



North Tyneside Council

# Overview & Scrutiny Co-ordination & Finance Committee

Friday, 7 July 2023

**Monday, 17 July 2023** 0.02 Chamber – Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY commencing at 6.00 pm.

Agenda Item	Page
<b>1. Appointment of Substitute Members</b>	
To be notified of the appointment of any Substitute Members.	
<b>2. Declarations of Interest and Dispensations</b>	
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.	
<b>3. Minutes</b>	<b>5 – 14</b>
To confirm the minutes of the meeting held on 12 June 2023.	

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](mailto:democraticsupport@northtyneside.gov.uk)

**4. 2022/23 Finance Outturn Report**

**15 - 170**

To receive the 2022/23 Finance Outturn report.

**5. Work Programme**

To provide an opportunity to update the Overview and Scrutiny Co-ordination and Finance Committee to its work programme.

**Circulation overleaf ...**

**Members of the Overview & Scrutiny Co-ordination & Finance  
Committee**

Councillor Jim Montague (Chair)

Councillor Lewis Bartoli

Councillor Davey Drummond

Councillor Tommy Mulvenna

Councillor Andy Newman

Councillor Willie Samuel

Councillor Matthew Thirlaway

Councillor Matt Wilson

Councillor Debbie Cox (Deputy Chair)

Councillor Liam Bones

Councillor Margaret Hall

Councillor Martin Murphy

Councillor Pat Oliver

Councillor Jane Shaw

Councillor Judith Wallace

Ms Fiona Burton - School Governor Representative

Mr Stephen Fallon - Church Representative

Rev Michael Vine - Church Representative

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## Overview & Scrutiny Co-ordination & Finance Committee

**Monday, 12 June 2023**

Present: Councillor J Montague (Chair)  
Councillors D Cox, L Bartoli, L Bones, D Drummond,  
M Hall, T Mulvenna, M Murphy, A Newman, J Shaw,  
M Thirlaway, M Wilson, Burton, S Fallon, Rev M Vine,  
B Burdis and P McIntyre

Apologies: Councillors P Oliver, W Samuel and J Wallace

### **OV1/23 Appointment of Substitute Members**

Pursuant to the council's constitution the appointment of the following substitute members was made:

Councillor B Burdis for Councillor W Samuel  
Councillor P McIntyre for Councillor J Wallace

### **OV2/23 Declarations of Interest and Dispensations**

Councillor Liam Bones declared a Non-Registerable Personal in Item 4 Our North Tyneside Plane 2021-2025 Performance report, he has a family member who is employed by is employed by North Tyneside Council.

Councillor Martin Murphy declared a Non-Registerable Personal in Item 4 Our North Tyneside Plane 2021-2025 Performance report, he has a family member who is employed by is employed by North Tyneside Council.

Councillor Tommy Mulvenna declared a Non-Registerable Personal in Item 4 Our North Tyneside Plane 2021-2025 Performance report, he has a family member who is employed by is employed by North Tyneside Council.

Councillor Matthew Thirlaway declared a Non-Registerable Personal in Item 4 Our North Tyneside Plane 2021-2025 Performance report, he has a family member who is employed by is employed by North Tyneside Council.

Councillor Lewis Bartoli declared a disclosable Pecuniary Interest in Item 5 – Emergency Care in North Tyneside – Task and Finish Group, his wife is Chief Operating Officer of Northumbria Healthcare Trust. Cllr Bartoli indicated that he would leave the meeting for this item.

## **OV3/23      Our North Tyneside Plan 2021-2025 Performance Report**

The Senior Manager – Policy, Performance and Research and Assistant Chief Executive presented an update on progress with delivering the Our North Tyneside Plan 2021-2025.

The Committee was provided information that highlighted the work undertaken in each of the plans priorities;

### **A Thriving North Tyneside**

#### Regeneration of the highstreet

Improvements were ongoing in North Shields, including a new integrated transport hub, town square, new Riverside Embankment Walkway to connect the town centre and Fish Quay, with planned new homes at the former Unicorn House site.

A member raised that the report stated that the improvements to Northumberland Square was complete. It was believed that some outstanding works in relation to railings were still required and it was asked when the works would be completed. It was stated that this would be looked into and a response would be circulated to the committee.

Master Planning activity would commence in summer 2023 for Whitley Bay Town Centre.

Engagement on the Wallsend draft Masterplan had been carried out, with funding secured from the North of Tyne Combined Authority (NTCA) to fund projects in and around Wallsend High Street.

A member requested in relation to the Wallsend draft Masterplan that an update

be provided of the future vision for the Segedunum World Heritage Site.

In the North West, £75k of feasibility funding had been secured from NTCA for Northumberland Line Economic Corridor priorities included funding to re-design, scope and map a visitor/heritage trail using the existing wagonways and heritage assets. Concept plans had been developed for Killingworth Lake and eligible funding streams were being identified to progress proposals.

#### Adult education and apprenticeships

Figures for 2020/21 showed the number of intermediate (level 1) apprenticeships decreased in 2020/21 in part due to national changes. However advanced (level 2) and higher (level 3) apprenticeship starts increased during 2020/21.

#### libraries and leisure centres offer

Visits to Sport and Leisure Facilities in 2021/22 were two thirds the usual number pre-pandemic. Visits to Customer First Centres had reduced by 55% and Branch Libraries by 59%. Work was progressing to develop Community Hubs.

#### Visitor destination of choice

All three beaches retained their Blue Flag international status, as well as attracted Seaside Awards. Eight managed parks were awarded Green Flag Awards, however the number of day visits and overnight stays to North Tyneside remained low in 2021 due to the COVID-19 pandemic.

#### Derelict properties

Long-term vacant dwellings were at the lowest level in 7 years at just over 1,000 dwellings.

### **A Secure North Tyneside**

#### Working in partnership to prevent anti-social behaviour (ASB)

The trend of ASB reported to Northumbria Police was decreasing and the rate per population was at the lowest level in four years.

A member asked for further information to be circulated to the operation of

Project Vita that was launched in Wallsend and Howdon as a joint initiative between North Tyneside Council and Northumbria Police.

### Additional £2m on road and pavement repairs

Only 3% of principal roads and 3% of non-principal roads managed by the Authority should be considered for maintenance, which was significantly better than the national benchmark (4% principal roads and 6% non-principal roads).

A member commented that although the plan stated improvement in roads and pavements, residents had continued concerns.

### Council Tax Support Scheme

The Council Tax Support Scheme for 2023/24 introduced an administrative change making it easier for new Universal Credit (UC) claimants to claim Council Tax Support. The government had provided a grant to all Council Tax Support Claimants of an additional £25, the Authority had made further funding available to all working age claimants in the 2023/24 budget to provide £125 on top of the £25.

### Tackling health and socio-economic inequalities

A range of activity was ongoing as part of the Holiday Activities and Food Programme, Household Support Fund and Poverty Intervention Fund.

- 1,043 primary and 292 secondary age children participated in the Christmas holiday programme.
- £15 food vouchers were distributed during the school holidays.
- The school uniform project was expanded to pilot a uniform recycling scheme.
- £45 per child was given to families to support with the cost of warm winter clothing and shoes.
- Poverty Proofing the School Day audits have been carried out with 30 schools so far.
- Provision of a network of community-based food pantries, clubs and supermarkets. 6 Bread and Butter Thing Hubs have been operating across the borough.

### Affordable Homes Programme



2,073 new homes had been built and the programme was on track to meet the 5,000 affordable homes target. A new 2-phased programme to meet the 5,000 affordable homes target had been approved by Cabinet in February 2022.

## **A Family Friendly North Tyneside**

### High quality education

96% of primary schools were rated as good or outstanding by OFSTED, higher than the national performance. 88% of secondary schools were rated as good or outstanding, which was in line with the national performance. 69% of pupils achieved basics in Key Stage 4 for English and Maths during 2021/22, in line with national performance. However, the gap between disadvantaged and non-disadvantaged pupils widened 2021/22 compared to pre-pandemic 2018/19 at Key Stage 2.

In relation to the Progress 8 gap between disadvantaged pupils and peers a member asked for further information to what schemes were in place.

### Outstanding children's social care services, events and facilities

The demand for children's services had remained high during 2021/22 in relation to children subject to a child protection plan and contacts to the service.

### Best Start in life

In 2021/22, 62.7% of pupils reached a good level of development at foundation stage, a decrease from 71.9% in 2018/19 pre-pandemic and slightly lower than the regional and national performance.

- 97.6% of children had a development review at 2-2 ½ years. 86% met the expected level of development in relation to communication, physical ability, social skills and problem-solving.
- Just over a third of pupils with an Education, Health and Care Plan (EHCP) are educated in special schools, better than regional performance. However, the authority continued to maintain a disproportionate number of EHCPs compared to national averages and has submitted a High Needs Recovery Plan to the Department for Education to secure additional funding to improve the position.

A member requested information on the level of SEND Children in mainstream schools in North Tyneside.

## **A Caring North Tyneside**

### Improve working conditions of care workers

The authority:-

- Continued to increase fees to external social care providers to take account the increase in the National Living Wage
- Increase in home care fees continued to be aligned to the Real Living Wage increase for home care and extra care.
- Used Local Authority and NHS Discharge Funding to support provision and the market to support recruitment and retention.
- Identified workforce recruitment and retention as a key barrier to market provision in the recently published draft market sustainability plan for care homes for older people and home care.

### People will be cared for, protected and supported

There had been an increase in homeless presentations. Priority acceptances were consistent at 5% of all presentations as a result of the preventative and triage work carried out with residents to support them to remain in their current homes or find alternative accommodation.

A member asked for further information to be circulated in relation to homelessness and the criteria used to determine a high priority acceptance.

The rate of emergency admissions due to falls in people aged 65 years and over was significantly higher in North Tyneside than the rate regionally and nationally. Work was continuing with NHS partners to reduce admissions. The Falls First Responder Services within Care Call works with North East Ambulance Service to provide a rapid and responsive service for non-injurious falls.

### Support local community groups, carers and young carers

Work continued with VODA on a range of initiatives and support capacity via the Sector Connector project. Highlights include:-

- On-going development of Living Well North Tyneside – online directory of local services, support and events.
- Development of new Practice Standards in consultation with the North Tyneside Carers Centre
- Redesign and launch of the Chief Officers Group within VCSE sector
- VODA is overseeing the Minority Ethnic Health Development project funded by Public Health

### Reduce inequality and eliminate discrimination

The Embedding Equality Programme had made good progress updating policy and procedures including the introduction of a new hate incident reporting procedure following Cabinet’s approval of the Authority’s Hate Crime Policy Statement. Equality Impact Assessment Training had been delivered to over 200 colleagues.

Access audits had been undertaken with Accessible at cemeteries and visitor attractions. A successful pilot had been undertaken to introduce live video British Sign Language Interpretation into leisure centres and main libraries and customer services. Two new changing places toilet facilities were in development at Whitley Bay and North Shields and a successful bid for two further facilities had been undertaken.

### **A Green North Tyneside**

#### Increase recycling

During 2021/22, household reuse, recycling and composting remained consistent at 38% and landfill fell to just above 4%. The COVID-19 pandemic impacted on the level of waste during 2020/21 and 2021/22, as residents spent more time at home.

A member requested further information to how disposal of waste was determined to go to landfill. An officer stated that members would be provided a summary of the Contract for disposal of waste to landfill.

Another member requested information to how the authority plans to increase composting options.

#### Crack down on littering

Environmental Hit Squad introduced in 2019 had increased capacity to manage demand. The authority had increased the number of environmental enforcement mobile CCTV vehicles operating from one to three focussing on environmental crime issues. The number of fixed penalty notices issued remained consistent.

Further information was requested to the plans to improve the effectiveness of the Environmental Hit Squads.

A member raised that a more joined up approach was required to ensure Clean Waggonways, Cleaner cycle paths and tackle flytipping and stated that this could be linked to using the Authority's system for reporting overfilled bins.

#### Support low income households to install low-carbon heating

Funding of £8m had 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. 800 measures had been installed in over 700 homes so far.

#### Increase safe walking and cycling opportunities

78.6% of adults in North Tyneside walk or cycle at least once a week, this was an upward trend and slightly higher than regionally and nationally. 7.3% of adults in North Tyneside cycle at least once a week, which was a significant decrease, in line with region and slightly lower than national performance.

A member raised the measure that records adults who walk or cycle at least once per week and questioned how it was determined. In response an officer stated the information would be provided.

#### Publish an action plan to make North Tyneside carbon net-zero by 2030

The Authority had an approved Carbon Net-Zero 2030 Action Plan including over 150 actions to decarbonise the Authority's operations and the borough as a whole. A range of carbon reduction and offsetting projects were being delivered including installation of low carbon heating systems, energy efficiency equipment and renewable energy systems in council buildings and residents homes, the electrification of the council's vehicle fleet, converting street lights to LED,

investment in sustainable transport and the creation of a North-East Community Forest.

It was **Agreed** that (1) the Our North Tyneside Plan 2021-2025 Performance report be noted; and (2) the further information requested be circulated to all members of the Committee.

#### **OV4/23      Emergency Care in North Tyneside – Task and Finish Group**

The Committee received a report that outlined the establishing of a Task and Finish group to look at Emergency Care in North Tyneside.

It was informed that following the consideration of a Council Motion at its meeting on 16 March 2023. The Elected Mayor asked the Chair of the Overview and Scrutiny Co-ordination and Finance Committee if scrutiny would undertake this work.

The report detailed what the task and finish group would consider along with method, reporting and timescales for completion.

The Committee considered and agreed that an Emergency Care in North Tyneside Task and Finish Group be established. The Chair indicated that he would like to be part of the task and finish group. Members raised that Health Watch could be an important body to be invited to participate.

It was **Agreed** to establish an Emergency Care in North Tyneside Task and Finish group.

#### **OV5/23      Work Programme 2023-24**

The Committee received a report that detailed a proposed approach to the work planning of the Overview and Scrutiny Co-ordination and Finance Committee for 2023-24.

It was emphasised that it was for the Committee to determine its own work programme, however a number of standard topics in relation to finance had been identified and had been included.

The Committee was informed that each scrutiny committee had its own link with lead Cabinet portfolio and Authority Directorate. The linked Cabinet Members and Senior Leadership Team officers had been identified for all scrutiny committees and the Overview, Scrutiny Co-ordination and Finance Committees were the Deputy Mayor, and Cabinet Member responsible for Finance and Resources along with the Assistant Chief Executive and Director of Resources.

A member raised that the work programme should be guided by the committee and that no Cabinet Members were in attendance.

A member raised if the Cabinet Members had been invited to the meeting. The Assistant Chief Executive informed that the Cabinet Members had been invited and sent apologies as they were required to attend another meeting. It was stated that there was an intention from the Cabinet Members to attend future meetings when appropriate and they were available.

The link Cabinet Members and Directors would be invited to attend each meeting to provide information on policy direction, answer questions and offer support to the committee.

Appended to the report was an initial suggested work programme which was expected to evolve through the year to incorporate emerging topics.

Members were requested to inform the Chair and Head of Governance via email of any suggestions for placing on the Work Programme and those for the Sub-committees.

It was **Agreed** that the Work programme 2023-24 be noted.

**Overview and Scrutiny Co-ordination and  
Finance Committee 17 July 2023**

**Cabinet Report 26 June 2023**

**2022/23 Finance Outturn Report**

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# North Tyneside Council

## Report to Cabinet

Date: 26 June 2023

Title: 2022/23 Finance Outturn Report

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Portfolios: Elected Mayor  Finance and Resources	Cabinet Member: Dame Norma Redfearn DBE  Councillor Anthony McMullen
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Report from Service

Area: Finance

Responsible Officer: Jon Ritchie, Director of Resources Tel: 643 5701

Wards affected: All

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### PART 1

#### 1.1 Executive Summary

- 1.1.1 This report summarises the financial outturn position for the Authority for the financial year ending 31 March 2023. It also deals with a number of procedural matters as the Authority moves into the new financial year.
- 1.1.2 The Authority's draft Statement of Accounts (the Accounts) for 2022/23 was due to be presented to the Audit Committee for approval on 31 May 2023. However, as reported to the Audit Committee, there have been a number of national accounting matters that have delayed the audit of the 2021/22 Statement of Accounts and consequently the production of the 2022/23 Statement of Accounts. Therefore, the outturn figures contained in this report are provisional until the completion of the Accounts over the summer.
- 1.1.3 The Accounts are a statutory document which set out the Authority's financial position and performance for the year in a series of formal

statements prepared according to a specific statutory and regulatory framework, which makes it a very technical document. As in previous years, this report sets out the Authority's financial performance in an outturn report which reflects the Authority's structure and the reports presented to Cabinet throughout the year.

