping from amber into red.

In the 2022 report, the estimated cost for the structural carriageway maintenance backlog was around £27 million which was similar to previous years.

The 2023 backlog figure has been calculated and the figure has increased to £29.33M. This is illustrated in the following tables. Again, it is important to note that this figure would be significantly higher if the cost of undertaking preventative maintenance was factored in.

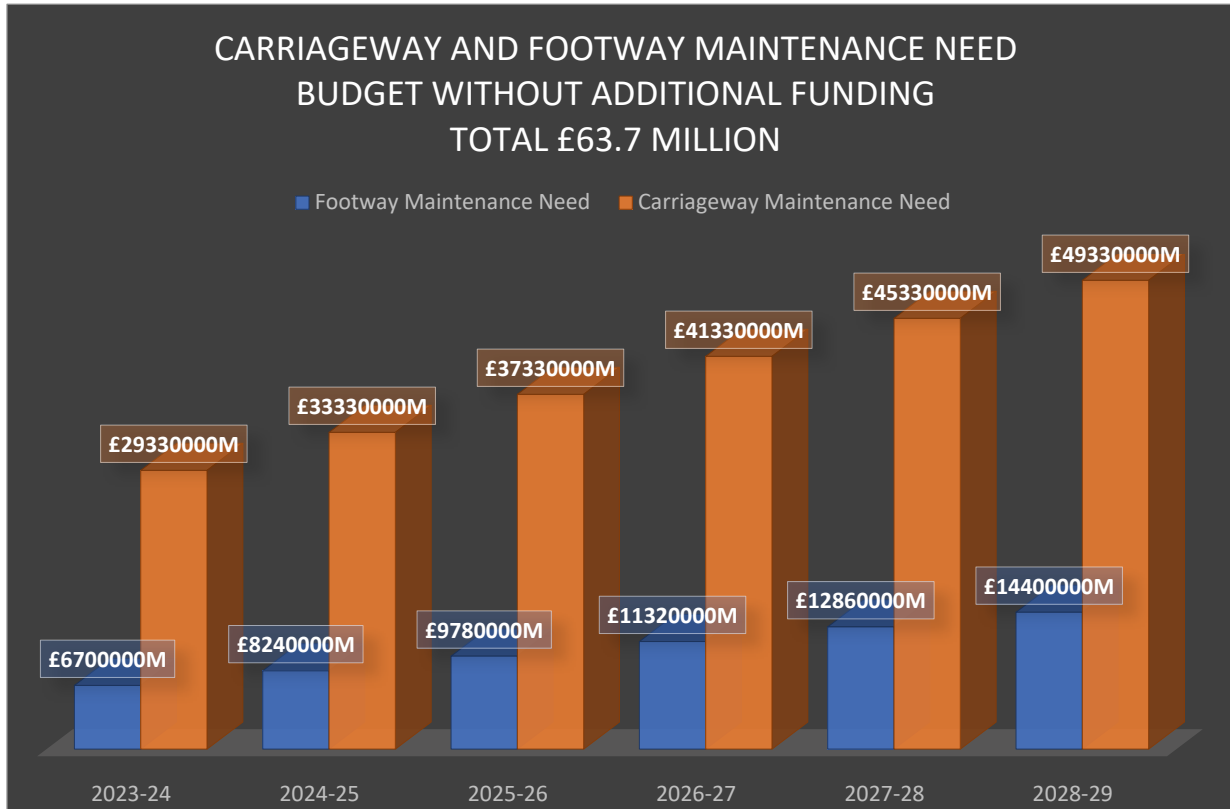
The maintenance backlog figure for footways is currently £6.7m, compared with £6m in 2022.





9.1 STATE OF THE NETWORK - PREDICTED

Deterioration will always occur in infrastructure assets, and the aim of effective asset management is to target investment to slow the rate of deterioration or keep it in check. The following tables have been produced by the XA system and show predicted backlog increases over the next 5 years if current funding conditions remain unchanged.



10 CUSTOMER ENGAGEMENT

The Highways Service utilises a range of customer engagement methods including the Annual Residents' Survey.

As planned and outlined in last year's HAMP, more in-depth engagement was undertaken with residents in 2023 to better understand their priorities and how they would like resources spent.

Focus groups were held at the council's offices on Cobalt Business Park on 1 & 2 February. They were attended by members of the public from the Authority's Residents' Panel.

Attendees were asked to give their views on planned works that can be undertaken on roads and footpaths. As well as providing feedback on the types of treatments, they were also asked what type of locations they felt should be prioritised. Feedback received, e.g. the preference to prioritise main roads serving residential areas, has been taken into account as the road resurfacing programme has been refined.

