

Cabinet

Monday, 22 January 2024

Present: N Redfearn (Elected 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)
V Smith (Voluntary Sector Representative)
R Layton (NT Joint Trades Union Committee)
C Wilson (Business Representative)

Apologies: D Hodgson (Business Representative)

CAB81/23 To receive any Declarations of Interest and Notification of any Dispensations Granted

Councillor K Clark declared a registerable personal interest in agenda Item 5: 2023-24 Performance and Financial Management Report to 30 November 2023 (CAB84/24), as she was a Director and Employee at Justice Prince CIC which had contracts with North Tyneside Council funded from North Tyneside Council.

Councillor J Hunter declared a registerable personal interest in Agenda Item 5 as she is a Chair of Governors at Benton Dene School.

CAB82/23 Minutes

Resolved that the Minutes of the previous meeting held on 27 November 2023 be approved and signed by the Chair.

Councillor Hunter advised that she had submitted her apologies for the November meeting due to unforeseen circumstances they were not able to be recorded.

CAB83/23 Report of the Young Mayor

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

- The Equality and Diversity Committee had made a video to showcase what they had been working on and hoped it would attract other young people to join them in their work.
- The Youth Council had received a visit from the Authority's young people's Mental Health and Wellbeing services, who explained about the Connect Team, Recovery Colleges, and the work they were doing in schools. The team would be visiting youth council quarterly to update on developments.
- The Young and youth councillors had taken part in the Authority's budget consultation.
- North Tyneside's Children in Care Council had taken part in a national project which was reviewing Children's Social Care, the session held with the Department of Education and Coram Voice were looking at residential care, stable homes built on love, supportive friendships, loving relationships and preparation for life. This is part of several consultations.
- Students from Beacon Hill school had helped review the leisure activities section of North Tyneside's SEND Local offer. They were working with the participation team to develop a paper document after they highlighted that some parts of the local offer website were not accessible to them in school. This work was being supported by the Authority's Participation Team.
- The first stage of online voting in the two elections for Young Mayor and Member of Youth Parliament had concluded and numbers had been reduced to the top four in each election involving schools across the borough including candidates from George Stephenson, St Thomas More, Marden High, Norham High and Marden Bridge Middle. The candidates will continue with their campaigns until the 2nd stage of voting to take place in schools and colleges in February, with the announcement on 1st March.

The Elected Mayor thanked the Young Mayor for his update.

Councillor Sandra Graham reminded Cabinet that the Young Mayor had also been involved in a tree planting day and an additional 475 trees were planted.

The Mayor thanked officers on explaining the budgets and finances to the Young

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People in a way that was easy for them to understand.

CAB84/23 2023-24 Performance and Financial Management Report to 30 November 2023

Cabinet received a report which provided a full overview of both the service delivery performance and budget position across the Authority as at 30 November 2023. For performance, it sets out the key areas of service delivery, including where this impacted in budget terms. In terms of the budget, it sets out the forecast outturn position to 31 March 2024 for both revenue and capital.

The report detailed the current position in relation to schools finance, the Authority's Investment Plan, developers' contributions and treasury management. It also provided details of additional revenue and capital grants received up until 30 November 2023.

In terms of performance, it was reported that service delivery overall across the Authority remained strong. The Authority continued 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 were delivery of the Our North Tyneside Plan 2021-2025 priorities such as the affordable homes programme and carbon net zero. The Ambition for North Tyneside Programme was progressing well with regeneration projects across the four areas of the borough. Capital investment continued to deliver planned improvement works helping maintain council homes at the decent homes standard. Council Tax and Business Rates collection also remained on track.

Since the last report, the number of children in care had increased from 376 in July to 385 in September, which was an additional 55 children in care compared to budgeted levels. The number of children in need had 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 had driven a £1.372m worsening of the Children's Services position, to a total forecasted pressure of £7.846m.

From a budget perspective, the overall projection for 2023/24 was that the

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General Fund would outturn with a pressure of £9.648m, which was an improvement of £1.662m from the previous report, and the Housing Revenue Account would have a forecast underspend of £0.070m.