- 1.1.4 The Authority continues to see areas of pressure across Adult and Children's Social Care, but there are also significant impacts on income particularly across Sport and Leisure Services, Home to School Transport and Catering Services.
- 1.1.5 In addition to pressures seen in previous financial years, a number of global issues emerged during the financial year, which added significant financial strain to the Authority's budgets.
- 1.1.6 In recognition of these pressures, the Authority planned to apply contingencies and central funding to support the position. These balances have now been applied to the Service outturn positions.
- 1.1.7 In January, the Authority reported the gross pressure faced as £22.872m, mitigated to £8.086m with the application of contingencies and central support funding. The provisional outturn position for 2022/23 is an overspend of £6.081m, an improvement from January of £2.005m.
- 1.1.8 As communicated in previous reports to Cabinet and full Council, it is proposed to deal with the £6.081m overspend via a drawdown from the Strategic Reserve. After the final transfers, the General Fund Revenue Account shows spend on Budget for 2022/23, with a reduced closing balance on the Strategic Reserve of £6.345m and unchanged General Fund balances of £7.000m.
- 1.1.9 The 2023-2027 Medium Term Financial Plan and the 2023/24 Budget included a higher than usual level of contingency budgets due to the timing of the Local Government Finance Settlement. The report sets out the proposed allocation of these contingencies, which supports areas of the budget that face significant financial pressure, such as Adult and Children's social care. The Authority are now in receipt of the Social Care grant conditions and have applied the funding in line with the national guidance that has been received. Further details of the planned allocation can be found in section 6 of the Annex to this report.
- 1.1.10 School balances have decreased from a surplus of £3.398m at the start of the financial year to a deficit of £0.382m as at 31 March 2023. Within

this, 16 schools were in a deficit position. Whilst most of these are marginal deficits, four schools had a deficit totalling £12.459m. This continues to be monitored closely and the majority of schools in a deficit position during the year had additional support by way of peer-to-peer advice through the Department for Education's School Resource Management Advisers (SRMA). Further details are contained in Section 2 of the Annex.

1.1.11 The Housing Revenue Account (HRA) has year-end balances of £3.315m. The HRA shows an underspend of £0.185m against the in-year 2022/23 Budget, together with a £0.061m improvement in the budgeted brought forward balances, which cumulatively brings the HRA to £0.246m better than the budgeted position for 2022/23. Further details are given in Section 3 of the Annex.

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

## 1.2 Recommendations:

It is recommended that Cabinet:

- a) Notes the provisional 2022/23 outturn for the General Fund, Schools Finance and Housing Revenue Account (Annex 1, Sections 1, 2 and 3) together with a financial overview of the year;
- b) Notes the decisions made under the Reserves and Balances Policy (Paragraph 1.5.8, and Appendix A);
- c) Notes the Authority's Investment Plan spend during 2022/23, and the associated capital financing (Annex 1, Section 4);
- d) Approves the permanent allocation of centrally held contingencies (Annex 1, Section 6);
- e) Approves the receipt of £0.649m new revenue grants;
- f) Approves reprogramming of £9.781m within the 2022/23 Investment Plan (Annex 1, Section 4, Paragraph 4.22 and Appendix C);

- g) Approves variations of £1.698m to the Investment Plan (Annex 1, Section 4, Paragraph 4.22);
- h) Notes the Authority's Treasury Management performance (Annex 1, Section 5); and,
- i) Notes the Authority's performance against the Capital and Treasury prudential indicators (Annex 1, Section 5 and Appendix D).

### **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 12 May 2023.

### **1.4 Council plan and policy framework.**

The budget is part of the Authority's Budget and Policy Framework.

### **1.5 Strategic Management of the Authority's Budget**

1.5.1 Whilst statutorily the Authority's Budget and Statement of Accounts must be prepared annually, the pressures and opportunities that the Authority faces often extend across several accounting years. Decisions taken in one year may be felt in subsequent periods. One of the benefits of the Authority's regular Budget monitoring process is that issues can be identified early in the year and action taken to address them. The outcomes of these actions can then inform both Budget-setting and preparation of the Financial Statements. Budget-setting, Budget management and the Financial Statements can therefore be seen as related parts of a continuous process of financial management by the Authority. This part of the report sets out some of the key strategic issues managed by the Authority during 2022/23.

#### **1.5.2 General Fund**

1.5.2.1 The Budget for 2022/23 was approved by full Council at its meeting of 17 February 2022. The net General Fund Budget was set at £163.512m including efficiency savings of £7.257m to be achieved in year.

1.5.2.2 The Budget Monitoring report up to 31 January 2023, considered by Cabinet on 27 March 2023, projected a pressure of £8.086m. Following further work by Cabinet Members and officers, the final outturn position is an overspend of £6.081m, an improvement of £2.005m.

1.5.2.3 Table 1 below shows the budget monitoring variances by Directorate.

1.5.2.4 As set out in the 2023/24 Budget report to Council in February 2023, it is proposed to fund the 2022/23 overspend from the Strategic Reserve, with plans included over the 4-year period of the MTFP to replenish these reserves. When this final transfer is included, the General Fund will breakeven for 2022/23.

1.5.2.5 As part of the statutory reporting regulations there is a requirement to ensure that there is a clear audit trail between the figures reported to Cabinet and those published in the Statement of Accounts. The outturn therefore includes a series of year-end accounting adjustments which, whilst having no impact on the final overall position against the Budget, provide a link from the outturn reported to Cabinet to the published accounts. These adjustments include:

- Adjusting both budget and actual positions for support services. This has no impact on variances;
- Adjusting the service positions for actual (rather than budgeted) capital expenditure items; and,
- Adjusting the service positions for the impact of Private Finance Initiatives (PFI) which has reduced the reported costs of the services by £7.032m and has had the opposite impact on the corporate budget lines.

As in previous years, these accounting adjustments were not included in the previously reported forecasts presented to Cabinet.

1.5.2.6 Table 1 below shows the variance between the outturn to be published in the Statement of Accounts and the Budget and shows the adjustments required to allow comparison of the provisional outturn for Cabinet to the last reported position:

1.5.2.7 Table: 1 2022/23 General Fund Revenue Forecast Outturn as at 31 March 2023

Services	Budget	Actual Outturn	Variance	Accounting Adjustments	Adjusted Variance	Jan Variance	Variance Change since Jan
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care	56.809	57.939	1.130	0.000	1.130	3.792	(2.662)
Children, Young People & Learning	25.753	35.072	9.319	(0.453)	8.866	14.635	(5.769)
Public Health	1.799	3.675	1.876	(1.876)	0.000	0.000	0.000
Commissioning and Asset Management	8.255	21.708	13.453	(8.504)	4.949	5.924	(0.975)
Environment	40.048	35.979	(4.069)	3.871	(0.198)	1.498	(1.696)
Regeneration and Economic Development	11.053	11.719	0.665	(0.416)	0.249	0.193	0.056
Corporate Strategy	1.530	2.357	0.827	(0.320)	0.507	0.524	(0.017)
Chief Executive's Office	(0.069)	(0.158)	(0.089)	0.000	(0.089)	(0.074)	(0.015)
Resources	5.233	6.670	1.437	0.020	1.457	1.656	(0.199)
General Fund Housing	2.144	2.661	0.517	0.000	0.517	0.373	0.144
Central Items	(9.224)	(28.210)	(18.985)	7.678	(11.307)	(13.407)	2.100
Support Services	20.181	20.181	0.000	0.000	0.000	0.000	0.000
Table 2 Offsets	0.000	0.000	0.000	0.000	0.000	(7.028)	7.028
<b>Total Authority</b>	<b>163.512</b>	<b>169.593</b>	<b>6.081</b>	<b>0.000</b>	<b>6.081</b>	<b>8.086</b>	<b>(2.005)</b>

## Main Movements from Previous Reported Forecast Variance (January Report)

1.5.2.8 Comparing the adjusted outturn variance to the previously reported January forecast outturn shows an overall improvement of £2.005m, with two key elements within this movement. Firstly, the previously reported figure of additional central support of £7.028m has been distributed over the various services as shown in Table 2 below. Secondly, there have been operational movements between January and March and explanations for these movements are itemised in Table 2 with additional narrative provided below for the material changes. More detailed explanations of the outturns are contained in Section 1 of the annex to this report.

1.5.2.9 **Table: 2 Summary of movements between January position and March outturn as at 31 March 2023**

Services	Central Funding	Operational Movement	Total Movement
	£m	£m	£m
Adult Social Care	0.000	(2.662)	(2.662)
Children, Young People & Learning	(5.235)	(0.534)	(5.769)
Public Health	0.000	0.000	0.000
Commissioning and Asset Management	(1.000)	0.025	(0.975)
Environment	(1.553)	(0.143)	(1.696)
Regeneration and Economic Development	(0.013)	0.069	0.056
Corporate Strategy	0.000	(0.017)	(0.017)
Chief Executive's Office	0.000	(0.015)	(0.015)
Resources	0.000	(0.199)	(0.199)
General Fund Housing	0.000	0.144	0.144
Central Items	0.773	1.327	2.100
Table 2 Offsets	7.028	0.000	7.028
<b>Total</b>	<b>0.000</b>	<b>(2.005)</b>	<b>(2.005)</b>

### Adult Social Care (ASC)

1.5.2.10 The provisional outturn position for ASC has seen an improvement of £2.662m. The improvement is primarily a result of additional income being received, namely:

- £0.650m additional Integrated Care Board (ICB) income for mental health resettlement, agreed in March 2023;
- £0.400m due to increased focus on the recovery of unspent Direct Payments and Individual Service Funds;
- £0.365m income adjustment for Deferred Payment accounts; and
- £1.120m increased client contributions due to increased focus on income collection, full year effect of minimum funding guarantee changes and the gradual return to business as usual for charging clients following the end of Covid funding.

### Children, Young People and Learning (CYPL)

1.5.2.11 The provisional outturn for CYPL is an improvement of £5.769m since the January report, however £0.534m relates to operational movements. The service continued to see increased pressure in supported accommodation, but this was mitigated with underspends in other areas, namely;

- £0.175m reduction in spend on short break care and associated activities due to lack of suitable provision;
- £0.133m reduction in spend on School Improvement due to reduced staffing and energy forecasts;
- £0.286m reduction in spend on staffing within Early Help & Vulnerable Families team due to the level of vacancies and additional staff leaving the service.

### Environment

1.5.2.12 The provisional outturn position for Environment improved by £1.696m of which £0.143m relates to operational movements from the January. The main changes being an improvement in reduced charges from the Recycling Disposal Contract offsetting some higher than forecast pressures in Fleet and Sport & Leisure.



### Regeneration & Economic Development (R&ED)

- 1.5.2.13 The provisional outturn position for R&ED is a worsening of £0.056m, with an adverse operational movement of £0.069m relating primarily to income pressures to Swans Centre for Innovation (CFI).

### Resources

- 1.5.2.14 The provisional outturn for Resources improved by £0.199m from January as a result of the allocation of the 2022/23 Pension Cap & Collar payment relating to the Equans Partnership partially offset by increased coroners' costs and increased expenditure on locums in Legal Services.

### General Fund Housing

- 1.5.2.15 The provisional outturn position for General Fund Housing worsened by £0.144m from January due to additional expenditure linked to public building repairs, which has seen an overall overspend against budget of £0.597m. This has been offset by a one-off £0.150m contribution from Reserves as agreed during the 2022/23 Budget-setting process.

### Central Items

- 1.5.2.16 The provisional outturn position for Central Items has worsened by £2.100m with £1.327m being attributable to operational movements. The main movements are a £2.269m worsening in contingent rents linked to the Authority's Private Finance Initiative (PFI) schemes offset by £0.942m of improvements from additional new burdens funding, savings from the salary sacrifice schemes and improvements to the bad debt provision.
- 1.5.2.17 Contingent rent is an annual accounting adjustment as required by the CIPFA Code of Practice which allocates a proportion of any inflationary increases to the elements of the Unitary Charge linked to capital financing. It is calculated at year-end as part of the Unitary Charge reconciliation and transfers costs incurred and budgeted for by the relevant service to the Authority's central budget for capital financing expenditure. The level of contingent rent in 2022/23 is driven by the high inflationary environment and increases to the contractual RPI (Retail Price Index) adjustment which is present in each of the Authority's PFI contracts.

### 1.5.3 Delivery of Budget Savings Proposals

- 1.5.3.1 New savings of £4.720m were agreed as part of the Budget approved by full Council in February 2022 taking the total savings the Authority has had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) to £134.268m.
- 1.5.3.2 The governance structure of the Efficiency Savings Programme included a monthly review of progress by the Senior Leadership Team (SLT). In addition, in-year budget and performance progress meetings were held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The variations in relation to the savings are outlined in the paragraphs below and more detail was included in regular reports on this topic to Overview Scrutiny and Policy Development Committee.
- 1.5.3.3 The new savings of £4.720m are combined with £2.537m of brought forward targets that still required a permanent solution from previous years, meaning the overall target to achieve in 2022/23 was £7.257m. These savings are factored into Table 1 above but are shown separately in this section for transparency.

#### 1.5.3.4 Table 3 – Efficiency Savings Programme 2022/23

Service	B/F Balances £m	2022/23 Business Cases £m	2022/23 Target £m	Projected Delivery £m	In Year Actions £m	Yet to be achieved £m
Adults	0.000	0.950	0.950	0.950	0.000	0.000
Children's	2.373	0.850	3.223	0.471	0.393	2.359
Environment	0.000	0.520	0.520	0.520	0.000	0.000
C&AM	0.164	0.582	0.746	0.232	0.218	0.296
Resources	0.000	1.563	1.563	1.563	0.000	0.000
Central	0.000	0.255	0.255	0.255	0.000	0.000
<b>TOTAL</b>	<b>2.537</b>	<b>4.720</b>	<b>7.257</b>	<b>3.991</b>	<b>0.611</b>	<b>2.655</b>

- 1.5.3.5 Adult Services achieved the full £0.950m target. Within the Children, Young People and Learning (CYPL) pressure of £8.866m reported earlier, £2.359m relates to the non-achievement of savings targets. In the previous financial year these savings have been significantly impacted by Covid-19 and as such, achievement has been supported by Central Government Covid-19 grants. With these grants no longer available in

2022/23 and on-going demand-led pressures already impacting the service, these CYPL savings remained unachieved in 2022/23.

- 1.5.3.6 Within Commissioning & Asset Management, £0.400m of cross-cutting 2022/23 savings are held, of which £0.100m relating to Energy Management and £0.032m relating to Supply Chain have not been achieved in-year. A further £0.168m of savings related to school catering has also not been achieved in-year. The unachieved savings are included in the forecast pressure in Table 1.
- 1.5.3.7 All savings in the other service areas are achieved.

#### **1.5.4 Schools Finance**

- 1.5.4.1 Schools have concluded their 2022/23 accounts closure in line with the Local Scheme for Financing Schools and the Authority's revised year-end timetable. Collective school balances in North Tyneside maintained schools decreased from a surplus of £3.398m at the start of the year to a closing deficit of £0.382m. This position is significantly better, by £5.151m, than the forecast at the start of the year when the outturn was expected to be an overall deficit of £5.533m. The most recent monitoring performed with schools during the year and completed in Spring 2023 showed an overall forecast deficit balance of £4.419m.
- 1.5.4.2 Cabinet will be aware that under legislation, schools retain a high degree of autonomy when setting budgets unless they are in a deficit position. Therefore, whilst the Authority can advise schools on the adequacy of balances, it cannot intervene. Schools have been reminded of the need to forecast as accurately as possible so that decisions are taken in the light of accurate budget projections.
- 1.5.4.3 Cabinet will recall from the previous finance updates that some individual schools expected to face significant financial challenges. During the year, the Authority and Schools Forum paid particular attention to those schools with approved deficits. For 2022/23 and in a change to the usual deficit challenge process the Education and Skills Funding Agency (ESFA) offered support to schools in the form of School Resource Management Advisors (SRMAs). For the four schools new to deficit, along with Beacon Hill and Monkseaton High School, the SRMAs worked through the schools' finances and management structures and provided feedback sessions to those schools with an overall report for both the Authority and each individual school.

1.5.4.4 Maintained schools are expected to submit their 2023/24 3 year budget plans to the Authority no later than 31 May. Building on the work that has been undertaken in 2022/23 with the SRMAs the Authority will continue to work with those schools facing financial difficulty to ensure that they have robust recover plans in place for improvement. This will continue to be monitored closely and regular updates will be given to both Cabinet and Schools Forum during 2023/24.

### **1.5.5 Housing Revenue Account**

1.5.5.1 The provisional Outturn position for the HRA is materially unchanged from that reported to Cabinet in January 2023, with an in-year betterment against budget of £0.185m, down from £0.187m. When added to the brought forward balances improvement of £0.061m, results in an overall underspend against budget of £0.246m compared to £0.248m in January 2023. The overall position masks some significant additional pressures relating to repairs costs, pay awards and utility costs across Sheltered schemes, which were compensated for in-year by improvements in rent and service charge income, reduced call on Bad Debt Provision and savings in vacancies and pension strain on the fund costs.