As part of 2023/24 road resurfacing programme, for the first time a QR code was included on letters to the public advising of forthcoming works. People were invited to scan the code once works were complete and give feedback on topics such as the quality of works, level of disruption and communications (or alternatively contact the Authority by email, telephone or post). Meanwhile, Capita's communications team also provided engagement support for selected road resurfacing schemes in the 2023/24 programme.

Finally, since March 2023, the Highways service has published a monthly dashboard on the council website that shows the team's performance for repairing roads and footpath defects. This is to increase transparency and is in addition to publishing the annual road and footpath improvement programmes on the website.

<https://my.northtyneside.gov.uk/category/1689/roads-and-pavements-repairs-monthly-performance>

11 FUTURE PLANS AND SERVICE IMPROVEMENTS

This section outlines plans for the next 12 months and new service improvements.

11.1 ACTION PLANS

The Technical Partnership is committed to continuous service improvement and a number of action plans are set out in the Partnership Annual Service Plan which can be viewed on request. A summary of the action plans that have been developed over the last 12 months is shown below:

- Transport strategy review to increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast.
- Cycle provision review to map the current cycle network and produce a report reviewing legislation and detailing the impact of enforcement.
- Streetworks service review to assess whether a targeted coring approach should be introduced.
- Gully cleansing service review to recognise the climate emergency by supporting the Council in reducing the Borough's overall carbon footprint and provide a clean, green, healthy, attractive, and safe environment.

11.2 IMPROVEMENTS TO TECHNICAL SURVEYS

As mentioned in Section 8, we continue to use new cutting-edge road condition surveys. 360-degree cameras capture data on all highway assets. Artificial intelligence technology is then applied to detect, measure and highlight defects and data is then uploaded and accessible in the Authority's XA© Asset Management System. This technology produces very accurate data across the whole network and enables much more precise projection modelling to forecast the future condition of the network.

11.3 SUPPORTING CARBON REDUCTION

The highways service is supporting the Authority's carbon reduction efforts and this is the subject of a specific action plan within the Technical Partnership Annual Service Plan. Trials have commenced using low temperature resurfacing materials in a number of streets across the Borough. These materials use less energy in the production and laying operations resulting in significantly lower carbon emissions compared to traditional hot laid materials. This year, two locations, in Arcot Avenue and Brenkley Avenue were surfaced using a reduced carbon surfacing material. The carbon reduction on these two schemes was approximately 4.73 tonnes, which is equivalent to 15,000 car miles. The performance of low temperature surfacing (compared to traditional) is currently uncertain across the industry so the performance of the new materials will be monitored and if deemed suitable, the new treatments will be rolled out more widely leading to further carbon savings.

12 CONCLUSIONS

The following conclusions can be drawn from this report:

- The highway network is the most valuable asset in the Authority's ownership
- The current total value of highway assets is **£1.840 billion**
- The successful implementation of the HAMP policy and investment strategy is demonstrating that, over the years, the adoption of asset management principles by the Authority has gradually improved the condition of the road network. However, the Authority is now at a point where improvement will be difficult to sustain without significant financial support from Central Government.
- Due to continued additional Authority investment over the years, the highway network is currently in a serviceable state, but its condition is forecast to decline. This is to be expected when taking into account inflation and recent ongoing world events having had a serious impact on the cost of highway maintenance.
- Consideration now needs to be given to increasing investment or changing maintenance priorities. Highway officers will hold further discussions with the Elected Mayor and Cabinet and the Senior Leadership team around what options might be available for managing the network in the most effective way and addressing any backlogs on road and footway maintenance.
- The Technical Services Partnership continues to be successful and is generally exceeding its Key Performance Indicator targets and through its Annual Service Plan is identifying innovative ways of working, service improvements and efficiencies which is evident in the report.
- Continued customer engagement is providing better intelligence on what the public want us to focus our highway maintenance efforts on. These include continuing our improvements of residential and strategic roads and footways and improving the gully cleaning service.
- Bridge maintenance is currently under control and can be managed within existing LTP budgets. However, there are some emerging future schemes which may place a future pressure on budgets. The retention of Borough Road bridge as a highway asset may become a contributing pressure. This will be better understood when the results of the updated condition assessment are received
- The Highways Service is supporting the Authority in its carbon reduction efforts.

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North Tyneside Council

Report to Cabinet

Date: 27 November 2023

Title: Annual Review of Council Policy on Covert Surveillance

Portfolio(s): Elected Mayor	Cabinet Member(s): Dame Norma Redfearn, Elected Mayor
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Report from Service Area	Governance	
Responsible Officer:	Jon Ritchie – Director of Resources	(Tel: 0191 643 5701)
Wards affected:	All	

PART 1

1.1 Executive Summary:

This report seeks Cabinet’s approval of the Authority’s proposed Covert Surveillance Policy for 2023-24. In accordance with the Statutory Codes of Practice applying to the Regulation of Investigatory Powers Act 2000 (RIPA) the Authority is required to review its use of RIPA and set the general surveillance Policy at least annually.