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

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 agree the recommendations.

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 November 2023 were set out in detail in sections 1.5.1, 1.5.2, 1.5.3 and 1.5.5 of the report.

The Authority's Investment Plan spend to 30 November 2023 and the proposed financing of the Plan to the end of the year was details in section 1.5.4 of the report.

The current position with Section 106 Developer contributions were summarised in section 1.5.6 of the report.

The new revenue grants were outlined in section 1.5.7 and the new capital grants received were set out in section 1.5.8 of the report.

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 agree the recommendations.

It was noted that there is concern about the rising costs of childcare for those children who may have a complexity of needs as Local Authorities on occasion need to use private providers. It was suggested that this is an area which needs some regulations in terms of the fees that are charged.

It was also noted that despite the high level of funding required, this Authority continues to invest and tribute was paid to staff and Cabinet members for being prudent whilst keeping the authority's ambitions.

The Mayor thanked officers, councillors and the Unions, Business Representatives, and the Voluntary and Community Sector for their work with the Council to help during what have been difficult times.

Resolved that (1) 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, be noted;

(2) 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 the report), be noted;

(3) the Authority's Investment Plan spend of £41.973m to 30 November 2023 and the proposed financing of the Plan to the end of the year (section 1.5.4 of the report), be noted;

(4) the variations of £3.789m within the 2023-2028 Investment Plan (section 1.5.4 of the report), be approved; and the current position with Developers' Contributions (section 1.5.6 of the report), be noted; and

(5) the receipt of £0.296m new revenue grants (as outlined in section 1.5.7 of the report), £0.370m of new capital grants and £0.083m of Section 106 Developer contributions to be applied in 2023/24 (as outlined in section 1.5.8 of the report), be approved.

(Reason for decision: It is important that Cabinet continues to monitor performance against the Budget, especially given the current level of financial pressures faced by the public sector.)

CAB85/23 Calculation of the 2024/25 Council Tax Base for North Tyneside Council

A report was received which explained how the North Tyneside Council Tax Base for 2024/25 had been calculated and sought approval for the calculation of the Authority's Council Tax Base for 2024/25.

The Council Tax Base was an annual statutory calculation, used to determine the level of Council Tax to be paid for individual properties in the borough. The Tax Base represented the number of properties that would be subject to Council Tax

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and is expressed in terms of the number of Band D equivalent properties, after allowing for the effect of discounts, exemptions and reliefs.

The agreed Tax Base for North Tyneside Council for 2024/25 would be used in the 2024/25 Budget and Council Tax calculation. The Tax Base was also used as the basis for the major precepting authorities (Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority) to determine their precept requirements.

The 2024/25 Council Tax Base calculation and recommendations included a proposed assumed long term collection rate of 98.50% and took account of a change to the way that Long Term Empty Dwellings Premiums were administered by the Authority following a decision taken by full Council on 23 November 2023.

The Council Tax Support Scheme for 2024/25 remained the same as 2023/24.

The Council Tax Base calculation for North Tyneside Council for 2024/25 was detailed in Appendix A to and summarised in the report.

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 agree the recommendations.

Resolved that (1) that the report on the calculation of North Tyneside's Council Tax Base for 2024/25, be approved; and
(2) the assumed Council Tax collection rate for 2024/25 be set at 98.50% and therefore the amount calculated by North Tyneside Council as its Council Tax Base for 2024/25 will be 64,471 Band D equivalent properties, pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, be agreed.

(Reason for decision: The proposed 98.50% assumed Council Tax collection rate, is felt to be achievable for the reasons set out in paragraph 1.5.13 of this report.

The risk of setting a Council Tax collection rate too high is that this can result in a deficit position for the Council Tax element of the Collection Fund, which in turn will have to be funded by the Authority's General Fund.

This collection rate is reviewed as part of the annual Council Tax Base calculation, and the 98.50% collection rate will be reviewed in determining the Council Tax Base for 2025/26.)