### **1.5.6 Investment Plan**

1.5.6.1 During 2022/23 the Authority has invested £77.442m in improving assets within the Borough as part of the continued delivery of the approved Investment Plan.

1.5.6.2 The Outturn has resulted in proposed re-profiling to future years of £9.781m, reflecting the latest delivery programmes on a number of committed schemes, along with variations of a further £1.698m, primarily through the anticipated receipt of additional external resources.

1.5.6.3 Financing the 2022/23 Investment Plan has required Authority borrowing of £10.793m (14% of the overall capital investment) which will result in charges to the revenue budget in future years relating to making Minimum Revenue Provision and external interest payments.

### **1.5.7 Treasury Management**

1.5.7.1 There has been an increase in the level of actual external borrowing (excluding PFI) from £397.443m at 31 March 2022 to £427,443 at 31 March 2023. The level of internal funding remains high at £68.532m at 31 March 2023 (£102.013m at 31 March 2022), in line with the Authority's Treasury

Management Strategy as this subsequently avoids external interest charges wherever possible.

- 1.5.7.2 As at 31 March 2023 the Authority had Treasury investments of £39.531m. During 2022/23, £0.891m was generated through interest earned on investments, of which £0.286m relates to income earned on HRA balances. The Authority invests in line with Chartered Institute of Public Finance Accountancy (CIPFA) guidance, maintaining a low-risk approach to investments.

### **1.5.8 Reserves and Outlook**

- 1.5.8.1 It has been highlighted previously by the Chief Finance Officer that, whilst the Authority has a sustainable financial outlook, it has a relatively low level of reserves. The level of uncertainty for funding Local Government Finance beyond 2022/23 alongside the uncertain short-term implications of national and global issues is of concern when considering the financial sustainability of the Authority, particularly when taken in the context of funding reductions the Authority has managed since 2007/08.
- 1.5.8.2 Another area of significant risk is around inflation and the impact that will have on key expenditure around utilities and waste disposal, as well as the impact it will have on the supply chain and costs of materials for Capital projects, HRA projects and general goods and services within revenue. The Consumer Price Index (CPI) rate in April 2022 was 9%, by March 2023 this had risen to 10.1%. Whilst CPI has fallen back to 8.7% (for the 12 months to April 2023), current forecasts are for high inflation rates to continue into at least the early periods of 2023/24.
- 1.5.8.3 The ringfenced Dedicated Schools Grant (DSG) is received from the Government and administered by the Authority and is the main source of income for the schools budget. The DSG first fell into deficit during 2017/18 and it is an important element of the financial management of the Authority that the DSG is not in a deficit position. As a result, there has been action to address the deficit working collaboratively with Schools Forum, especially to address the increasing numbers of children with special needs entering the education system.
- 1.5.8.4 As previously reported to Cabinet, these deficits have come under increasing scrutiny from the Department for Education (DfE) and in July 2022, the Authority was invited to take part in the Safety Valve Intervention Programme.

- 1.5.8.5 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, 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.
- 1.5.8.6 To support the implementation of the DSG Management Plan, the Authority also submitted a capital build proposal. The Authority has been notified that it will receive £4.600m in June 2023, to support its capital investment programme. The Authority is required to submit a report three times per year, describing the progress that the Authority has made on delivery of the DGS Management Plan
- 1.5.8.7 Many of the current key risks that will impact on future HRA Business Planning, are unchanged from last year, most of which are linked to the current economic climate and high rates of inflation. At the year end, inflation continued to trend around 10%, although indications are that it may start to fall through the year. The rate by which inflation reduces by September will influence next year's rent increase, as they will be based on the September 2023 CPI rate of inflation. This may again lead to Government intervention to cap the size of the rent increase, which Cabinet will recall was capped at 7% for this year.
- 1.5.8.8 The HRA also faces inflationary pressures on the cost of the goods and materials needed to maintain the housing stock, and to meet Cabinet's aspirations to build new homes. HRA planning will consider the affordability of budgets in light of these inflationary pressures and expected rental income.
- 1.5.8.9 The potential impact of the 'cost of living' crisis on our most vulnerable tenants continues to be monitored closely to assess what the full impact of this will be on the rate of increase in the levels of arrears, which have doubled since 2015.
- 1.5.8.10 One other key factor in terms of HRA Business Planning is the number of homes that are managed and the impact of Right to Buy (RTB). Cabinet will know that Government significantly increased the discount rates

attached to RTB back in 2012 to incentivise more sales, but this appeared to have steadied at between 100–120 sales per annum over the last three years. 2021/22 saw the largest number of sales since the changes were introduced at 167, however, 2022/23 saw a return to the previous trend albeit at the upper end at 120 sales. These trends continue to be monitored to assess the potential impact on the resource base and further pressure on our ability to tackle tenant waiting lists. This makes it more important to add to the stock, but as set out above in a much more difficult cost environment.

1.5.8.11 When self-financing was introduced in 2012 the Government effectively fixed the amount of capital receipts that had to be handed over, based on the previous pooling arrangements (75:25 or £1.873m to Government per annum). Around the same time the Government changed the rules on RTB and significantly increased the maximum discounts that could be applied, which led to a surge in RTB sales. The authority signed an agreement back in 2013 with Government that allowed it to keep any surplus receipts above the pooled assumptions, as long as these were used to fund new build within 3 years and funding no more than 30% of the build cost, these rules have subsequently been amended to 5 years and 40%. The Government has just announced that if the authority signs a revised agreement, then for 2022/23 and 2023/24 it can keep the "pooled" amount of £1.873m per annum, as long as we meet the same criteria as for existing "retained" receipts (use within 5 years at a 40% rate to fund new build). The Authority has expressed its intention to sign this agreement and ensure that the additional resources are utilised locally to support Cabinet's Affordable Homes ambitions.

1.5.8.12 Inflation and interest rate risk remain a key component of the capital investment plan and treasury management. The May 2023 Bank of England Monetary Policy Committee (MPC) report projection anticipate inflation has possibly peaked with the expectation of inflation likely to fall sharply from Q2 of 2023. The May MPC report forecasts Bank of England base rate to peak at 4.75% in Q4 of 2023, before falling to 3.5% by 2026. The high inflation and interest environment continues to impact on the capital investment plan from the perspective of increasing costs in goods supply and labour costs. As well as maintaining pressure on interest rates which have a bearing on the cost of borrowing for the Authority going forward.

- 1.5.8.13 Appendix A sets out in detail the movement on Reserves and Balances and despite some increases, the general level of Reserves available to support the Authority's Budget remains relatively low.
- 1.5.8.14 The Strategic Reserve (£6.345m) represents 1.73% of the General Fund 2022/23 gross Budget and 3.88% of the 2022/23 net Budget, with the General Fund balances (£7.000m) added, these represent 3.65% of the 2022/23 gross Budget and 8.16% of the 2022/23 net General Fund Budget. There is no prescribed level of reserves advice by finance bodies with the level being considered in light of risks the Authority faces not just in the current year but looking ahead.
- 1.5.8.15 In recognition of the required use of the Strategic Reserve to balance the 2022/23 financial year, the MTFP includes the planned replenishment of the Strategic Reserve by £9m over the next 4 years.
- 1.5.8.16 The other general fund earmarked reserves total £44.602m, which is a decrease of £15.449m from the 2020/23 position of £60.051m. Of this decrease £9.322m relates to Covid-19 grants where balances held have either been spent as planned or returned to Central Government in line with grant conditions.
- 1.5.8.17 The net movement in HRA reserves and balances is an increase of £2.845m. The HRA reserves have increased by £2.845m to £24.147m in 2022/23 and the HRA balances have remained at a total of £3.501m. Within the HRA reserve total, £21.661m relates to PFI reserves.
- 1.5.8.18 School Balances show a decrease of £3.780m, as set out in section 2 of the Annex to this report, to leave a closing deficit of £0.382m. As at 31 March 2023, the DSG account is showing a net deficit balance of £8.340m. This compares to a deficit balance of £12.851m in 2021/22. The Authority will address the deficit position via the DSG Management Plan as described in 1.5.8.3.
- 1.5.8.19 Cabinet will recall a report titled 'Strategic Partnership Update' was agreed on 23 January 2023. This report agreed to delegate authority to the Director of Resources in consultation with the Cabinet Member for Finance and Resources and the Director of Commissioning and Asset Management to finalise commercial arrangements for the remaining Equans employees within Finance, Human Resources and ICT to return to the control of the Authority. The services wholly return to the Authority on 1 May 2023. Part of the commercial arrangements related to a Termination Fee payable by the Authority. The fee was agreed to be



£3,559,677 and will be payable in 2023/24. This will be funded using part of the earmarked reserve that was created from the minimum revenue provision surplus at the end of 2021/22.

- 1.5.8.20 Continuing risks for 2023/24 include the impact of inflation across a number of areas of expenditure for the Authority. The 2023/24 pay award is expected to be higher than the average of 5.6% seen in 2022/23 and, despite being covered for 2023/24, only 2% per annum is set aside for future years.
- 1.5.8.21 For 2023/24, current projections are that around £3.8m will be needed from contingencies set aside in the 2023–2027 Medium Term Financial Plan (MTFP) for increases in energy costs for Electricity and Gas, what the future direction of travel for this element of expenditure will need to be closely monitored in 2023/24.
- 1.5.8.22 Services such as Catering will be impacted by increases in food prices and energy costs. Due to the increase in fuel costs, transport budgets will need to be closely monitored and home to school transport contracts will need to be negotiated. The cost of waste disposal is also set to increase and new government requirements in relation to food waste will also have to be planned for which has the potential to increase the current contract costs. These risks specifically referred to form part of seventeen workstreams that Finance will support the wider Authority in completing, to help resolve existing pressures, mitigate emerging pressures and identify opportunities for efficiencies. These workstreams will feed into the 2024–2028 MTFP.

**1.5.9 New Revenue Grants:** The following revenue grants have been received during February and March 2023:

Service	Grant Provider	Grant	Purpose	2022/23 value £m
Childrens, Young People and Learning	Northumbria Police & Crime Commissioner	Violence Reduction Unit Funded Interventions DIVERT	To deliver remote and socially distanced interventions to reduce the risk of vulnerability and violence in communities.	0.020

Service	Grant Provider	Grant	Purpose	2022/23 value £m
Environment	BEIS – Heat Network Delivery Unit	Killingworth Heat Network Detailed Project Development Study	Funding for the Killingworth Heat Network Detailed Project Development Study	0.134
Environment	DEFRA	Biodiversity Net Gain Grant	To further support local planning authorities in their preparations for the introduction of mandatory BNG. Any further funding for this purpose, beyond this period, would be confirmed in due course.	0.027
Public Health	Northumbria Police & Crime Commissioner	Seasonal Violence Funding	To deliver interventions to reduce the risk of seasonal violence in communities.	0.020
Public Health	The Minister of State for the Department of Environment	Air Quality New Burdens Grant	To provide support to local authorities by contributing to reductions in air pollutant emissions and/or concentrations in areas throughout England.	0.012
Public Health	Geoplace	Public Sector Geospatial Agreement (PSGA) payments 2022/23	Funding to focus on a number of data improvement criteria put forward from PSGA users via the Geospatial Commission.	0.005
General Fund Housing	Department for Levelling Up, Housing and Communities	Homelessness LA/North Tyneside Council	Support to deliver services to prevent and tackle homelessness.	0.404

Service	Grant Provider	Grant	Purpose	2022/23 value £m
General Fund Housing	Department for Levelling Up, Housing and Communities	Rough Sleeping LA Grant/North Tyneside Council	Funding to support those sleeping rough or at risk of rough sleeping.	0.012
Regeneration and Economic Development	North East Combined Authority	LEVI Capability Grant	Local Electric Vehicle Infrastructure funding to plan and deliver charge point infrastructure.	0.015
<b>Total</b>				<b>0.649</b>

## 1.6 Decision options:

### Option 1

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

### Option 2

Cabinet can disagree with all or some of the individual recommendations set out in section 1.2 of the report.

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

It is recommended that Cabinet agree the proposals set out in section 1.2 of this report as it forms part of the 2022/23 Final Accounts process.

Reprogramming of the Investment Plan will ensure successful delivery of projects included within the Investment Plan.

## 1.8 Appendices:

Annex 1	2022/23 Provisional Finance Outturn Report
Appendix A	Reserves & Balances
Appendix B	Investment Plan Financing Summary
Appendix C	Investment Plan Summary of Variations
Appendix D	Prudential & Treasury Indicators
Appendix E	Investment Programme Board – End of year report 2022/23

## 1.9 Contact officers:

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

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

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

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

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

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

#### **1.10 Background information:**

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 2022/23 (P).

[https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202022\\_23.pdf](https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202022_23.pdf)

(b) Approved Investment Plan 2022-27 (P).

<https://democracy.northtyneside.gov.uk/documents/s7914/Appendix%20D%20iv%20-%202022-2027%20Capital%20Investment%20Strategy.pdf>

(c) Council Reserves and Balances Policy (P) – Appendix G

<https://democracy.northtyneside.gov.uk/documents/s7671/Appendix%20G%20-%202022-23%20Reserves%20and%20Balances%20Policy.pdf>

(d) Investment Programme Board – End of year report 2022/23 – Appendix E

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

As this is a financial report, implications are covered in the body of the report and Annex 1.

## **2.2 Legal**

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 Senior Leadership Team and Senior Finance Officers. This report will also be presented to the Authority's Overview & Scrutiny Co-ordination & Finance Committee at its meeting on 17 July 2023.

### **2.3.2 Community engagement**

The 2022/23 budget was agreed after widespread consultation in line with the Authority's approved Budget Engagement Strategy. Appendix F of the 2022/23 Financial Planning and Budget Process report to full Council on 17 February 2022 provides details of the consultation.

## **2.4 Human rights**

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

## **2.5 Equalities and diversity**

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

## **2.6 Risk management**

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**

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

## 2.8 Environment and sustainability

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

# 2022/23 Provisional Finance Outturn Report Annex

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## SECTION 1 – SERVICE COMMENTARIES

1.1 Meetings have been held between finance officers and budget managers to review the provisional outturn position for 2022/23, this was prepared on a prudent basis to give sight of the overall challenges at this stage in the financial year. In addition, challenge sessions were held to review the quarterly financial position and service performance with the Elected Mayor, the Deputy Mayor, the Cabinet Member for Finance and Resources, and other relevant Cabinet Members. Service Directors and their senior teams also attend these challenge sessions to discuss plans in progress to mitigate any pressures.

### **1.2 Adults Services**

1.2.1 Adults Services is reporting an outturn position of £1.130m overspent against its £56.809m net controllable expenditure budget.

1.2.2 Adults Services continues to have residual impact from the aftereffects of the Covid-19 pandemic and has put in place a range of responses to support existing clients and other residents directly affected. Support includes new packages required to be put in place on discharge from hospital as well as those to prevent hospital admission. This has been supported by additional Adult Social Care Discharge funding distributed via the Integrated Care Board (ICB).

1.2.3 Adults Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. Work is ongoing to support social care providers to maintain their vital services. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage increases but also from the 'cost-of-living' pressures currently being experienced across the country. The 2022/23 provider fee included an additional in-year temporary uplift agreed with providers of £0.280m (additional 1.2%). 2023/24 inflationary pressures continue to increase with fee uplifts ranging from 9.8%-12.5%.

1.2.4 **Table 1: Provisional Outturn Position for Adults Services as at 31 March 2023**

	Budget	Provisional Outturn March	Variance March	Variance Jan	Change since Jan
	£m	£m	£m	£m	£m
Central, Strategy and Transformation	1.127	1.095	(0.032)	(0.136)	0.104
Social Work and Associated Activity	7.820	7.377	(0.443)	(0.395)	(0.048)
Integrated Services	2.667	1.143	(1.524)	(1.441)	(0.083)
Business Assurance	0.316	0.326	0.010	0.020	(0.010)
<b>Sub-total Operations</b>	<b>11.930</b>	<b>9.941</b>	<b>(1.989)</b>	<b>(1.952)</b>	<b>(0.037)</b>
Commissioned Services – Wellbeing and Assessment	13.047	14.552	1.505	2.919	(1.414)
Commissioned Services – Learning Disability	26.885	28.052	1.167	1.374	(0.207)
Commissioned Services – Mental Health	3.607	4.582	0.975	1.979	(1.004)
Commissioned Services – Other	1.340	0.812	(0.528)	(0.528)	0.000
<b>Sub-total – Commissioned Services</b>	<b>44.879</b>	<b>47.998</b>	<b>3.119</b>	<b>5.744</b>	<b>(2.625)</b>
<b>Total Adult Services</b>	<b>56.809</b>	<b>57.939</b>	<b>1.130</b>	<b>3.792</b>	<b>(2.662)</b>

**Main budget pressures across Adults Services**

1.2.5 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.