A copy of the proposed Policy is attached at Appendix 1. No substantial changes have been made to the policy. The only amendments made to the current Policy are to reflect organisational changes and revised reporting lines which have been put in place within the organisation since the Policy was last reviewed.

1.2 Recommendation(s):

It is recommended that Cabinet approve the Authority’s proposed Policy on Covert Surveillance for 2023-24 attached at Appendix 1 to the report.

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 13 October 2023.

1.4 Council plan and policy framework

This report relates to the following priorities in the Our North Tyneside Plan 2021-2025.

A secure North Tyneside.

Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of anti-social behaviour.

The Policy on Covert Surveillance enables the Authority to comply with legislative requirements and thus supports delivery of all priorities in the Council Plan.

1.5 Information:

1.5.1 Introduction

The Authority's current Surveillance Policy was approved by Cabinet in November 2022 and is subject to annual review. That Policy has been reviewed and a revised proposed Surveillance Policy is attached at Appendix 1. The draft Policy was considered by Members of the Regulation and Review Committee on 19 October 2023, who made no recommendations for amendments to be made to the Policy as it remains fit for purpose and has been referred to Cabinet for approval on that basis.

The aims of the Surveillance Policy are to:

- Set out the Authority's arrangements for complying with RIPA; the relevant Codes of Practice and guidance issued by the Home Office; and guidance from the Investigatory Powers Commissioner's Office (IPCO).
- Give effect to the rights of citizens to respect for their private and family lives (pursuant to the Human Rights Act 1998); and
- Protect the Authority from legal challenge when undertaking surveillance.

1.5.2 The RIPA Shield

The Regulation of Investigatory Powers Act 2000 (RIPA) puts covert surveillance on a statutory basis. RIPA enables certain public authorities, including the

Authority, to carry out surveillance operations with statutory protection from legal challenge. It is often referred to as the “RIPA shield”.

Three covert investigatory techniques are available to local authorities under RIPA:

- i. the acquisition and disclosure of communications data such as telephone billing information or subscriber details e.g., to tackle rogue traders.
- ii. directed surveillance – covert surveillance of individuals in public places e.g., to tackle criminal activity arising from anti-social behaviour; and
- iii. covert human intelligence sources (CHIS) such as the deployment of undercover officers.

The RIPA provisions may only be used to authorise surveillance activities for the detection and prevention of “serious crime” and any authorisation is subject to a requirement to seek authorisation from an ‘Authorising Officer’ within the Authority as well as obtaining judicial approval for surveillance from a Justice of the Peace before any surveillance is undertaken. The Authorising Officers within the Authority are:

Paul Hanson – Chief Executive; and
Colin MacDonald – Head of Technical & Regulatory Services

All authorisations for the use of RIPA investigatory techniques will be subject to an internal scrutiny process prior to being submitted for approval from a Justice of the Peace.

Local authorities may undertake surveillance for other purposes than detecting serious crime, but such surveillance will not benefit from the “RIPA shield” and would leave the authorities vulnerable to challenge. For this reason, an operational decision has been taken that all surveillance activity undertaken by the Authority, whether within the RIPA regime or not, must be appropriately authorised by one of the Authorising Officers and be subject to central monitoring and challenge.

1.5.3 Central Register

The Authority has a Central Register of all RIPA and non-RIPA surveillance activity. The Central Register is maintained and monitored by the Governance Service

1.5.4 Inspection

Organisations using RIPA are subject to regular inspection by the Investigatory Powers Commissioner's Office (IPCO).

The Authority received a virtual online inspection visit from the IPCO on 12 September 2023. The purpose of the IPCO inspection was to examine the policies, procedures, operations, and administration that the Authority has in place in relation to the use of directed surveillance and covert human intelligence sources.

The outcome of the inspection was very supportive of the Authority's actions to manage its responsibilities under RIPA.

The Inspector made no recommendations in relation to the Authority's Covert Surveillance Policy and commented on the Authorities recent authorisations as "well formed". The next inspection is due September 2026.

1.5.5 Summary of Use of Surveillance, Acquisition of Communications Data and Covert Human Intelligence Source (CHIS) by the Authority

The Authority has utilised the powers five times since its last inspection in September 2020, once for directed surveillance, alongside four non-RIPA applications for test purchasing. The "RIPA shield" is only available for covert surveillance related to the prevention and detection of "serious crime". "Serious crime" is defined as crime punishable, whether on summary conviction or on indictment, to a maximum term of imprisonment of at least 6 months. In addition, however, covert surveillance can be requested in relation to detecting offences under sections 146, 147 or 147A of the Licensing Act 2003 (relating to the sale of alcohol to children), section 7 of the Children and Young Persons Act 1933 (sale of tobacco etc. to children) and sections 91 and 92 of the Children and Families Act 2014 (sale or purchase of nicotine products to children).