CAB86/23 Cabinet response to the Report of the Overview and Scrutiny Co-ordination and Finance Committee's Scrutiny Task and Finish Group on Emergency Care in North Tyneside

A report was received on Cabinet's proposed response to the report of the which presented the findings and recommendations of the Overview and Scrutiny Co-ordination and Finance Committee's Scrutiny Task and Finish Group on its study into Emergency Care in North Tyneside.

On 27 November 2023 Cabinet received a report from the Overview and Scrutiny Co-ordination and Finance Committee's Scrutiny Task and Finish Group on Emergency Care in North Tyneside. This Scrutiny Task and Finish Group was specifically established to take forward the matters set out in a motion regarding Emergency Healthcare, which had been agreed by full Council on 16 March 2023.

At its meeting on 12 June 2023 the Overview and Scrutiny Co-ordination and Finance Committee agreed specific Terms of Reference for the work of the Task and Finish Group. These Terms of Reference set out the detailed objectives which the Task and Finish Group would seek to achieve through its work in scrutinising Emergency Healthcare in North Tyneside, pursuant to the motion passed by full Council in March 2023.

In detailed preparatory and fieldwork sessions undertaken during September and October 2023, the Task and Finish Group:

- a) 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) hosted 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

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- Integrated Care Board)
- c) undertook a site visit for the Task and Finish Group to North Tyneside General Hospital (Rake Lane), North Shields
 - d) undertook a site visit for the Task and Finish Group to Northumbria Specialist Emergency Care Hospital (NSECH), Cramlington
 - e) held a concluding session (all Task and Finish Group members being invited) for evaluation of evidence and formulation of findings and recommendations.

The full report of the Task and Finish Group setting out the evidence on which its findings and recommendations were based was presented to Cabinet on 27 November 2023 and summarised in this report.

Having considered the findings summarised in the report, and the evidence base on which the Task and Finish Group had prepared its recommendations, Cabinet had indicated that it was minded to agree all recommendations made by the Task and Finish Group. Accordingly, Cabinet was recommended to formally agree the proposed responses to the recommendations, as set out in the Appendix to this report; and to authorise the Assistant Chief Executive, Director of Public Health, Director of Adult Social Care and Director of Regeneration and Economic Development to deliver the proposed actions set out in the Appendix to this report as soon as reasonably practicable.

The Mayor noted that Cabinet fully endorses and accepts the findings of the Task and Finish Group and notes the action plan to take the recommendations forward where possible.

It was noted that it was hoped that the new regional Mayor may be able to help with the transport issue between the two hospitals.

The report was welcomed and Cabinet were happy to agreed the proposed actions.

The Mayor thanked those who had taken part in the task and finish group.

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 agree the recommendations.

Resolved that(1) Cabinet’s proposed responses to the recommendations made by the Overview and Scrutiny Co-ordination and Finance Committee’s Task and Finish Group on Emergency Care in North Tyneside as set out in the Appendix to the report, be agreed; and
(2) the Assistant Chief Executive, Director of Public Health, Director of Adult Social Care and Director of Regeneration and Economic Development, be authorised to take all necessary steps to deliver the proposed actions set out in the Appendix to the report as soon as reasonably practicable.

(Reasons for decision: This will allow the Authority to progress the recommendations of the Task and Finish Group, based on the evidence set out in the Task and Finish Group’s report, in accordance with Cabinet’s wishes. This will also fulfil Cabinet’s responsibility to formulate a response to the Task and Finish Group’s report, in accordance with requirements of the Local Government Act 2000.)

CAB87/23 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 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB88/23 Pension Update

Cabinet received a report which identified an error regarding the processing of some pension schemes which were administered by the Authority. This was a complex matter, but it was important that Cabinet was fully aware of an issue that had arisen regarding pensions.

The Authority administered several different pension schemes including Local Government Pension Scheme (LGPS), Teachers Pension Scheme (TPS) and NHS Pension Scheme (NHSPS) for its employees. Membership of those schemes depended on the roles undertaken by the employees.