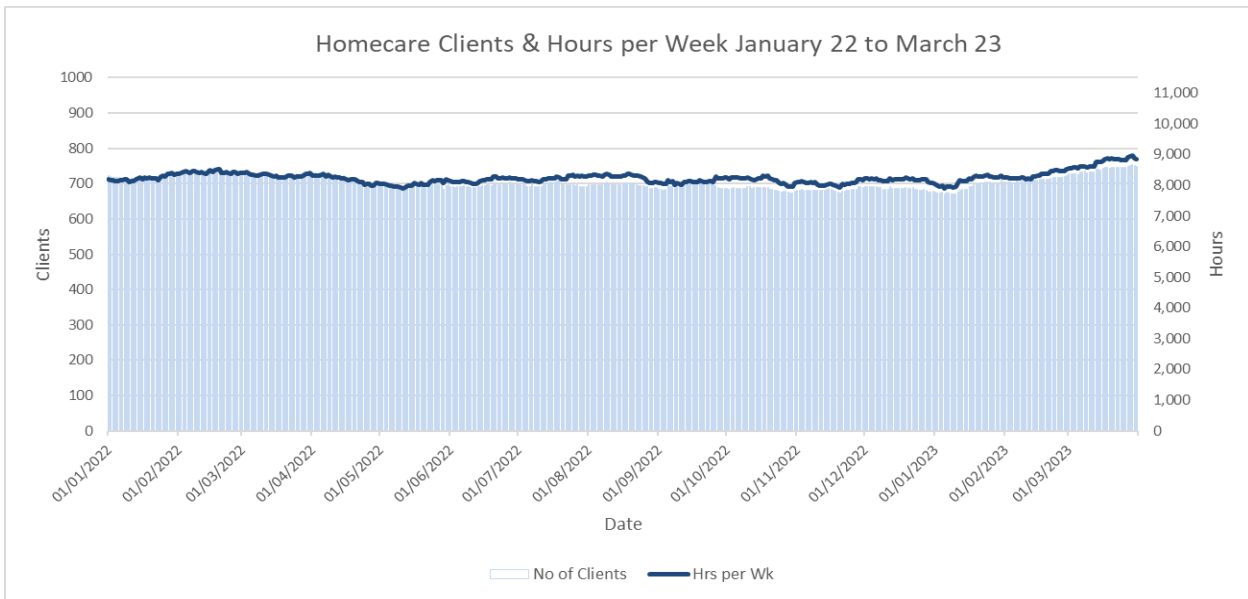
1.2.6 The operational costs of the service are reporting an underspend of £1.989m. This position represents a slight improvement of £0.037m from the previously reported position and continues to reflect a large number

of vacant posts because of the ongoing difficulty in recruitment and retention of staff. The in-house home care service has been effectively utilised in response to winter and hospital discharge pressures. This has been supported by additional Adult Social Care Discharge funding distributed via the Integrated Care Board (ICB) and there are proposals for this to continue in 2023/24.

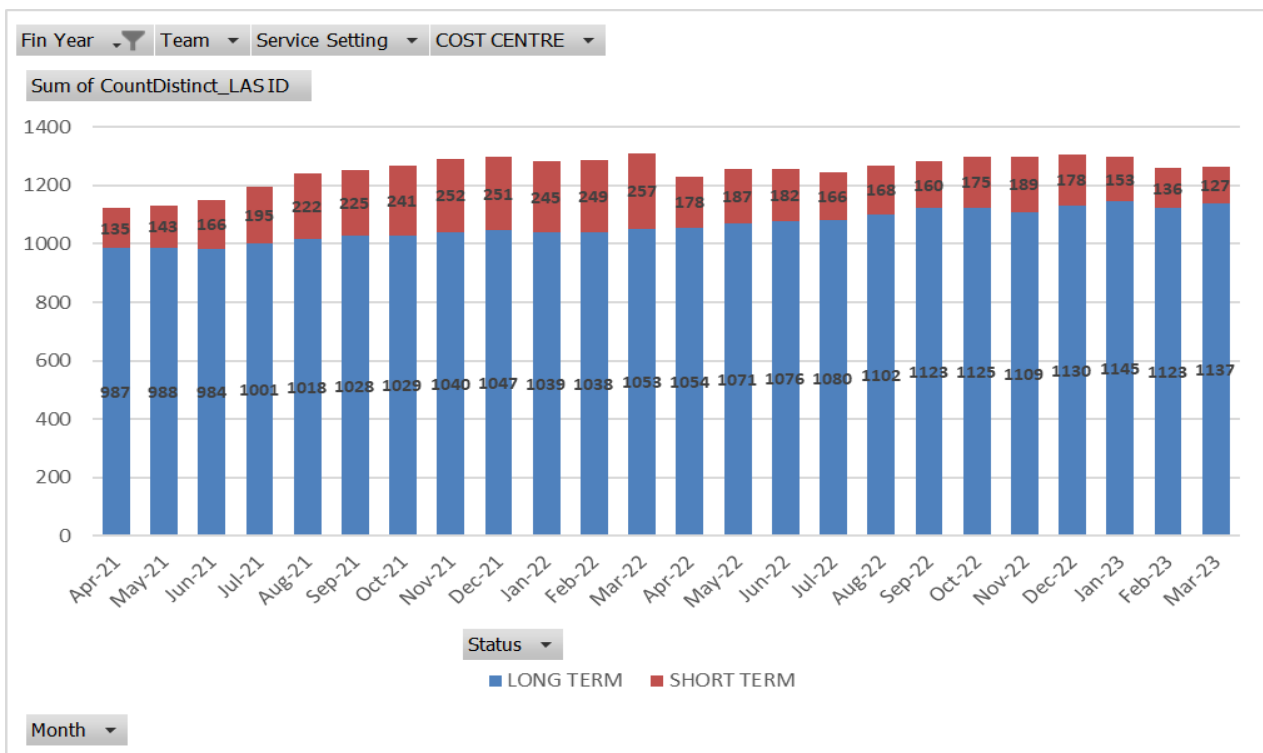
- 1.2.7 Commissioned Services are reporting an over spend of £3.119m, a decrease of £2.625m on the previous reported pressure. This pressure still reflects the ongoing legacy of Covid-19 as well as significant levels of inflationary pressures being experienced by external providers. However this has been helped by increased income from client contributions and deferred charges (£1.484m) as the full year effect of the amendment to the minimum income guarantee is seen and the return to business as usual in terms of charging and income recovery following the end of Covid-19 funding.
- 1.2.8 There has also been investment in the Adult Social Care Finance Team to improve the income & debt collection processes which is now starting to impact positively on income levels. The reclaim of balances from Independent Living fund's (ILF) was prioritised resulting in an increase in reclaims of £0.400m.
- 1.2.9 While there continues to be pressure around funding from the NHS for clients with shared care and to support mental health infrastructure, additional income in relation to clients resettled from long stay NHS hospitals was received (£0.640m) in 22/23. The Authority continues to work closely with the ICB to ensure funding contributions for clients with these health needs continue on an equitable basis.
- 1.2.10 Whilst the pressure within Adult Services continues, there has been on-going work around maximising resources and reducing costs. 2022/23 savings targets were achieved with additional Extra Care placements being utilised and reablement flats helping with the transition from hospital, allowing more clients to receive community-based care. These initiatives have worked extremely well across the winter to help maintain hospital flow and prevent delayed discharges and have helped reduced reliance on short term residential care placements whilst partially mitigating capacity issues within the home care market. However,

reliance on residential care to meet the needs of a higher number of clients with increasingly complexity, particularly within our older residents, continues to contribute to the pressures seen within Wellbeing and Assessment and Mental Health. The trends within demand for services can be seen in the two charts below.

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



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



### 1.3 Children's Services

1.3.1 Children's Services is reporting a provisional outturn position of £8.866m overspent against its £25.753m net controllable expenditure budget. This position now includes the contingency budget £3.116m, previously set aside in Central Items for pressures in Children's Services.

#### 1.3.2 **Table 2: Forecast Variation for Children's Services as at 31 January 2023**

	Budget £m	Provisional Outturn March £m	Variance March £m	Variance Jan £m	Change since Jan £m
Corporate Parenting & Placements	19.801	27.326	7.525	12.343	(4.818)
RHELAC Service	0.014	(0.027)	(0.041)	0.000	(0.041)
Child Protection, Independent Assurance and Review	0.620	0.628	0.008	(0.001)	0.009
Early Help & Vulnerable Families	1.905	1.339	(0.566)	(0.206)	(0.360)
Employment & Skills	0.686	0.576	(0.110)	(0.011)	(0.099)
Integrated Disability & Additional Needs Service	2.411	4.809	2.398	2.577	(0.179)
School Improvement	0.484	0.136	(0.348)	(0.067)	(0.281)
Regional Adoption Agency	(0.168)	(0.168)	0.000	0.000	0.000
<b>Total Children's Services</b>	<b>25.753</b>	<b>34.619</b>	<b>8.866</b>	<b>14.635</b>	<b>(5.769)</b>
Contingency Budget	0.000	0.000	0.000	(3.116)	3.116
<b>Total Children's Services after contingency budget applied</b>	<b>25.753</b>	<b>34.619</b>	<b>8.866</b>	<b>11.519</b>	<b>(2.653)</b>

#### Main budget pressures across Children's Services

1.3.3 Within Children's Services there is a continuing high level of activity resulting from a combination of Covid related and household finance pressures impacting on family stability. Work has been ongoing for several months to rebase the Children's Services 2023/24 budget, based on a "core" number of children in need, the staffing structure and placement mix to support those children. This exercise will help to allocate the additional 2023/24 social care budget, identified in the Local

Government Finance Settlement and address this key area of financial pressure.

- 1.3.4 Children's Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. The £8.866m forecast pressure relates mainly to pressures meeting increasing need of £7.525m in Corporate Parenting and Placements and £2.398m in Integrated Disability and Additional Needs.
- 1.3.5 Some of the pressures were foreseen by Cabinet and backed by £3.116m of centrally held contingencies. Other central allocations, Covid-19 funding, central reserves and energy funding have been allocated at year-end, totalling £2.135m. The on-going impact of rising need impacted by Covid-19 and the 'cost-of-living crisis' has led to additional challenges in delivering savings targets and there are £2.359m of savings targets yet to be delivered. As part of the final 2023/24 budget allocation these efficiency targets will be reviewed.
- 1.3.6 The main factor behind the overall forecast position is still the significant pressure within Corporate Parenting and Placements in relation to care provision for children in care and care leavers. There is also a pressure relating to services for children with additional needs. In addition to care provision pressures, there are also on-going pressures in the workforce arising from staff retention and recruitment costs and a pressure resulting from savings targets not yet achieved.
- 1.3.7 The reduction in the overall pressure since the January position, that relates to operational movement is £0.522m. This is a result of a reduction in short break care and associated activities (£0.175m) which is due to a lack of suitable provision. There is a reduction in spend on School Improvement (£0.133m) due to reduced staffing and energy forecasts and a reduction in spend on staffing within Early Help & Vulnerable Families (£0.286m) due to the level of vacancies and additional staff leaving the service.
- 1.3.8 Table 3 below shows the Children's Services position split between operational and commissioning pressures. This further illustrates the pressure the service is facing with the increased need for externally

commissioned services, reflecting the services on-going work to bring more capacity to in-house provision.

### 1.3.9 Table 3: Forecast Variation for Children’s Services Split between Operational & Commissioned Care Costs

	Budget £m	Provisional Outturn March £m	Variance March £m	Variance Jan £m	Change since Jan £m
Externally Commissioned Services	5.066	9.850	4.784	7.607	(2.823)
In-house Service Provision	9.842	12.914	3.072	3.291	(0.219)
Staffing & Operations	11.013	12.023	1.010	3.737	(2.727)
Regional Adoption Agency	(0.168)	(0.168)	0.000	0.000	0.000
<b>Total Children’s Services</b>	<b>25.753</b>	<b>34.619</b>	<b>8.866</b>	<b>14.635</b>	<b>(5.769)</b>
Contingency Budget	0.000	0.000	0.000	(3.116)	3.116
<b>Total Children’s Services after contingency budget applied</b>	<b>25.753</b>	<b>34.619</b>	<b>8.866</b>	<b>11.519</b>	<b>(2.653)</b>

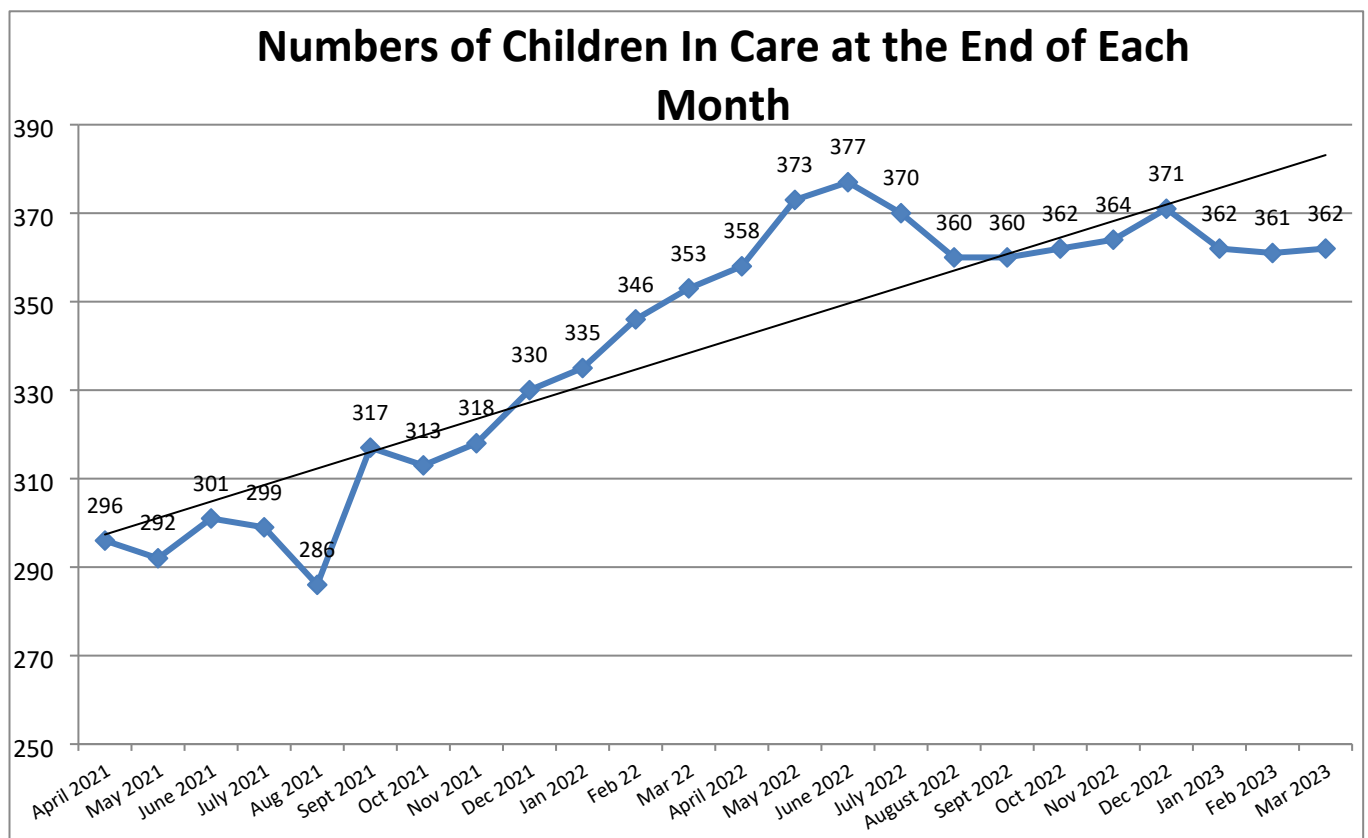
1.3.10 The current Children’s Services system was resourced to meet the statutory needs of approximately 1,400 children in need. However, the service has recently been dealing with more than 1,700 children who reach the threshold for support. This level of activity is leading to a requirement for additional staff and contributes to significant pressure on budgets. The Authority has started to see a slight reduction in the numbers of children being supported and the new model for 2023/24 looks to establish a system of care for a “core” of 1,600 children, which it is felt is a more realistic model.

1.3.11 The intensity and complexity of packages required to support children is increasing, as well as the increased inflationary and market pressures from the external residential care market.

1.3.12 In March 2023, the children in care numbers have remained constant at 362, from a peak of 377. Numbers are still significantly above the levels seen in previous financial years and slightly above the “core” number of 330 that the 2023/24 budget will be set-up to support. The increase in need is largely due to the impact of additional stress on family relationships. The continued aftereffects of Covid-19 has led to increases in parental mental health issues and domestic abuse, which is exacerbated when combined with financial stressors caused by the ‘cost-of-living’ crisis.

1.3.13 Current numbers include 26 unaccompanied asylum-seeking children (UASC), which the Authority is mandated to take. The net cost to the Authority for the placements and allowances, after applying the UASC grant funding, is a pressure of £0.268m. This does not include the cost of staff time to support these children.