1.5.6 Corporate Responsibilities

The Codes of Practice advise that a Senior Responsible Officer (SRO) should be identified to ensure that the Authority has appropriate policies and processes that accord with RIPA and the related Codes of Practice. The current SRO is the Director of Resources.

Each Director or Head of Service is responsible for ensuring effective and legally compliant systems and procedures are in place for surveillance work

within their Service Areas. The Information Governance Service is on hand to provide advice and support Service Areas in this regard as well as Legal Services if necessary.

All employees connected with surveillance and handling of evidence are responsible for ensuring that they act only in accordance with their level of responsibility and training and in accordance with this Policy and associated documents. To assist in this an 'Employee Handbook: Use of Covert Surveillance, Covert Human Intelligence Sources and Communications Data', has been prepared. The Handbook provides key information for Officers and directs them towards key sources of detailed guidance. It will be kept under review and revised as necessary to ensure it reflects current procedures and best practice.

If Officers wish to undertake surveillance that falls outside of the RIPA regime, they must take legal advice and seek appropriate authorisation. Information regarding surveillance (whether under RIPA or not) must be held centrally by the Senior Responsible Officer to enable the Authority to have an overview of all surveillance activities being undertaken by the Authority.

1.5.7 Compliance and Oversight

The Codes of Practice indicate that elected members of a local authority should review that authority's use of RIPA and set the general surveillance policy at least annually. A local authority should also consider internal reports on the use of RIPA to ensure that it is being used consistently in compliance with the Authority's Policy and that the Policy remains fit for purpose.

To meet this policy requirement:

- Cabinet receives an annual report covering the Authority's use of RIPA powers, and review of the Policy for the coming year.
- Reports will be presented to the Regulation and Review Committee on the Authority's use of RIPA powers. The Committee's role is to look at compliance, oversight, and use of RIPA. The Committee will also consider whether the Policy remains fit for purpose and recommend changes to the Policy as appropriate for Cabinet's consideration; and
- The Elected Mayor who has responsibility for RIPA related activities receives updates from the Senior Responsible Officer regarding the use of the Authority's powers.

1.6 Decision options:

Option 1:

Cabinet may approve the Authority's proposed updated Policy on Covert Surveillance for 2023-24 (attached as Appendix 1); or

Option 2:

Cabinet may choose not to approve the Authority's proposed updated Policy on Covert Surveillance for 2023-24, and instead request Officers to revise the draft Policy and/or provide additional information regarding any matters contained in the report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Approving the Authority's proposed updated Policy on Covert Surveillance 2023-24 will secure adherence to the recommended best practice contained within the Codes of Practice. In particular, the Code of Practice – Covert Surveillance and Property Interference indicates that elected members should review the Authority's use of Part II of the Regulation of Investigatory Powers Act 2000 and set the policy at least once a year.

1.8 Appendices:

Appendix 1: Authority's Draft Policy on Covert Surveillance for 2023-24

1.9 Contact officers:

Allison Mitchell, Head of Governance, (0191 643 5720)

Emma Phillips, Interim Information Governance Manager/Data Protection Officer (0191 643 2333)

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:

[Employee Handbook: Use of Covert Surveillance, Covert Human Intelligence Sources and Communications Data](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The provisions of the Policy can be implemented within the Governance Service's existing resources. There are no additional financial implications arising from agreement of the recommendations in this report.

2.2 Legal

The Policy has been prepared with reference to the relevant law and Codes of Practice. Several Statutory Instruments and Codes of Practice published by the Home Office govern the operation of RIPA.

The Authority may only authorise directed surveillance where it is both necessary and proportionate to the investigation or operation being undertaken and to what is being sought to achieve in terms of evidence gathering. Senior Officers are appointed as Authorising Officers and have a key role in carefully scrutinising all applications for the use of RIPA powers under a specific authorisation.

Authorising Officers must ensure that authorisations are granted only in appropriate cases and that the extent of all authorisations are clearly set out.

The Authority cannot authorise intrusive surveillance under RIPA. Intrusive surveillance would involve placing an investigator on residential premises or in a private vehicle or allowing the use of an external surveillance device outside of the premises or vehicle that gives the same quality of information as if it was on the premises or in the vehicle.

The Policy, together with the Employee Handbook covers the procedures to be followed in seeking authorisations, maintaining appropriate oversight of the Policy and the central record of decisions.