There were statutory obligations with the management of these schemes. Details of the pension processing error, and the actions taken and to be taken were set out in the report.

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 and ask for further work to be undertaken on the analysis of the pension issues.

Resolved that (1) the Director of Resources, in consultation with Cabinet Member for Finance and Resources, the Head of Law and Head of People & OD, be authorised to liaise and work with the Tyne and Wear Pension Fund and the Pensions Regulator to resolve the error identified in the report and ensure any affected pension member did not suffer any detriment to their pension arrangements; and
(2) the Director of Resources, in consultation with the Cabinet Member for Finance and Resources and the Head of Law, be authorised to take any necessary action to mitigate any loss to the Authority as a result of the error identified. This would include any appropriate legal action/proceedings against the former provider of payroll and pension and employee services to the Authority; and
(3) both the contents of the report and that a further update would be presented to Cabinet in due course, be noted.

(Reasons for decision: It is necessary to commence activity to deal with the error as soon as possible.)

CAB89/23 The Former Complete Growth Nursery and Howdon Landfill Site

Cabinet received a report setting out details of a brownfield development site that had been identified with the potential to deliver up to 230 new homes once it had undergone remediation; and seeking approval to declare the Site surplus to the Authority's requirements. The site comprised the former Complete Growth Nursery, Howdon Landfill Site and part of Howdon Park (shown by dark outline on the plan at Appendix 1).

This remediation and development opportunity was advertised on the open market following clearance being given by the Strategic Property Group in.

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Interested parties were asked to submit greenfield offers for the site by the closing date of 28 September, taking account of a requirement for 25% of the homes to be delivered as affordable homes. 7 bids were received.

These bids were scored on a combination of the value of offer made and on the bidders past experience of undertaking major remediation schemes in advance of development. Cabinet will note from the scoring matrix at Appendix 2 that bidder 5 scored the highest at 95%. This bid was from a volume national house builder with good experience of undertaking major remediation schemes in advance of development. To assist with the remediation of the site and to make it viable for development, it was anticipated that it would be possible to access up to £5m of Brownfield Funding that had been secured in principle from the North of Tyne Combined Authority.

By securing the remediation and development of this site the new homes would assist in the Authority's ability to deliver the new homes target as set out in the Local Plan, and its own affordable homes target.

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 agree the recommendations.

Resolved that (1) the Site be declared surplus to the Authority's requirements and the appointment of Bidder 5 as the Authority's Preferred Development Partner, be agreed;

(2) the Director of Resources be authorised to agree any reasonable revisions to the terms of the Development Agreement and sale contract arrangements and the final net sale price of the Site in consultation with the Elected Mayor and the Head of Law;

(3) the Head of Law be authorised to negotiate a Development Agreement and phased sale contract, together with associated documents and complete them in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;

(4) the Head of Law be authorised to agree the arrangements for accessing the Brownfield Funding from the North of Tyne Combined Authority and to complete appropriate legal documentation with the Bidder 5, in order for them utilise the funding to remediate the site in advance of development. This will be in accordance with all relevant legal requirements, the Authority's Constitution and

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Financial Regulations and also Subsidy Control Rules, and;
(5) subject to resolution (4), the Director of Resources in consultation with the Elected Mayor and the Head of Law be authorised to take any further steps necessary to implement the decision of Cabinet.

(Reasons for decision. It is considered to be the most advantageous way forward to assist in the Authority's ability to deliver the new homes target set out in the Local Plan and the Authority's own affordable homes target.)

CAB90/23 The Former Tynemouth Library and 35 Front Street, Tynemouth

Cabinet considered a report which proposed redevelopment of the site of former Tynemouth Library and 35 Front Street, Tynemouth ("the Property"). Through the redevelopment of the Property, it would see the Authority deliver on its commitment to re-provide a modern library service in Tynemouth following the closure of the former library in February 2020. The extent of the Property was shown by the dark outline on the Appendix Plan.

The report also sought approval for declaring the Property surplus to the Authority's requirements and to agree to dispose of it to a bidder (the Purchaser) that recently submitted an offer to purchase the freehold interest in the Property when it was advertised for sale on the open market.