1.3.14 Chart 3: Children in Care at the End of Each Month





## Corporate Parenting and Placements

### 1.3.15 Table 4: Analysis of Pressures in Corporate Parenting and Placements

Type of Service	Budget £m	Provisional Outturn March £m	Variance March £m	Variance Jan £m	Change since Jan £m
Care provision – children in care	10.798	16.476	5.678	8.376	(2.698)
Care provision – other children	4.027	4.606	0.579	0.685	(0.106)
Management & Legal Fees	0.159	0.531	0.372	1.782	(1.410)
Social Work	4.768	5.659	0.891	1.495	(0.604)
Safeguarding Operations	0.049	0.054	0.005	0.005	0.000
<b>Total</b>	<b>19.801</b>	<b>27.326</b>	<b>7.525</b>	<b>12.343</b>	<b>(4.818)</b>

1.3.16 The overspend is based on the children in care at the end of March 2023, the significant improvement since January is due to the allocation of the contingency budget (£3.116m) and other funding previously held centrally.

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

### 1.3.18 Table 5: Forecast cost, forecast variance, average placement cost and placement mix

Placement Type	2022/23 March Variance £m	Average Annual Placement cost £m	Place- ment Mix	No. of children Mar 22
External Residential Care	0.834	0.265	7.5%	27
External Fostering	0.392	0.042	6.4%	23
In-House Fostering Service	1.007	0.027	56.9%	206
External Supported Accommodation	1.887	0.107	12.1%	44
In-House Residential Care	1.557	0.206	5.8%	21
Other*	0.000	-	11.3%	41
<b>Total</b>	<b>5.677</b>		<b>100%</b>	<b>362</b>

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

### **Care Provision – Children in Care**

- 1.3.19 There continues to be an increasing trend nationally in need for children's residential placements. The trend in North Tyneside is that the overall number of children in care has mirrored the increases being felt nationally. Unit costs for external residential care have also increased significantly. Children's Services have developed a small number of in-house services for children with very complex needs as a way of mitigating against high costs for external provision.
- 1.3.20 Cabinet will recall the review and refresh of the Fostering Strategy, which was approved in November, this allowed allowances to follow national uplifts and keep the Authority competitive in the local market. An increased pressure of £0.124m within in-house fostering reflects the increase to allowances however the longer-term aim is to increase the number of foster carers to allow less reliance on other types of care provision.

### **Care Provision – Children not in care**

- 1.3.21 The overspend of £0.579m relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority's policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. SGO's are also impacted by the agreed increases to foster care allowances.

### **Management and Legal Fees**

- 1.3.22 This area has a provisional overspend of £0.372m. The position improved within this area due to the allocation of the contingency budget against unachieved savings targets of £1.468m.
- 1.3.23 A managed team of social workers, which was introduced in response to the high numbers of children being supported within the borough, was extended until just after the end of the financial year. This arrangement has now ended.

## Social Work

- 1.3.24 Within the overall overspend of £7.525m for Corporate Parenting and Placements, there are social work-related pressures of £0.891m. There is an additional team in place of six posts costing circa £0.265m and the '14 Plus Team' adds a further £0.243m to the pressure. The Social Worker regrading exercise contributes £0.191m to the position. Cabinet is aware of the challenges faced across the children's social care sector nationally. There are also a number of vacant posts which are currently being offset by agency staff.

## Other Service Areas

- 1.3.25 Integrated Disability & Additional Needs Service (IDANS) is forecasting a pressure of £2.398m, net of an over achievement of £0.370m Children's Health Income. Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs). Within North Tyneside, the number of children with an EHCP has risen from 1,102 in January 2018 to 2,133 in January 2023.
- 1.3.26 Within IDANS, the main pressures relate to operational staffing costs within in-house residential services and in Educational Psychology relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs.
- 1.3.27 The IDANS service is continuing to carefully review planned provision to identify any areas of spend which can be reduced without adverse impacts on the children and families receiving support. At the end of the financial year there was a reduction in the projected pressure due to a reduction in short break care and associated activities (£0.175m) which was due to a lack of suitable provision.
- 1.3.28 The School Improvement Service saw a further reduction in projected spend and the provisional outturn position is reported as an underspend (£0.348m). This was due to an increase in SLA income and a reduction in staffing costs which both contributed to the improved position.
- 1.3.29 Early Help also saw an increase in vacant posts and staff leaving the service which resulted in an increased underspend of £0.566m.

## 1.4 Public Health

1.4.1 Public Health is forecasted to outturn on budget, which is the same as the last Cabinet report in January.

### 1.4.2 Table 6: Public Health Forecast Variation

Service Areas	Budget £m	Outturn Mar £m	Variance Mar £m	Variance Jan £m	Change since Jan £m
0-19 Children's Public Health Service	0.273	0.273	0.000	0.000	0.000
Public Health Ring Fenced Grant	(0.032)	(0.032)	0.000	0.000	0.000
Public Protection	1.111	1.111	0.000	0.000	0.000
Community Safety & Resilience	0.447	0.447	0.000	0.000	0.000
Obsolete Codes – Public Health	0.000	0.000	0.000	0.000	0.000
<b>GRAND TOTAL</b>	<b>1.799</b>	<b>1.799</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

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

1.4.3 0-19 Children's Public Health Services are funded by the Public Health Ring-Fenced Grant and any balances are carried forward and have no impact on the General Fund.

## 1.5 Commissioning and Asset Management

1.5.1 Commissioning & Asset Management (C&AM) is reporting an outturn overspend of £4.949m compared to a forecast pressure of £5.924m in the January Cabinet report.

1.5.2 Table 7: Commissioning and Asset Management (C&AM) Forecast Variation

Service Areas	Budget £m	Outturn Mar £m	Variance Mar £m	Variance Jan £m	Change since Jan £m
School Funding & Statutory Staff Costs	5.561	5.404	(0.157)	(0.141)	(0.016)
Commissioning Service	0.493	0.452	(0.041)	(0.016)	(0.025)
Facilities & Fair Access	0.913	5.942	5.029	5.663	(0.634)
Strategic Property & Investment	1.096	1.178	0.082	0.289	(0.207)
High Needs Special Educational Needs	0.000	0.000	0.000	0.000	0.000
Property	(0.231)	(0.231)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.313	0.310	(0.003)	0.003	(0.006)
Procurement	0.110	0.149	0.039	0.126	(0.087)
<b>GRAND TOTAL</b>	<b>8.255</b>	<b>13.204</b>	<b>4.949</b>	<b>5.924</b>	<b>(0.975)</b>

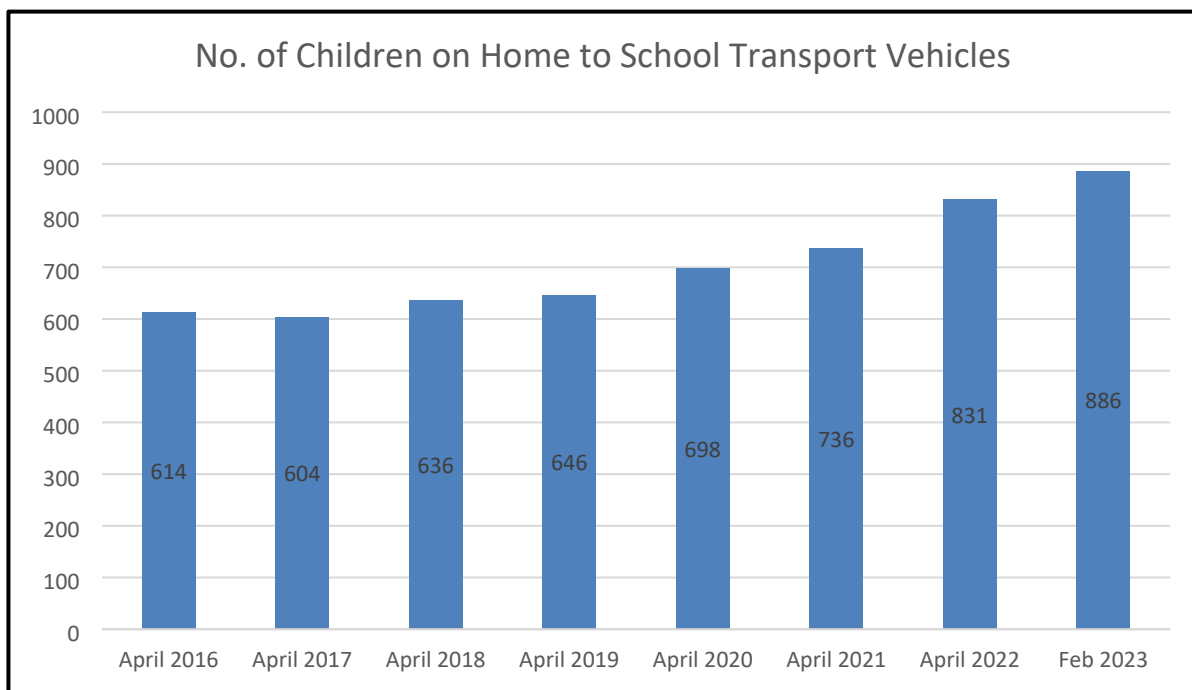
1.5.3 The main overspend is within Facilities and Fair Access, which is showing an overspend of £5.029m (January forecast pressure of £5.663m). The Home to School Transport position shows an overspend of £2.161m and relates to the sustained increase in children with complex needs attending special schools of £0.761m and inflationary pressures of £1.400m. 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 demand for home to school transport for children with additional needs, the number of children in vehicles has risen from 614 in April 2016 to 886 in February 2023 as shown in the performance data and 57.57% 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 an overspend on the Catering service (£2.789m) due to inflationary pressures of £1.936m. There are pressures on wages (£0.370m) 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. Current and previous years paid school meals and SLA income target savings of £0.164m are not achieved due to the number of schools that have left the SLA. The service is currently reviewing all costs associated with SLA provision to mitigate the loss of income into future years. The management & central establishment element of the catering SLA of £0.319m has also not been recovered from the schools that have left the SLA.

1.5.5 Cleaning is overspent by £0.130m which results from inflationary pressures of £0.067m and sickness/maternity cover of £0.063m. There are salary savings and additional income on Access services of £0.051m.

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



1.6 **Environment**

1.6.1 Environment is reporting an outturn saving of £0.198m compared to a pressure of £1.498m in the January Cabinet report.

1.6.2 **Table 8: Forecast Variation in Environment**

Service Areas	Budget £m	Outturn Mar £m	Variance Mar £m	Variance Jan £m	Change since Jan £m
Bereavement	(0.610)	(0.558)	0.052	0.100	(0.048)
Fleet Management	0.998	1.155	0.157	(0.040)	0.197
Libraries and Community Centres	5.795	5.679	(0.116)	0.261	(0.377)
Sport and Leisure	4.599	4.988	0.389	1.455	(1.066)
Street Environment	9.139	9.283	0.144	0.458	(0.314)
Waste and Recycling Disposal Contracts	10.577	9.801	(0.776)	(0.546)	(0.230)
Waste and Refuse Management	4.280	4.263	(0.017)	(0.152)	0.135
Head of Service Environment and Leisure	0.148	0.117	(0.031)	(0.038)	0.007
Street Lighting PFI Contract	5.122	5.122	0.000	0.000	0.000
<b>GRAND TOTAL</b>	<b>40.048</b>	<b>39.850</b>	<b>(0.198)</b>	<b>1.498</b>	<b>(1.696)</b>

1.6.3 Sport & Leisure is reporting a significantly reduced overspend of £0.389m (£1.455m at January Cabinet). This is mainly due to the allocation of central support for Gas and Electricity and central support linked to Covid-19 legacy income for loss of Sales Fees and Charges.

1.6.4 Within Waste Management, the combined underspend is £0.793m (previously £0.698m). Across Waste & Recycling Disposal Contracts, there are significant expenditure underspends (savings of £0.776m) linked to Kerbside/Home Recycling Disposal costs forecast which reflects the current market rate for recycled materials and subsequent lower disposal gate fee per tonne. Within Waste & Refuse Management, an overachievement on income of £0.187m across Commercial Waste & Special Collections mitigates the higher than expected operational cost around Refuse Collection staff and the purchase of bins. The impact of the higher costs has resulted in the overall underspend across Waste & Refuse Management reducing by £0.135m since the previous reported variance.

1.6.5 Within Environmental Services, a combined overspend of £0.196m is reported which is a significant improvement of £0.366m since the last

Cabinet position. There is a £0.145m movement following the allocation of central support for Gas & Electricity, a £0.090m improvement in Employee/Pay costs, a £0.043m improvement in income generation and a £0.088m improvement in operational expenditure across this sub-service. A large element of the overall Environmental Services variance can be attributed to some income shortfalls together with higher than budgeted Employee & Operational costs amounting to a £0.158m overspend being reported.

- 1.6.6 Within Fleet Management a £0.157m overspend is being reported due to the allocation of revenue financing repayments linked to the Capital Vehicle Replacement Programme. The actual amount charged to the service is £0.218m higher than the budget which has resulted in the variance position changing adversely by £0.197m since the January Cabinet report.

## 1.7 **Regeneration and Economic Development**

- 1.7.1 Regeneration and Economic Development (R&ED) is showing an overspend of £0.249m, which is an increase of £0.056m since the January Cabinet report.

- 1.7.2 **Table 9: Forecast Variation for Regeneration and Economic Development**



Service Areas	Budget	Outturn Mar	Variance Mar	Variance Jan	Change since Jan
	£m	£m	£m	£m	£m
Resources & Performance	0.306	0.416	0.110	0.000	0.110
Business & Enterprise	0.779	0.592	(0.187)	(0.050)	(0.137)
Regeneration	0.443	0.713	0.270	0.275	(0.005)
Technical Package – Transport & Highways	7.604	7.604	0.000	(0.055)	0.055
Technical Package – Planning	0.307	0.307	0.000	(0.039)	0.039
Culture	1.614	1.670	0.056	0.062	(0.006)
Section 106 Agreements	0.000	0.000	0.000	0.000	0.000
<b>Grand Total</b>	<b>11.053</b>	<b>11.302</b>	<b>0.249</b>	<b>0.193</b>	<b>0.056</b>

1.7.3 The main budget pressure is within Regeneration and 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. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants.

1.7.4 The reallocation of central funding across Resources & Performance and Business & Enterprise has resulted in a worsening position in Resources and Performance of £0.110m and an improved position in Business and Enterprise (£0.137m). This has resulted in an overall (£0.027m) improvement across these services.

## 1.8 Corporate Strategy

1.8.1 Corporate Strategy is reporting an outturn overspend of £0.507m which is an improved £0.017m variance change from the previous reported position to Cabinet.

1.8.2 **Table 10: Forecast Variation Corporate Strategy**

Service Areas	Budget	Outturn Mar	Variance Mar	Variance Jan	Change since Jan
	£m	£m	£m	£m	£m
Children's Participation & Advocacy	0.369	0.500	0.131	0.147	(0.016)
Community & Voluntary Sector Liaison	0.369	0.367	(0.002)	0.000	(0.002)
Corporate Strategy Management	0.231	0.478	0.247	0.225	0.022
Elected Mayor & Executive Support	0.029	0.046	0.017	0.010	0.007
Marketing	0.326	0.389	0.063	0.058	0.005
Policy Performance and Research	0.206	0.257	0.051	0.084	(0.033)
<b>Grand Total</b>	<b>1.530</b>	<b>2.037</b>	<b>0.507</b>	<b>0.524</b>	<b>(0.017)</b>

1.8.3 The main overspend of £0.247m is against Corporate Strategy Management which reflects a £0.157m underachievement against a cross service income target, a £0.015m shortfall in the funding of the Customer Service and Digital Strategy post and other Customer Service Programme employee cost pressures.

1.8.4 There is an overspend of £0.131m against Children's Participation and Advocacy which is due to the net impact of new and unfunded posts linked to Social Inclusion activities and demands which has resulted in a £0.100m staffing pressure, with partial mitigation income from external and internal sources.