2.3 Consultation/community engagement

The Policy is aimed at ensuring adherence to the best practice contained within the Codes of Practice and feedback from the Investigatory Powers Commissioner's Office as well as the law.

As the changes to the Policy are minor in that they merely reflect the organisational changes that have occurred within the Authority, it was unnecessary to undertake public engagement on the amendments to the Policy.

Internal consultation has taken place with officers with responsibility for the management and supervision of surveillance activity as well as the Regulation and Review Committee.

2.4 Human rights

Human rights implications are addressed within the report and the Policy. RIPA provides a framework under which surveillance activity can be authorised and conducted in a way that is compatible with the rights of individuals.

The Authority must also ensure that activity that falls outside of the RIPA regime is subject to scrutiny and authorisation to ensure that human rights are respected, and the activity is lawfully undertaken.

2.5 Equalities and diversity

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

2.6 Risk management

The Authority's Policy and the procedures contained in the Employee Handbook are designed to ensure the Authority complies with the law and Codes of Practice and thereby reduce the risks associated with surveillance activity.

2.7 Crime and disorder

There are no crime and disorder issues arising directly from this report. As the main body of the report outlines, the policy provides a framework for the Authority to carry out surveillance operations into criminal matters with statutory protection from legal challenge.

2.8 Environment and sustainability

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

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

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(November 2023)



North Tyneside Council

Covert Surveillance Policy

(Regulation of Investigatory Powers Act 2000)
(RIPA)

1. INTRODUCTION

This is North Tyneside Council's Covert Surveillance Policy document. It sets out the adopted approach of the Authority to ensure that any surveillance activity undertaken by the Authority is conducted in a way that is compatible with the human rights of individuals, in particular the right to respect for private and family life (in accordance with Article 8 of the European Convention on Human Rights).

The aim of the Policy is to:

- Explain the Authority's arrangements for authorising surveillance activity.
- Direct Officers to the key sources of guidance to ensure compliance with the Policy.
- Give effect to the rights of citizens to respect for their private and family lives (pursuant to the Human Rights Act 1998).
- Protect the Authority from legal challenge when undertaking surveillance; and
- Assist the Authority in complying with the Codes of Practice, Regulations and Orders issued under the Regulation of Investigatory Powers Act 2000 (RIPA) and to meet the requirements of the Inspectors from the Investigatory Powers Commissioner's Office (IPCO).

2. POLICY STATEMENT

The Authority agrees that as a matter of policy:

- The Authority is committed to complying with:
 - (a) the Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued under RIPA by the Home Office; and
 - (b) guidance supplied by the Investigatory Powers Commissioner's Office (IPCO).
- Surveillance that falls outside of the RIPA regime will be subject to the non-RIPA authorisation procedure and central monitoring to ensure:
 - (a) the Authority has an overview of all surveillance activity it undertakes.
 - (b) such activity is appropriately scrutinised; and
 - (c) the rights of individuals are appropriately safeguarded.
- Relevant Officers shall receive sufficient training and guidance to reasonably ensure such compliance.
- Any Officer shall, if in any doubt about whether the legislation applies in a particular case or how to comply with it, seek guidance from an Authorising Officer and/or the Director of Resources.

3. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework under which covert surveillance activity can be authorised and conducted in a way that is compatible with the rights of individuals. Where RIPA is complied with it provides statutory protection from legal challenge to the local authority and for this reason it is often referred to as the “RIPA shield”.

Three covert investigatory techniques are available to local authorities under RIPA:

- i. directed surveillance – covert surveillance of individuals in public places e.g., to tackle criminal activity.
- ii. covert human intelligence sources (CHIS) such as the deployment of undercover officers; and
- iii. the acquisition and disclosure of communications data such as telephone billing information or subscriber details e.g., to tackle rogue traders.

The Authority will use RIPA authorised surveillance where appropriate to detect and prevent crime. Authorisation will only be given where the proposed surveillance is both necessary and proportionate.

The Protection of Freedoms Act 2012 requires local authorities to obtain the prior approval of a Justice of the Peace before the use of any one of the three covert investigatory techniques available as detailed above. An approval is also required if an authorisation to use such techniques is being renewed.

In each case, the role of the Justice of the Peace is to ensure that the correct procedures have been followed and the relevant factors have been considered. Approval can only be given if the Justice of the Peace is satisfied that:

- a) There were reasonable grounds for the Authority’s Authorising Officer approving the application to believe that the Directed Surveillance or deployment of a CHIS was necessary and proportionate and that there remain reasonable grounds for believing so.
- b) The Authorising Officer was of the correct seniority within the organisation i.e., a Head of Service, Service Manager or equivalent in accordance with the relevant Regulations.
- c) The granting of the authorisation was for the prescribed purpose of preventing or detecting crime and satisfies the Serious Offence Test for Directed Surveillance (see below); and

- d) Any other conditions set out in any order under Part 2 of RIPA are satisfied (there are none at present).