Prior to the sale of the Property, the Authority and the Purchaser shall enter into a Development Agreement which will require the Purchaser to redevelop the Property in accordance with a planning permission that the Authority secured in 2022. This was for the demolition of the Property and the redevelopment of the site with 6 residential apartments and a library and commercial unit to the ground floor. A condition of the sale will be that this unit is leased back to the Authority in shell condition for a term of 125 years at a peppercorn rent to facilitate the provision of a new library service and building society outlet.

In this respect, the Authority was already in detailed discussions regarding a proposed subletting arrangement as outlined in section 1.5.3 of the report. This was with the objective to secure the fit out of the unit so that it could be used jointly with the Authority as a new library and building society branch.

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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 Property be declared surplus to the Authority's requirements and the sale of it to the Purchaser on the main terms detailed in Section 1.5.2 of the report, be approved;

(2) the Director of Resources be authorised to agree any reasonable revisions to the terms of the sale contract and a preceding Development Agreement in consultation with the Elected Mayor and the Head of Law;

(3) the Head of Law be authorised to negotiate the Development Agreement and sale contract, together with associated documents, deal with any procurement issues arising from the Development Agreement and intended Sale Contract and to complete the freehold transfer of the Property in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;

(4) the Director of Resources be authorised to agree the final terms of the leaseback, sub-lease and sharing arrangements in respect of the library and commercial unit as detailed in Sections 1.5.2 and 1.5.3 of the report, in consultation with the Elected Mayor and the Head of Law, and;

(5) the Director of Resources be authorised to deal with all ancillary matters arising that are consistent with the preceding recommendations.

CAB91/23 Joint Venture Agreement and land disposals at the former Swan Hunter shipyard, Wallsend

Cabinet received a report seeking approval to dispose of land at the former Swan Hunter shipyard and to end a Joint Venture Agreement (JVA) with Homes England in relation to the former shipyard.

Since the sale of land at the former shipyard in December 2020 to Shepherd Offshore and WD Close & Sons respectively, the Authority had been negotiating to dispose of additional land interests within the JVA area to WD Close & Sons and an in-principal agreement had been reached.

Authority was sought to declare this additional land surplus to the Authority's requirements and to agree to the terms of disposal; also, to terminate the JVA and approve a delegation to the Director of Regeneration and Economic

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Development in consultation with the Director of Resources and the Head of Law, to authorise payment of a share of the proceeds (as required by the original JVA) to Homes England.

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 agree the recommendations.

Resolved that (1) the progress made in delivering the development of the former Swan Hunter shipyard site, be noted;
(2) the termination of the Joint Venture Agreement dated 5 November 2013 made between the Authority and the Homes and Communities Agency, be agreed;
(3) subject to resolution (2), the Director of Regeneration and Economic Development in consultation with the Elected Mayor, Deputy Mayor and Cabinet Member for Finance and Resources and the Director of Resources, be authorised to approve and authorise the share of net divisible receipts that was calculated should be paid to the Homes and Communities Agency and to make such payments;
(4) the land identified on the plan at Appendix 1 of the report as being surplus to the requirements of the Authority and agrees to the disposal of the land on the terms set out in paragraph 1.5.3 of this report, and;
(5) subject to resolution (4) the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Head of Law be authorised to conclude the disposals to WD Close & Sons Limited and to take all necessary steps in that regard.

(Reason for decision: The recommended option will enable the Authority and Homes England to bring the JVA to an end in accordance with Homes England's condition when previously giving consent to dispose of land to WD Close & Sons Limited and Shepherd Offshore Limited in December 2020.)

CAB92/23 Date and time of next meetings

Monday 29 January 2024 at 6.00pm (Extraordinary meeting)

Monday 5 February 2024 at 6.00pm (Extraordinary meeting)

Monday 19 February 2024 at 6.00pm (Ordinary meeting)

Minutes published on 25 January 2024

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny Co-ordination and Finance Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 1 February 2024