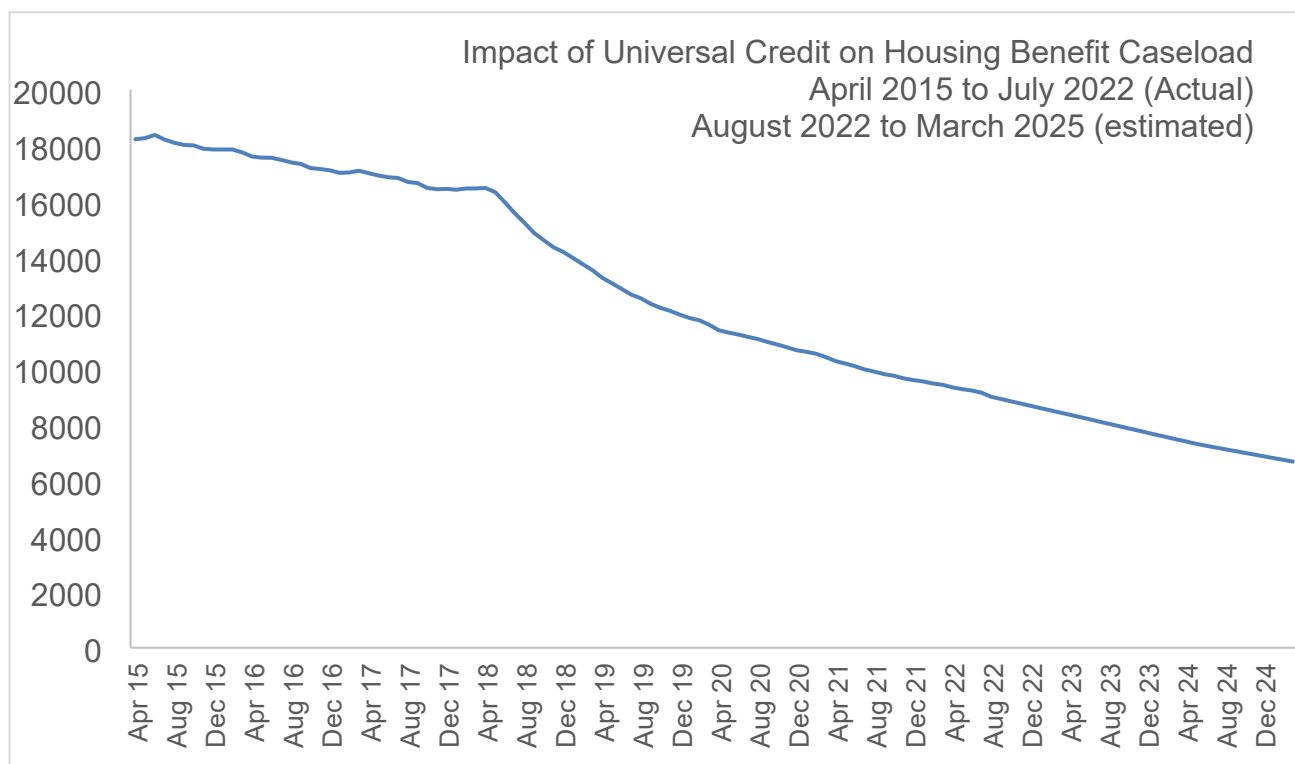
## 1.9 Resources and Chief Executive Office

1.9.1 The outturn position for the Resources directorate and the Chief Executive Office is an overspend of £1.368m, which is an decrease of £0.214m since the last Cabinet report in January.

1.9.2 **Table II: Forecast Variation Resources and Chief Executive**

Service Areas	Budget £m	Outturn Mar £m	Variance Mar £m	Variance Jan £m	Change since Jan £m
HR & Organisational Development	1.506	1.506	0.000	0.018	(0.018)
ICT	3.285	3.285	0.000	0.000	0.000
Finance	(0.593)	(0.612)	(0.019)	(0.222)	0.203
Internal Audit and Risk Management	0.050	0.021	(0.029)	(0.003)	(0.026)
Revenues & Benefits	0.356	0.356	0.000	0.510	(0.510)
Chief Executive	(0.069)	(0.158)	(0.089)	(0.074)	(0.015)
Director of Resources	0.166	0.177	0.011	0.011	0.000
Governance	0.107	0.213	0.106	0.106	0.000
Legal Services	0.362	1.750	1.388	1.236	0.152
Business Package Holding Codes	(0.006)	(0.006)	0.000	0.000	0.000
<b>Grand Total</b>	<b>5.164</b>	<b>6.532</b>	<b>1.368</b>	<b>1.582</b>	<b>(0.214)</b>

### 1.9.3 Chart 5: Impact of Universal Credit on Housing Benefit Claims



- 1.9.4 Benefits processing has seen a reduction of 50% in caseloads since universal credit (UC) was introduced. By 2024/25 this is expected to drop to a third of original cases. This has a large impact on subsidy grants from the department for Work and Pensions (DWP) in four key areas:
- Benefits subsidy grants for claims paid out has dropped in line with the value of the claims. This has nil impact on the Authority's finances;
  - The number and value of overpayment income recovery cases has dropped with caseload, reducing both the grant on eligible overpayment and the amount of overpayments that can be recovered via enforcement activities. This drop in income recovery has a detrimental impact on the forecast position;
  - Contrary to this, the drop in overpayment cases reduces the Authority's bad debt liability in relation to housing benefits overpayments. However, any reviews of overpayments requested by the DWP now have a larger proportional impact on the value of bad debts; and
  - There is a knock-on impact connected to enforcement of bad debt collection. Whilst bad debt enforcement targets have remained static, the drop in caseload and relaxed recovery on specific case types to chase bad debt reduce the ability to hit these targets.

- 1.9.5 The impact on the outturn position is as follows:
- Within enforcement the outturn position is showing an overspend of £0.556m, which is £0.056m worse than reported at the last cabinet report. This is a result of reduced court caseloads whilst the Authority supported vulnerable residents in difficult times by not adding to debt in the Borough. The service will continue to work with our partners to review the impact of the service returning to normal protocols;
  - Overpayment income recovery is underrecovered by £0.388m (an increase from £0.378m at the previous Cabinet report) against targets due the reduction in Housing Benefit claimants caused by the move to Universal Credit (UC). The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues;
  - The overpayment income pressure is partially offset (£0.274m, which is a worse position (£0.051m) than the reported position at the last

cabinet report) by an in-year reduction in the Bad Debt Provision requirement, due to the reduction of overpayment income debt; and

- The Benefits subsidy grant is showing a net saving of £0.627m, which is an improvement on the position (£0.019m) since the last report. 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 £0.123m for the year due to the increased demand and also the increased cost of bed and breakfast accommodation, which is above the limit subsidy can be claimed on, therefore, the Local Authority has to fund the balance. Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.

1.9.6 Across the service areas that are impacted by the Equans contract (Revenues and Benefits, Finance, HR, IT), there was additional income received from New Burdens Funding, Pension Cap & Collar and Central Funding which was not previously forecast which has resulted in the outturn position across these services to be balanced. This offset the pressures in the Revenue & Benefits service related to Enforcement, Subsidy, Overpayment Income and Bad Debt Provision.

1.9.7 Within Legal Services there are overspends relating to Legal Services staffing, with the variance reflecting cost pressures of £0.922m relating to the employment of Locums/staff costs in response to staffing pressures and reduced income for legal fees. Within the North Tyneside Coroner Service there is a £0.408m 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.

#### 1.10 General Fund Housing

1.10.1 General Fund Housing is reporting a pressure of £0.517m which is an increase of £0.144m since the January Cabinet report.

## 1.10.2 Table 12: Forecast Variation for General Fund Housing

Service Areas	Budget £m	Outturn Mar £m	Variance Mar £m	Variance Jan £m	Change since Jan £m
Building Control	(0.023)	(0.021)	0.002	0.000	0.002
Housing Strategy	0.529	0.454	(0.075)	0.000	(0.075)
Housing Options – General Fund	0.454	0.447	(0.007)	(0.005)	(0.002)
Housing Operations – General Fund	0.015	0.015	0.000	0.000	0.000
Housing Property – General Fund	1.169	1.766	0.597	0.378	0.219
<b>Grand Total</b>	<b>2.144</b>	<b>2.661</b>	<b>0.517</b>	<b>0.373</b>	<b>0.144</b>

1.10.3 The main overspend is in Housing Property – General Fund and is due to ongoing cost pressures and large jobs that are coming through the Public Buildings Repairs team. This overspend amounted to £0.597m in 2022/23 and was partly mitigated by a “one-off” contribution of £0.150m from the Insurance Reserve, and over £0.250m of costs being absorbed within other Housing and Property Services budgets.

### 1.11 Central Items

1.11.1 Central Items has outttuned with a surplus of £11.307m which is an decrease of £2.100m since the January Cabinet report, with £1.327m being attributable to operational movements.

1.11.2 Included in the position is a £0.166m improvement from the forecasted pressure of £0.500m relating to an increase in the bad debt provision. There is a worsening (£2.269m) in contingent rents linked to the Authority’s PFI schemes, which is partially offset by (£0.282m) additional new burdens funding and a £0.064m saving from the salary sacrifice schemes.

1.11.3 Contingent rent is an annual accounting adjustment as required by the CIPFA Code of Practice which allocates a proportion of any inflationary increases to the elements of the Unitary Charge linked to capital financing. It is calculated at year-end as part of the Unitary Charge

reconciliation and transfers costs incurred and budgeted for by the relevant service to the Authority's central budget for capital financing expenditure. The level of contingent rent in 22/23 is driven by the high inflationary environment and increases to the contractual RPI (Retail Price Index) adjustment which is present in each of the Authority's PFI contracts.

1.11.4 Table 13: Forecast Variation Central Budgets and Contingencies

Service Areas	Budget £m	Outturn Mar £m	Variance Mar £m	Variance Jan £m	Change since Jan £m
Corporate and Democratic Core	1.482	1.276	(0.206)	(0.019)	(0.187)
Other Central Items	(10.706)	(21.807)	(11.101)	(13.388)	2.287
<b>Grand Total</b>	<b>(9.224)</b>	<b>(20.531)</b>	<b>(11.307)</b>	<b>(13.407)</b>	<b>2.100</b>

## SECTION 2 – SCHOOLS FINANCE

### 2.1 Schools Balances in 2022/23

2.1.1 The final outturn position for schools is reported in the Authority's statutory accounts and is before any commitments are taken into account, which are in a normal year around £4.500m (the full value of commitments for 2022/23 is still to be quantified). The reported position across 2022/23 is analysed below in Table 14 by phase.

2.1.2 **Table 14: Maintained School balance position against plan (Surplus) / Deficit – committed and uncommitted**

Phase	Outturn 2021/22 £m	Budget Plan 2022/23 £m	Monitoring 1 2022/23 £m	Monitoring 2 2022/23 £m	Provisional Outturn 2022/23 £m	Actual Movement from 2021/22 £m
Nursery, First & Primary	(7.312)	(4.957)	(3.382)	(4.459)	(5.529)	1.783
Middle	(1.408)	(0.716)	(0.685)	(1.422)	(1.655)	(0.247)
Secondary	5.943	9.907	10.041	9.109	6.822	0.879
Special / PRU	(0.621)	1.299	1.479	1.191	0.744	1.365
<b>Total</b>	<b>(3.398)</b>	<b>5.533</b>	<b>7.453</b>	<b>4.419</b>	<b>0.382</b>	<b>3.780</b>

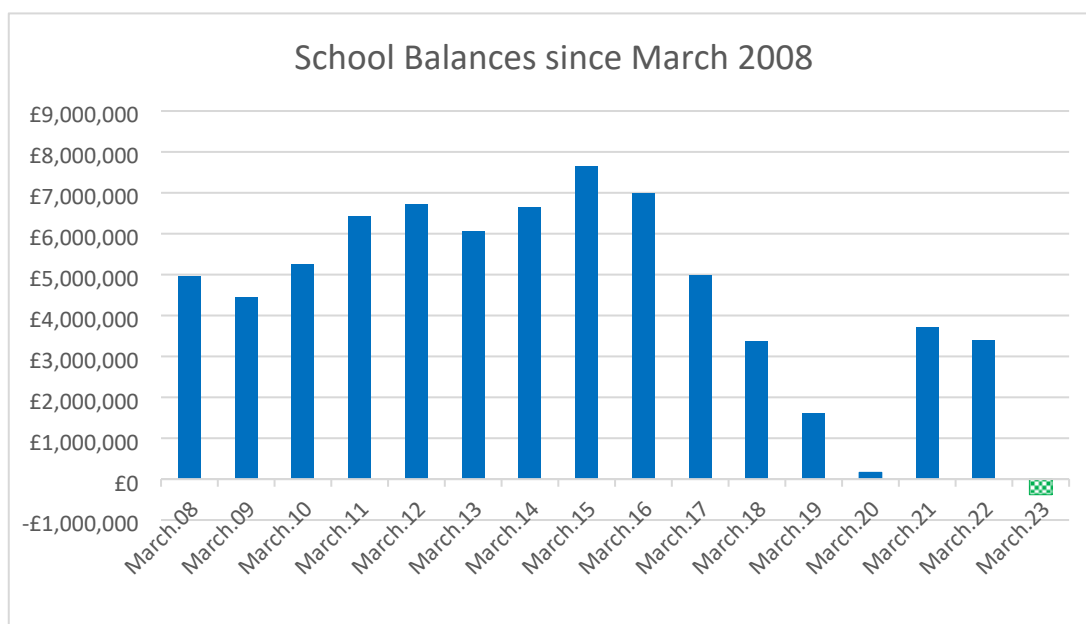
2.1.3 Cabinet will be aware that, under legislation, schools retain a high degree of autonomy when setting budgets unless they are in a deficit position. Therefore, whilst Elected Members and officers are able to advise schools on the adequacy of balances, they cannot intervene. Schools have been reminded of the need to forecast as accurately as possible so that decisions are taken in the light of accurate budget projections.

2.1.4 The outturn position for 2022/23 is significantly better than predicted during the year although a worsening position from the 2 previous years. In 2020/21 and 2021/22 the main reason for improved balances was due to reduced investment and operational costs with schools being partially shut and attributable costs being funded by Covid



grants. Throughout 2022/23 schools have now been addressing investment needs in their infrastructure and this coupled with a significant pressure relating to Pay Award and NI (totalling £3.065m) has led to the closing deficit position of £0.382m. Chart 6 below sets out the long term trend of balances at March 2023.

## 2.1.5 Chart 6: Long Term Trend in School Balances within North Tyneside



## 2.2 Schools in Deficit

2.2.1 At the end of financial year 2022/23, 16 of the 66 maintained schools were in deficit positions pre commitments and most of these are marginal with the other 50 all in surplus. Table 15 below shows all schools in deficit position totalling £13.329m.

## 2.2.2 Table 15 – Provisional Outturn Schools in Deficit

School	Budget Plan 22/23 £m	Outturn £m	22/23 Deficit Comments
Fordley Primary	(0.108)	0.133	Emerging
Forest Hall Primary	0.002	0.013	Emerging
Greenfields Primary	(0.016)	0.077	Emerging
Silverdale	(0.008)	0.044	Emerging
Whitehouse Primary	(0.111)	0.044	Emerging
Waterville Primary	(0.111)	0.017	Emerging
St Bartholomews Primary	(0.016)	0.020	Emerging
Balliol Primary	0.025	0.097	New 22/23
Coquet Park First	0.020	0.051	New 22/23
Holystone Primary	0.069	0.133	New 22/23
Wallsend St Peters Primary	0.107	0.092	New 22/23
Beacon Hill	1.794	1.232	Existing
Ivy Road Primary	0.162	0.149	Existing
Longbenton High	1.863	1.697	Existing
Norham High	4.130	3.984	Existing
Monkseaton High	5.799	5.546	Structural
<b>Total</b>	<b>13.601</b>	<b>13.329</b>	

2.2.3 However there are 4 schools in significant deficit position totalling £12.459m and these are:

Monkseaton High School	£5.546m
Norham	£3.984m
Longbenton High School	£1.697m
Beacon Hill	£1.232m
<b>Total</b>	<b>£12.459m</b>

2.2.4 The balances on these 4 schools offsets 96% of the £12.947m total surplus position of the 50 schools in surplus.

## 2.3 2022/23 Dedicated Schools Grant (DSG) Provisional Outturn

2.3.1 After allowing for school allocations, the 2022/23 DSG account of £159.242m (after removing academy funding) is showing a net deficit balance of £8.340m. This compares to a deficit of £12.851m in 2021/22. Cabinet will recall that in 2019/20 the DfE issued guidance that any shortfall in dedicated schools grant should not be supported using funds from the General Fund.

### 2.3.2 Table 16: 2022/23 DSG Provisional Outturn

FUNDING BLOCK	21/22 B/FWD £m	22/23 IN-YR VARIANCE £m	EARLY YEARS PREVIOUS YR ADJ. £m	SAFETY VALVE FIRST PAYMENT £m	22/23 PROVISIONAL OUT-TURN £m
Schools Block	(0.754)	(0.160)			(0.914)
High Needs Block	13.511	3.880		(7.800)	9.591
Early Years Block	0.094	(0.262)	(0.169)		(0.337)
<b>22/23 CUMULATIVE PROVISIONAL OUT- TURN</b>	<b>12.851</b>	<b>3.458</b>	<b>(0.169)</b>	<b>(7.800)</b>	<b>8.340</b>

2.3.3 The Schools block (de-delegated) underspend of £0.914m mainly relates to the headroom, growth funding and falling roles funding. As the DSG is a ringfenced account, any balance is carried forward into the next financial year.

2.3.4 Cabinet will recall that the High Needs block outturn in 2021/22 was an adjusted overspend of £13.511m. This pressure has continued in 2022/23 with the provisional in-year outturn of £3.880m.