In addition to the above, where the authorisation is for the deployment of a CHIS, the Justice of the Peace must be satisfied that:

- a) the local authority can ensure that there are officers in place to carry out roles relating to the handling and management of the CHIS as well as the keeping of records.
- b) Where the CHIS is under 16 or 18 years of age, the necessary requirements in relation parental consent, meetings, risk assessments and the duration of the authorisation have been satisfied. Note that the authorisation of such persons to act as a CHIS must come from the Head of Paid Service.
- c) Where the application is for the renewal of a CHIS authorisation, a review has been carried out by the local authority and the Justice of the Peace has considered the results of the review.

The provisions in relation to judicial approval make it clear that the Authorising Officer is not required to apply in person and there is no need to give notice to either the subject of the authorisation or their legal representatives. This reflects the covert nature of the exercise of the investigatory powers under RIPA. The Authority would be represented in any application to a Justice of the Peace by the Authority's Legal Service and the Authorising Officer.

There is no requirement for a Justice of the Peace to consider either cancellations or internal reviews of authorisations.

At all times the risk of obtaining private information about persons who are not subjects of the surveillance must be considered (collateral intrusion) and steps must be taken to avoid or minimise it.

Examples of investigations where it is envisaged that covert techniques may be utilised to enable local authorities to gather evidence and offer evidence in legal proceedings include:

- Trading Standards e.g., action against loan sharks and rogue traders, car fraud, consumer scams, deceptive advertising, counterfeit goods, unsafe toys, and electrical goods; and

- Environmental protection e.g., action to stop large scale waste dumping, the sale of unfit food etc.

Serious Offence Test

Local authorities may only use the RIPA provisions to authorise surveillance activities to detect and prevent crime as defined by the Regulations. In particular the crime which is sought to be prevented or detected by the surveillance activity must be punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment, or would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003, section 7 of the Children and Young Persons Act 1933 and sections 91 and 92 of the Children and Families Act 2014. The latter are all offences involving sale of tobacco and alcohol to underage children.

4. NECESSARY AND PROPORTIONATE

The Authority may only authorise directed surveillance, CHIS, or the acquisition of communications data where it is both necessary and proportionate to what it seeks to achieve. Senior Offices are appointed as Authorising Officers (or Designated Persons for communications data purposes) and have a key role to play in carefully scrutinising all applications. Authorising Officers/Designated Persons must ensure that authorisations are granted only in appropriate cases and that the extent of all authorisations are clearly set out.

5. COLLATERAL INTRUSION

Collateral intrusion is obtaining private information about persons who are not subjects of the surveillance. The risk of collateral intrusion must be considered, and measures should be taken to avoid or minimise it.

6. NON-RIPA SURVEILLANCE

Surveillance activity which falls outside of RIPA, for example, monitoring of employees, does not benefit from the RIPA shield. When operating outside of the RIPA regime there is a greater risk of breaching an individual's rights or being successfully challenged.

The Authority via its Senior Responsible Officer retains a central register of non-RIPA surveillance activity. Officers are required to take great care to appropriately record, authorise, monitor, and scrutinise such activity.

The principles of proportionality and necessity and the requirement to avoid or minimise collateral intrusion also apply to non-RIPA surveillance.

7. CLOSED CIRCUIT TELEVISION (CCTV) SYSTEMS

Overt surveillance via CCTV is covered by the Data Protection Act 2018 and not by RIPA. CCTV is subject to the Surveillance Camera Code of Practice under the Data Protection Act, which is overseen by the Surveillance Camera Commissioner.

Signage must be in place to inform the public when they enter zones covered by CCTV equipment.

A central record of all CCTV in buildings operated by the Authority is held by the Senior Responsible Officer.

If CCTV cameras are used for covert surveillance (whether by the Authority or the Police), a RIPA authorisation is required.

North Tyneside Council's CCTV control room operates cameras throughout the North Tyneside area. The Police may make formal written requests for surveillance of a target for which they have a RIPA authorisation. Confirmation by sight of this authorisation will be sought and a copy will be retained (redacted as appropriate) by the CCTV Control Room Co-Ordinator.

Employees using CCTV covertly must be aware of the possibility of collateral intrusion (invading the privacy of people other than the target) and take steps to avoid or minimise it.

The Protection of Freedoms Act 2012 makes provision for the further regulation of surveillance camera systems. These are defined as Closed Circuit Television (CCTV), Automatic Number Plate Recognition (ANPR) and other surveillance camera technology.

The Surveillance Camera Code of Practice also includes guidance in relation to the development or use of such systems, and the use and processing of information derived from them. The Code of Practice includes provisions about:

- considerations as to whether to use surveillance camera systems
- types of systems or apparatus
- technical standards for systems or apparatus

- locations for systems or apparatus
- the publication of information about systems or apparatus
- standards applicable to persons using or maintaining systems or apparatus
- standards applicable to persons using or processing information obtained by virtue of systems
- access to, or disclosure of, information so obtained
- procedures for complaints or consultation

The Authority must have regard to the Code if they operate or intend to operate any surveillance camera systems covered by the Code.

Failure to adhere to the Code will not in itself render an organisation liable to legal proceedings, but the Code is admissible in civil or criminal proceedings. The Code could also be enforced by way of judicial review in the High Court.

The CCTV provisions in the Protection of Freedoms Act 2012 add a completely new layer of control over the use of CCTV by local authorities.

8. CORPORATE RESPONSIBILITIES

The Authority's Senior Responsible Officer (currently the Director of Resources) has overall responsibility for RIPA.

The Senior Responsible Officer appoints Authorising Officers and Designated Persons. A list of Authorising Officers/Designated Persons is held with the Central Record. This list may change as required. Only Authorised Officers named in the list may authorise covert surveillance activities under RIPA. Only Designated Persons named in the list may authorise the acquisition of communications data. The Senior Responsible Officer may remove an Officer from the list where they consider it is appropriate to do so.

In particular, the Senior Responsible Officer ensures that:

- Only Officers who have received appropriate training on RIPA are permitted to become Authorising Officers/Designated Persons.
- Refresher training is provided as required and training records are maintained.
- Monitoring arrangements are in place in each Service to ensure that the Authority is meeting its obligations under RIPA, the Codes of Practice, and this Policy.

- Reviews of authorisation documentation take place to ensure that they are completed in accordance with the requirements of RIPA, the Codes of Practice and Authority guidance. Appropriate feedback is given to officers to ensure high standards are encouraged and maintained.
- The Central Record is maintained in accordance with the requirements of the Codes of Practice and Authority guidance.
- An up-to-date copy of this Policy and associated guidance is available to all relevant employees.
- An annual review of this Policy is undertaken and presented to Cabinet for approval, in addition to provision of monitoring information.

The RIPA Co-ordinating Officer (currently the Head of Governance) supports the Senior Responsible Officer in relation to the discharge of that role. The RIPA Co-ordinating Officer also monitors all authorisations and provides robust challenge to authorisations to ensure they meet the requirements of the law and this Policy.

Each Head of Service is responsible for ensuring effective and legally compliant systems and procedures are in place for surveillance work within their Service Areas in respect of any surveillance activity whether undertaken within or outside of the RIPA provisions.

The Senior Responsible Officer is also responsible for ensuring that:

- Relevant officers receive appropriate training on RIPA before undertaking investigations that include (or may include) Directed Surveillance, the use of a CHIS or the acquisition or disclosure of communications data.
- Refresher training is provided as required and training records are maintained and supplied to the Senior Responsible Officer.
- Authorisations are approved, reviewed, renewed, and cancelled by the Authorising Officer/Designated Person as necessary, and such actions are reported to the Senior Responsible Officer.
- Records and evidence obtained because of surveillance/investigation are kept and destroyed in accordance with Authority Policy.

All employees connected with surveillance and handling evidence are responsible for ensuring that they act only in accordance with their level of responsibility and training and in accordance with this Policy and associated documents.

9. GUIDANCE

The Authority's intranet has a surveillance page containing the key guidance documents, including this Policy, the Employee Handbook, the relevant Codes of Practice, a guide to completing RIPA forms and a link to the Home Office RIPA forms.

The Authority has prepared the 'Employee Handbook: Use of Covert Surveillance & Covert Human Intelligence Sources & Communications Data (Regulation of Investigatory Powers Act 2000 (RIPA))' to provide guidance to Authority Officers regarding the use of RIPA and the procedures that must be followed.

The Employee Handbook may be revised by the Senior Responsible Officer during the year to reflect changes in procedures or best practice.

All Authority Officers who may authorise or undertake surveillance work must read the Handbook and follow the procedures within it.

Authority Officers are encouraged to seek guidance on the procedures from the Authorising Officers/Designated Persons and the Senior Responsible Officer.

If Officers wish to undertake surveillance which falls outside of the RIPA regime, they must seek appropriate authorisation. This is covered in the Employee Handbook. Information regarding surveillance (whether under RIPA or not) must be held centrally by the Senior Responsible Officer to enable the Authority to have an overview of all surveillance activities being undertaken.