2.3.5 The overall pressure in the High Needs block is in line with the national and regional picture and results from additional places required in special schools, out of borough placements and in relation to top up payments as outlined in Table 17 below.

### 2.3.6 Table 17: Breakdown of High Needs Pressures at March 2023

HIGH NEEDS	BUDGET £m	OUT-TURN £m	VARIANCE £m
Special Schools and PRU	17.788	19.591	1.803
ARPS/Mainstream Top-ups/Alternative Provision	4.706	5.631	0.925
NMSS/ISP	3.316	4.459	1.143
Commissioned Services	3.974	3.983	0.009
	<b>29.784</b>	<b>33.665</b>	<b>3.880</b>
Balance B/fwd from 21/22			13.511
Safety Valve First Payment			(7.800)
<b>22/23 CUMULATIVE PROVISIONAL OUTTURN</b>			<b>9.591</b>

2.3.7 The Authority's DSG Management Plan will address the deficit and the Department for Education (DfE) have agreed pay to the Authority £19.500m over a 5 year period, with the first payment of £7.800m received at the end of the financial year 2022/23. In subsequent financial years, subject to compliance with the conditions set in the Safety Valve agreement, the DfE will pay DSG the amounts shown in Table 18.

### 2.3.8 Table 18: Scheduled Safety Valve Payments

Year	Additional DfE payments
2022-23	£7.800m
2023-24	£1.950m
2024-25	£1.950m
2025-26	£1.950m
2026-27	£1.950m
2027-28	£3.900m

2.3.9 The Early Years block has ended the year with a cumulative surplus of (£0.338m). This included a brought forward deficit of £0.094m which was then adjusted in-year by £0.169m. An adjustment to funding takes place in July when the DfE reviews initial funding estimates in relation to the numbers of pupils actually taking place compared to the initial funding estimates based on the January pupil census prior to the financial year.

## SECTION 3 - HOUSING REVENUE ACCOUNT (HRA)

### Outturn in 2022/23

- 3.1 The HRA shows a surplus of £0.185m against the in-year 2022/23 Budget, plus a £0.061m improvement in the budgeted brought forward balances, which cumulatively brings the HRA to £0.246m better than the budgeted position for 2022/23. The overall position is shown in Table 19 below and shows a position that has improved overall during the course of the year, albeit with some significant movements across different areas of expenditure. Particular pressures were faced in relation to Repair costs, with difficulties experienced in recruiting skilled staff, which in turn led to increased reliance on sub-contractor spend, along with significantly increased material costs and difficulties sourcing certain materials at all.

### 3.2 Table 19: Outturn Variance Housing Revenue Account

	FULL YEAR – 2022/23			Jan 2023 Variance £m	Movemen t from Jan £m
	Full Year Budget  £m	Actual  £m	Outturn Variance  £m		
<b>INCOME</b>					
Rental Income	(62.891)	(63.003)	(0.112)	(0.172)	0.060
Other Rental Income – Shops & Offices etc.	(0.356)	(0.438)	(0.082)	(0.066)	(0.016)
Interest on Balances	(0.050)	(0.286)	(0.236)	(0.025)	(0.211)
PFI Credits	(7.693)	(7.693)	0.000	0.000	0.000
<b>TOTAL INCOME</b>	<b>(70.990)</b>	<b>(71.420)</b>	<b>(0.430)</b>	<b>(0.263)</b>	<b>(0.167)</b>
<b>EXPENDITURE</b>					
Capital Charges – Net Effect	12.483	12.482	(0.001)	0.000	(0.001)
HRA Management Costs	11.250	10.974	(0.276)	(0.270)	(0.006)
PFI Contract Costs	9.787	9.787	0.000	0.000	0.000
Repairs	12.799	13.681	0.882	0.580	0.302
Revenue Support to Capital Programme	10.311	9.420	(0.891)	(0.010)	(0.881)
Contribution to Major Repairs Reserve – Depreciation	13.741	14.621	0.880	0.001	0.879
Contingencies, Bad debt Provision & Transitional Protection Payments	0.990	0.641	(0.349)	(0.225)	(0.124)
Pension Fund Deficit Funding	0.000	0.000	0.000	0.000	0.000
<b>TOTAL EXPENDITURE</b>	<b>71.361</b>	<b>71.606</b>	<b>0.245</b>	<b>0.076</b>	<b>0.169</b>
<b>NET POSITION 2022/23</b>	<b>0.371</b>	<b>0.186</b>	<b>(0.185)</b>	<b>(0.187)</b>	<b>0.002</b>
<b>BALANCES BROUGHT FORWARD</b>	<b>(3.440)</b>	<b>(3.501)</b>	<b>(0.061)</b>	<b>(0.061)</b>	<b>0.000</b>
<b>BALANCES TO CARRY FORWARD</b>	<b>(3.069)</b>	<b>(3.315)</b>	<b>(0.246)</b>	<b>(0.248)</b>	<b>0.002</b>

#### Outturn Variance Analysis

3.3 Rental income saw a budget over-recovery of £0.112m overall, but this was subject to some under- and overspends across different sources of income: there was a drop-off in general needs dwellings income (£0.149m below budget). However, this was offset by improvements elsewhere with Service charge income continuing to perform strongly and coming in £0.129m better than budget, as did temporary and dispersed income (£0.093m better), whilst Garage rents came in £0.040m better than budget. Income from commercial properties and

properties rented to HECS for various client groups continued to remain stable, coming in £0.082m above budget.

3.4 The HRA received a boost at year-end as the cumulative impact of the significant number of increases made to the Bank of England base rate, meant that the Authority increased the level of interest earned on cash balances held across the year, from which the HRA saw a betterment against budget in-year of £0.236m in interest earned which had not originally been anticipated.

3.5 There are three elements of expenditure in Table 19 that together relate to the HRA's servicing of its' share of the Council's debt portfolio and the capital financing strategy for the HRA Capital Investment Plan, namely:

- Capital Charges – consists of external interest charges on debt, Debt Management Expenses, and the Minimum Revenue Provision (MRP) equivalent set aside to repay debt. Overall, the net position for Capital charges shows as being within £0.001m of the budget for 2022/23;
- Revenue contribution to the funding of Capital outlay – there was a reduced call of £0.891m on this element of direct revenue financing of capital spend for 2022/23 which is a directly related to the increased depreciation charge discussed below, and purely compensates for the reduction against budget of that charge; and,
- Thirdly there is the annual charge for depreciation, which has to be transferred to the Major Repairs Reserve (MRR) and can only be used to finance capital spend or repay debt, this is based on the calculation of a "true" charge at year-end, which was £0.880m above the budget provided. However, the budgeted contribution forms a critical part of the financing of the HRA Investment Plan, and hence the reduced revenue contribution to capital mentioned above was made to compensate for the difference in Capital Financing required, with no detriment overall to either the bottom line for the HRA, or the financing of the Capital Investment Plan.

Taking these three elements together it can be seen that the overall impact on the bottom line for the HRA is virtually cost neutral against

the budgets provided and is just a reflection of the reconciliation of the final capital financing requirements.

3.6 The outturn position for management costs has improved significantly over the course of the year, and particularly over the last quarter to result in a £0.276m under-spend against budget. A range of factors resulted in a significant movement in outturn figures for management costs, with the main changes being:

- Pension Strain on the Fund – reduced pension costs this year for housing management staff departures (£0.053m);
- Vacancy & Pay Award contingency savings (£0.575m);
- Postage Costs – (£0.031m);
- Windfall on water rates reconciliation & miscellaneous income (£0.133m);
- Reduced ICT costs and costs linked to Unified Systems Project (£0.022m);
- Reduced Housing Management training costs (£0.062m);
- Reduced costs for Temporary & Dispersed Units (£0.025m); and
- Reduced Council Tax Empty Homes payments (£0.027m).

These reductions have been offset in some areas by overspends in the following areas:

- Increased energy costs across Sheltered Schemes and Communal Blocks (£0.617m); and
- Increased Housing Ombudsman subscription costs (£0.034m).

3.7 For the third year in a row following a trend started at the outset of the pandemic, the HRA Repairs Budget has ended the year with a significant overspend against budget (£0.882m). Although no longer directly dealing with the pandemic, the Service is still having to manage the legacy of that period and the subsequent global economic issues caused by commencement of the war in Ukraine. Previous years suffered from the impact of the damage caused by a number of storms, which thankfully wasn't an issue faced in 2022/23. The issues in 2022/23 of £0.882m were again partially linked to the conflict in Ukraine as the HRA continues to face large inflationary pressures, material shortages and increased fuel costs, all of which have increased pressures on budgets and led to reduced returns for the resources available. This will continue to be a challenge for some time to come, as the markets heads towards a period of potential



stagflation and economic uncertainty continues. In addition, the Service has experienced significant difficulties in recruiting skilled tradespeople which has led to an increased reliance on sub-contractors, and the need to introduce market supplement payments as an interim measure pending final agreement and implementation of a new craft agreement pay structure.

3.8 Rent Arrears again flattened out in the last few months of the year and further reduced the call on the in-year Bad Debt Provision (£0.242m); the call on contingency was below budget (£0.101m), and helped to cover pressures elsewhere across the budget, and transitional protection came in slightly under budget (£0.006m). So overall the significant swings across different service areas during the last quarter of the year saw an overall improvement in the bottom line of £0.185m in-year and £0.246m including brought forward balances.

#### Rent Arrears and Bad Debt Provision

3.9 Arrears are made up of two elements:

- Current Tenant Arrears and,
- Former Tenant Arrears

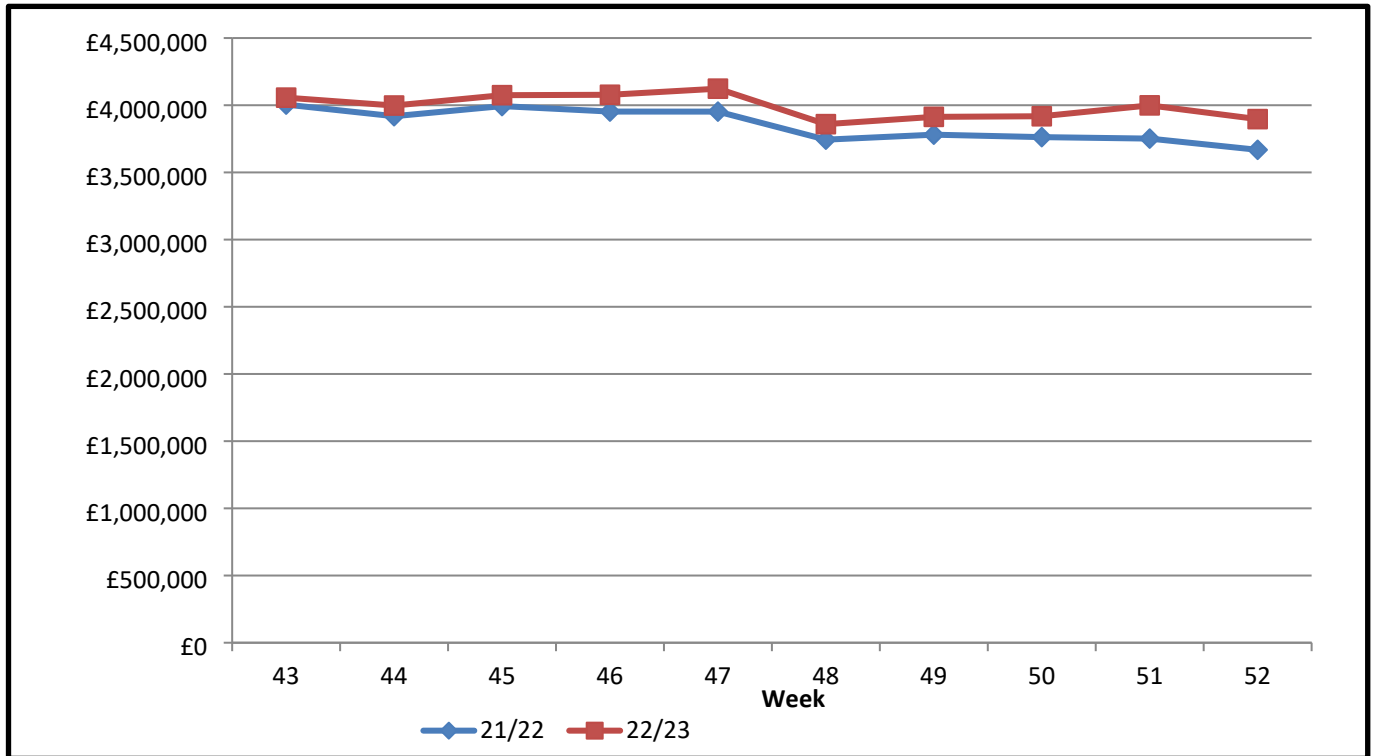
3.10 Table 20: Rent Arrears

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

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

3.12 Chart 7 below shows the value of current rent arrears in 2022/23 compared to the same period in 2021/22. The Housing team is continually working proactively with tenants to minimise arrears.

3.13 Chart 7: Current Arrears - Feb-Mar 2022/23 compared to 2021/22



3.14 The main mechanism for helping to manage arrears is the Bad Debt Provision (BDP), which at the start of 2022/23 stood at £5.085m on the HRA Balance Sheet with the budget for the 2022/23 contribution at £0.750m. Because of the slowdown in the rate of increase in the level of arrears, the outturn in-year BDP requirement reduced significantly to £0.507m, this was £0.242m under budget for 2022/23 and included writing-off £0.386m of bad debt during the year, all of which resulted in a carry forward Bad Debt Provision at year-end of £5.207m.

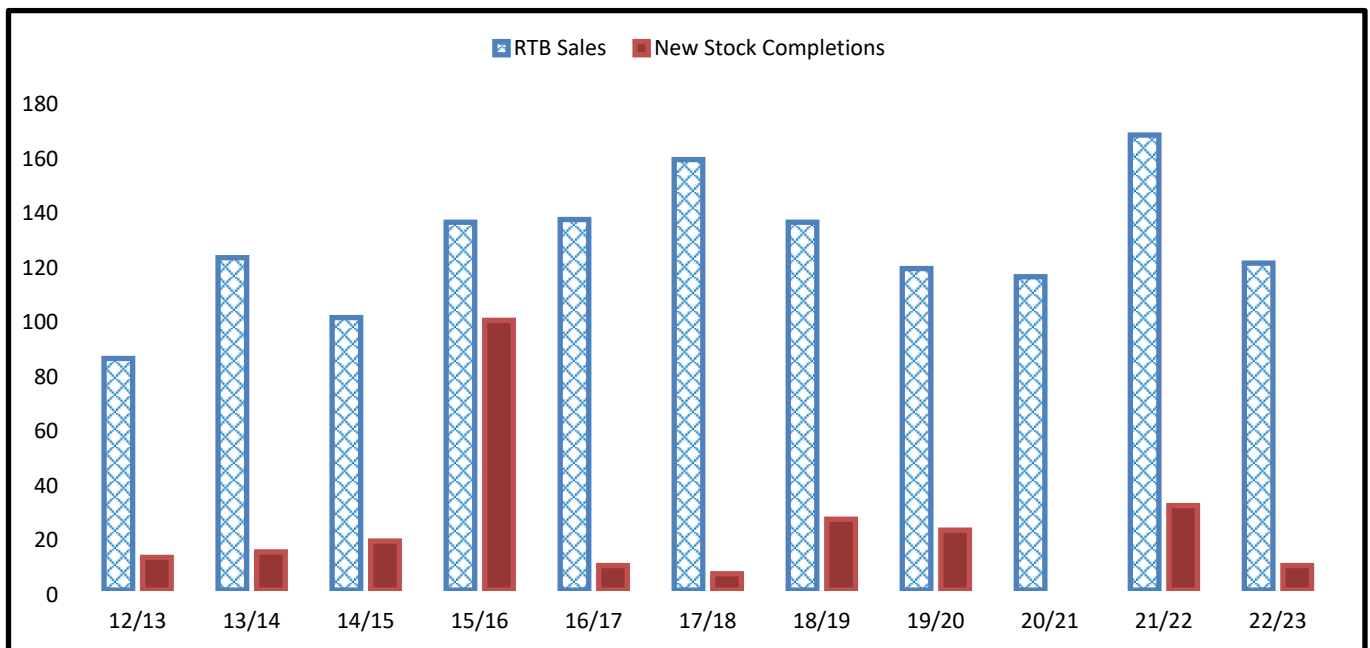
3.15 Universal Credit was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. On 31 March 2023, there were 3,949 tenants of North Tyneside Homes on Universal Credit with current arrears totalling £3.897m. This is up by

237 tenants and £0.231m of arrears from the beginning of the year when there were 3,712 tenants on UC with arrears of £3.668m.

### Right to Buy (RTB) Trends

3.16 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 which shows that sales although not as high as last year's high of 167, were still significant in 2022/23 with 120 RTB sales.