10. COMPLIANCE AND OVERSIGHT

The Senior Responsible Officer will assess compliance with this policy and associated guidance. The Senior Responsible Officer may seek support from Internal Audit as appropriate.

A random sample of authorisations will be checked monthly by the Senior Responsible Officer and on receipt by the RIPA Co-Ordinating Officer and any incorrect or incomplete authorisations will be reported to the relevant Authorising Officer and Head of Service. In addition to the sample checks the Senior Responsible Officer will provide feedback and guidance to Officers as needed throughout the year.

Elected Members have a key role in setting policy and overseeing the use of RIPA within the Authority. Members do not make investigatory/enforcement casework decisions in relation to specific authorisations.

The Elected Mayor is designated to champion compliance with RIPA within the Authority processes. The Elected Mayor receives regular updates from the Senior Responsible Officer regarding the use of the Authority's powers.

The Senior Responsible Officer consults with members of the Regulation & Review Committee at least annually on the Authority's use of the powers but will also usually report the use of RIPA to the next available committee meeting. The Committee looks at compliance, oversight, and use of RIPA. The Committee considers whether the policy remains fit for purpose and will recommend changes where appropriate for Cabinet's consideration.

Cabinet will receive an annual report upon the Authority's use of the powers and will set the policy for the following year.

The Authority has designated a Cabinet Member (currently the Elected Mayor) and a Senior Responsible Officer (currently the Director of Resources) to champion and oversee compliance with this Policy and associated procedures. Each Head of Service is responsible for ensuring compliance with RIPA in their service area.

Cabinet will review the RIPA policy and the Authority's use of RIPA on an annual basis.

11. REVIEW OF THIS POLICY

The Senior Responsible Officer will review this policy and associated controls as follows:

- Annually
- Following legislative changes
- Following any recommendations received because of inspections and reviews undertaken by the Investigatory Powers Commissioner's Office
- Following any major breach in compliance.

12. RECORD KEEPING

Authorising Officers must send the originals of all applications, reviews, renewals, and cancellations to the Senior Responsible Officer for filing with the Central Record. Considering the confidential nature of the data, original documents should be hand delivered and must be stored securely. Documentation must not be altered in any way following its completion. If any clarification is needed regarding the content of a document this must be done via a separate document which must be signed and dated.

All documentation received because of an authorisation must be handled and stored securely and in line with data protection principles.

13. DESTRUCTION OF MATERIAL

Any material obtained during covert surveillance that is wholly unrelated to the operation and where there is no reason to believe that it will be relevant to future civil or criminal proceedings will be destroyed immediately.

In North Tyneside Council the retention period for the central record and associated material is six years from the end of each authorisation or the conclusion of connected court proceedings (whichever date is last).

Where the retention period has expired, the authorisation and any other material obtained or created during the covert surveillance under the unique reference number will be destroyed.

The Authorising Officer/Designated Person will be responsible for ensuring that all material held in the department relating to the unique reference number is destroyed.

The Authorising Officer/Designated Person will notify the Senior Responsible Officer that the retention period has expired, giving the unique reference number and authorise destruction of the material held in the Central Record of Authorisations.

All material to be destroyed will be treated as confidential waste.

Officers should also refer to the Authority's Record Retention Guidelines before destroying any document or evidence obtained under RIPA.

Further guidance on record keeping is available in the Codes of Practice.

14. TRAINING

The Senior Responsible Officer will train the senior managers responsible for overseeing and monitoring RIPA activities, all other employees involved in RIPA activities, and ensure that they understand this Policy.

The Senior Responsible Officer will keep a record of the training undertaken by employees.

15. CODES OF PRACTICE & RELATED AUTHORITY DOCUMENTS

The following Codes of Practice have been issued by the Home Office:

1. Code of Practice – Covert Surveillance and Property Interference
2. Code of Practice – Covert Human Intelligence Sources
3. Code of Practice – Acquisition and Disclosure of Communications Data

All employees involved in surveillance activities must have regard to and act in accordance with:

- the Codes of Practice.
- the Employee Handbook: Use of Covert Surveillance & Covert Human Intelligence Sources & Communications Data (Regulation of Investigatory Powers Act 2000) (RIPA); and
- instruction and guidance from Authorising Officers/Designated Persons and the Senior Responsible Officer.

The Employee Handbook includes appendices providing detailed guidance to assist in the completion of RIPA forms.

16. MISCONDUCT

All employees involved in RIPA activities will comply with this Policy. Failure to comply with this Policy may be dealt with as misconduct or gross misconduct under the disciplinary procedures depending upon all the circumstances of the case.

17. COMPLAINTS

Any complaint made to the Authority will be dealt with in accordance with the corporate complaints procedure.