### 3.17 Chart 8: Trend in Right to Buy Sales



## **SECTION 4 – INVESTMENT PLAN**

- 4.1 The Investment Plan represents the Authority’s planned capital investment programme in projects across all service areas, including General Fund and HRA.
- 4.2 All capital investment follows a structured gateway process, and is challenged by Members and senior officers, from the initial ideas stage, through the delivery stage and finally to post implementation. Delivery of the Investment Plan year by year, through both physical on-site development and capital spend, is key to the successful attainment of the Authority’s Our North Tyneside Plan and results in significant improvements to assets within the Borough.

### **2022/23 Capital Expenditure**

- 4.3 The initial 2022/23 Investment Plan Budget was £64.431m (£36.617m General Fund and £27.814m Housing). Further variations to the Plan and reprogramming were agreed by Cabinet during the year as part of the Financial Monitoring process to give an approved Plan at the year-end of £87.316m (£60.702m General Fund and £26.614m Housing). Table 21 below summarises these changes:

**Table 21: 2022/23 Investment Plan – Summary of changes to Budget**

	£m
Investment Plan approved by full Council – 17 February 2022	64.431
Reprogramming from 2021/22	24.723
Reprogramming to 2023/24	(33.264)
Other variations (net)	31.426
<b>Revised Investment Plan</b>	<b>87.316</b>

- 4.4 Actual capital expenditure in 2022/23 totalled £77.442 (£63.045m in 2021/22), comprising General Fund expenditure of £50.814m and £26.628m on Housing Schemes.
- 4.5 The 2022/23 Investment Plan delivered planned investment in the following areas:

- £24m Decent homes improvements
- £13m Transport and Highway works including the local transport plan and sustainable transport improvements.
- £11m Regeneration Initiatives, including significant investment in North Shields
- £8m Improvements to the Council's Operational Assets, including buildings, vehicles and ICT infrastructure
- £7m Energy Efficiency and Sustainability Works, including Green Homes works and Street Lighting LED upgrades
- £7m School Improvement Works

4.6 The appendices to this report include further information on the Investment Plan and planned capital works delivered during the year. Appendix B shows the final expenditure, and how that expenditure was financed, with Appendix C showing a comparison of expenditure against agreed budgets for each individual project. In addition, further details can also be found in the Investment Programme Board end of year report at Appendix E.

4.7 Table 22 below compares the actual capital expenditure for 2022/23 with the revised Budget for the year, as well as the actual spend for 2021/22 for comparison:

**Table 22: Comparison of Capital Expenditure to Revised Budget for 2022/23**

Actual Capital Expenditure 2021/22 £m		Revised Capital Budget 2022/23 £m	Actual Capital Expenditure 2022/23 £m	Variation from Budget over / (under) £m
36.287	General Fund	60.702	50.814	(9.888)
26.758	Housing	26.614	26.628	0.014
<b>63.045</b>	<b>Total</b>	<b>87.316</b>	<b>77.442</b>	<b>(9.874)</b>

4.8 Across all capital projects, further reprogramming of £9.781m has been identified and it is requested that Cabinet approve the carry forward of this amount into the 2023/24 Investment Plan. A detailed

breakdown of this amount is included in Appendix C, and the significant variations include the re-profiling of the following:

- **BS034 Parks Sports Centre – Security Measures:** (£0.250m) to reflect a May start on site date following the conclusion of the procurement exercise
- **CO083 Whitley Bay Crematoria:** (£0.276m) relating to the delivery of resurfacing works which will take place in June 2023
- **GEN03 Contingencies:** (£0.708m) given there were no further calls on the contingency during 2022/23. It is proposed to retain the unspent contingency sum in the Investment Plan given the ongoing inflationary risks
- **DV064 Council Property Investment:** (£0.320m) primarily to reflect the revised delivery plans for the Council led redevelopment of 11/12 Northumberland Square
- **DV066 Investment in North Tyneside Trading Co:** (£0.279m) to reflect the completed property acquisitions during 2022/23, with the remaining balance of S106 contributions being used to acquire additional homes in 2023/24
- **ED075 Devolved Formula Capital:** (£0.454m) to align with the School's ongoing investment plans and deliver schemes within the allowable three year timescales. This funding is spent at discretion of individual schools.
- **ED132 School Capital Allocation:** (£0.881m) due to a number of projects being delivered for less than the Guaranteed Maximum Price (GMP) and the re-prioritisation of some projects to be delivered during the summer period to minimise disruption to schools.
- **ED190 High Needs Provision Capital Allocation:** (£0.683m) to support the delivery of works to Beacon Hill school site following planning approval which was granted in March 2023. All carry forward balance will be committed within 23/24.
- **EV034 Local Transport Plan:** (£0.758m) primarily relating to works at Harrow Street bridge which are programmed to commence in late July 2023 under a planned Nexus rail closure.
- **EV055 Surface Water Improvements:** (£0.309m) to align with the staged delivery programme agreed with external funders.
- **EV094 Transforming Cities Fund – NT02 North Shields Transport Hub:** £0.818m of resources have been brought forward from future years to reflect the good progress being made on delivering the works to the Transport Hub.

- **EV096 Highway Maintenance Challenge Fund – Tanners Bank:** (£0.284m) to co-ordinate with the delivery of the Embankment Walkway.
- **EV097 Weetslade & Westmoor Roundabouts, Great Lime Road:** (£0.896m) with the scheme now expected to complete during Q2 2023/24
- **EV098 Transforming Cities Fund – NT08 Four Lane Ends Bus Priority:** (£0.385m) to align with the delivery programme and completion of the scheme during Q2 2023/24
- **EV099 Transforming Cities Fund – NT10 Links to Metro:** (£0.348m) to align with the delivery programme and completion of the scheme by end of Q3 2023/24
- **HS004 Disabled Facilities Grant:** (£0.709m) as a result of pressures within the supply chain which have impacted upon the delivery capacity.
- **HS015 Refurbishment / Decent Homes Improvements:** £0.595m reversal of re-profiling reported previously, reflecting the progress made in delivering ongoing decent home improvement works.
- **HS039 ICT Infrastructure Works:** (£0.350m) following the outcome of contractual negotiations which impacted upon payment timescales
- **HS053 Green Homes Local Authority Delivery:** (£0.882m) to reflect the delivery of energy efficiency improvement measures
- **IT020 ICT Strategy:** (0.517m) to align with the revised delivery plans associated with the investment in ICT infrastructure.

## Capital Financing

- 4.9 Local authorities can finance capital expenditure from a variety of sources: grants; external contributions; capital receipts; borrowing; and contributions from revenue. This section of the report considers how the Investment Plan has been financed.
- 4.10 Under the Prudential System for capital financing, the Authority can decide to borrow to fund capital expenditure, known as prudential (or unsupported) borrowing. There are associated revenue costs (interest and Minimum Revenue Provision (MRP)) which must be met from the Authority's own resources, i.e. funded by Council Taxpayers. MRP is a charge included in the Authority's accounts that effectively spreads the cost of capital expenditure over a period that generally equates to the period in which the asset is used. When deciding whether to take out additional borrowing, the Authority must ensure the Investment Plan is affordable, sustainable, and prudent.
- 4.11 The MRP charge for 2022/23 was calculated in accordance with the Authority's agreed MRP Policy as follows:

£m	General Fund	HRA	Total
Supported Borrowing	3.103		<b>3.103</b>
Unsupported Borrowing	4.640		<b>4.640</b>
PFI Schemes	6.058	(0.182)	<b>5.876</b>
HRA Receipts Set Aside		3.031	<b>3.031</b>
Voluntary Provision		3.500	<b>3.500</b>
<b>Total</b>	<b>13.801</b>	<b>6.349</b>	<b>20.150</b>

- 4.12 The total capital expenditure of £77.442m has been financed as shown in table 23 below:



**Table 23: 2022/23 Capital Financing**

	<b>2022/23 Capital Financing £m</b>
<u>Council Contribution</u>	
Prudential (Unsupported) Borrowing – General Fund	10.793
Capital Receipts – HRA	0.443
Direct Revenue Funding – HRA	9.400
Major Repairs Reserve	15.663
Contribution from Reserves – General Fund	0.877
Contribution from Reserves – HRA	0.370
	<b>37.546</b>
<u>External funding</u>	
Specific Government Grants	38.122
ERDF	1.022
Capital Grants and Contributions	0.752
	<b>39.896</b>
	<b>77.442</b>

- 4.13 Total Prudential borrowing for the General Fund was £10.793m. During the year £0.163m of General Fund capital receipts were generated, which adding the balance carried forward (£3.073m) gave an available balance of £3.236m. No capital receipts were used to finance General Fund capital investment in 2022/23.
- 4.14 For Housing, capital receipts of £6.335m were received during 2022/23, no capital receipts were used for pooling or paid across to central government. This balance plus the brought forward receipts of £10.094m gave an available balance of £16.429m. Of this £0.443m was used to finance 2022/23 capital spend and £3.031m was set aside to repay debt leaving a balance of £12.955m to be carried forward into 2023/24.
- 4.15 Table 24 below shows the movement in capital receipts during 2022/23 including receipts received during 2022/23 (identified in paragraphs 4.13 and 4.14 above), receipts brought forward at 1 April 2022, receipts used to finance the 2022/23 Investment Plan, receipts set aside to repay debt and loans, and receipts carried forward at 31 March 2023.

**Table 24: Movement in Capital Receipts during 2022/23**

	Receipts brought forward 1 April 2022 £m	Net Useable Receipts received £m	Receipts used for financing £m	Receipts set aside for repayment of debt £m	Receipts carried forward 31 March 2023 £m
General Fund	(3.073)	(0.163)	0.000	0.000	(3.236)
Housing	(10.094)	(6.335)	0.443	3.031	(12.955)
<b>Total</b>	<b>(13.167)</b>	<b>(6.545)</b>	<b>0.443</b>	<b>3.031</b>	<b>(16.191)</b>

4.16 The Authority utilised £38.122m of external Government grants to finance investment made during the year. These grants included:

- £10.018m Transforming Cities fund
- £6.692m Education and Schools Capital funding;
- £4.621m Green Homes Grants (Local Authority Delivery)
- £5.914m Department for Transport funding
- £1.869m Better Care Fund (including Disabled Facilities Grant)

4.17 Other capital Grants and Contributions used in the year included:

- £5.167m Section 106 contributions;
- £0.882m Getting Building Fund
- £0.116m Heritage Action Zone

4.18 As required, under self-financing for Housing, resources are transferred to the Major Repairs Reserve which are then used to finance ongoing works to Council dwellings. This contribution is financed from within the HRA (i.e. it is self-financed) and so appears as part of the Authority's contribution shown in Table 24 above.

4.19 An analysis of the overall capital financing is also shown in Appendix B.

## International Financial Reporting Standards (IFRS) adjustments to Capital Expenditure in 2022/23

4.20 Under IFRS any expenditure incurred relating to PFI schemes and finance leases is classed as capital expenditure and the resulting assets are added to the Authority's balance sheet.

4.21 During 2022/23 spend of £2.669m was incurred as part of the PFI Contracts.

## Variations to the Investment Plan

4.22 Reprogramming and variations relating to March 2022/23 and 2022/23 Outturn reporting of £17.148m have been identified and are included within the Investment Plan as detailed in table 25.

### 4.22.1 Table 25: 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
Reprogramming/Variations						
2023 March Cabinet	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
<b>Total Variations</b>	<b>17.842</b>	<b>-0.697</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>17.148</b>
<b>Revised Investment Plan</b>	<b>113.607</b>	<b>58.167</b>	<b>50.055</b>	<b>53.775</b>	<b>53.884</b>	<b>329.488</b>

4.23 The 2023 – 2028 Investment Plan includes the continuation of investment in a number of key areas including:

- Increasing Affordable Housing Provision within the Borough, including HRA new build schemes;
- Regeneration Schemes, including the continued delivery of Our Ambition;
- Transport Improvements, including the Seafront Cycleway;
- Sports and play facilities, including the development of a Regional Sports Hub;
- Continued investment in Schools, including expanding high needs provision.

## SECTION 5 – ANNUAL TREASURY MANAGEMENT REVIEW AND PRUDENTIAL INDICATORS

### 5.1 Regulatory Environment

- 5.1.1 The Authority is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This section of the report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 5.1.2 During 2022/23 the minimum reporting requirements were that the full Council or Cabinet should receive the following reports:
- an annual treasury strategy in advance of the year (Council 17 February 2022);
  - a mid-year (minimum) treasury update report (Cabinet 28 November 2022); and
  - an annual review following the end of the year describing the activity compared to the strategy (this report).
- 5.1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Authority's policies previously approved by members.
- 5.1.4 The Authority confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports. Reports are reviewed by Lead Member Briefing before they are reported to Cabinet. Member training on treasury management issues is scheduled to be delivered by Link, the Authority's advisors within 2023.

## 5.2 Capital Expenditure and Financing

5.2.1 The Authority undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Authority's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

5.2.2 The actual capital expenditure forms one of the required prudential indicators. Table 26 below shows the actual capital expenditure and how this was financed.

**Table 26: Actual Capital Expenditure and its Financing**

	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
General Fund	36.287	60.702	50.814
HRA	26.758	26.614	26.628
<b>Total Capital Expenditure</b>	<b>63.045</b>	<b>87.316</b>	<b>77.442</b>
Financed in-year (grants, contributions, and capital receipts)	56.078	72.922	66.649
Unfinanced Capital Expenditure (Prudential borrowing)	6.967	14.394	10.793

## 5.3 The Authority's Overall Borrowing Need

5.3.1 The Authority's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2022/23 unfinanced capital

expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

5.3.2 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Authority should ensure that its gross external borrowing does not, except in the short-term, exceed the total of the capital financing requirement in the preceding year (2021/21) plus the estimates of any additional capital financing requirement for the current (2022/23) and next two financial years. This essentially means that the Authority is not borrowing to support revenue expenditure. Table 27 below highlights the Authority's gross borrowing position against the CFR. The Authority has complied with this prudential indicator.

**Table27: Gross Borrowing against the CFR**

	2021/22 Actual £m	2022/23 Estimate £m	2022/23 Actual £m
CFR General Fund	301.139	377.046	301.934
CFR HRA	303.279	302.493	296.930
<b>Total CFR</b>	<b>604.418</b>	<b>679.539</b>	<b>598.864</b>
Gross borrowing position	504.728	626.902	530.332
Under/over funding	99.690	52.637	68.532

5.3.3 **The authorised limit** - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Authority does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Authority has maintained gross borrowing within its authorised limit.

5.3.4 **The operational boundary** - the operational boundary is the expected borrowing position of the Authority during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

5.3.5 Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

**Table 28: Actual financing costs as a proportion of net revenue stream**

	2022/23 £m
Authorised limit	1,235.000
Maximum gross borrowing position during the year (Inc PFI)	534.720
Operational boundary	735.000
Average gross borrowing position (Inc PFI)	515.604
Financing costs as a proportion of General Fund net revenue stream	10.14%
Financing costs as a proportion of HRA net revenue stream	33.21%

#### 5.4 Treasury Position as at 31 March 2023

5.4.1 The Authority's treasury position (excluding borrowing by PFI and finance leases) at 31 March 2022 and 31 March 2023 is shown in table 40 below:

**Table 29: Treasury Position as at 31 March**

Borrowing Position	31 March 2023 Principal £m	Rate/Return %	31 March 2022 Principal £m	Rate/Return %
<b>Fixed Rate Funding:</b>				
-*PWLB long - term	254,250	3.52	249.250	3.62
(HRA-Self Financing)	128.193	3.49	128.193	3.49
-Market ** (LOBO's)	20.000	4.35	20.000	4.35
-Temporary	25.000	4.15	0.000	0.00
<b>Total External Debt</b>	<b>427.443</b>	<b>3.88</b>	<b>397.443</b>	<b>3.61</b>
<b>CFR (Exc PFI)</b>	<b>495.975</b>		<b>497.133</b>	
<b>Over (Under) borrowing</b>	<b>(68.532)</b>		<b>(99.690)</b>	

\*Public Works Loan Board \*\*Lender Option Borrower Option

**Table 30: The maturity structure of the external debt portfolio was as follows:**

	31 March 2023 Actual £m	31 March 2022 Actual £m
Within 12 months	29.000	5.000
12 months and within 24 months	15.000	14.000
24 months and within 5 years	16.575	23.575
5 years and within 10 years	51.900	44.900
10 years and within 20 years	82.200	82.200
20 years and within 30 years	63.575	53.575
30 years and within 40 years	98.193	113.193
40 years and within 50 years	71.000	61.000
Greater than 50 years	0.000	0.000

\*note, LOBOs are recorded above on their next call date.



## 5.5 Investment Portfolio

**Table 31: Treasury and Non-Treasury Investments**

Treasury investments	Actual 31 March 2023 £m	Actual 31 March 2022 £m
DMADF (H M Treasury)	17.500	22.000
Other Local Authorities	15.000	25.000
Deposit Accounts	5.000	10.000
Other Bank Balances	2.031	3.794

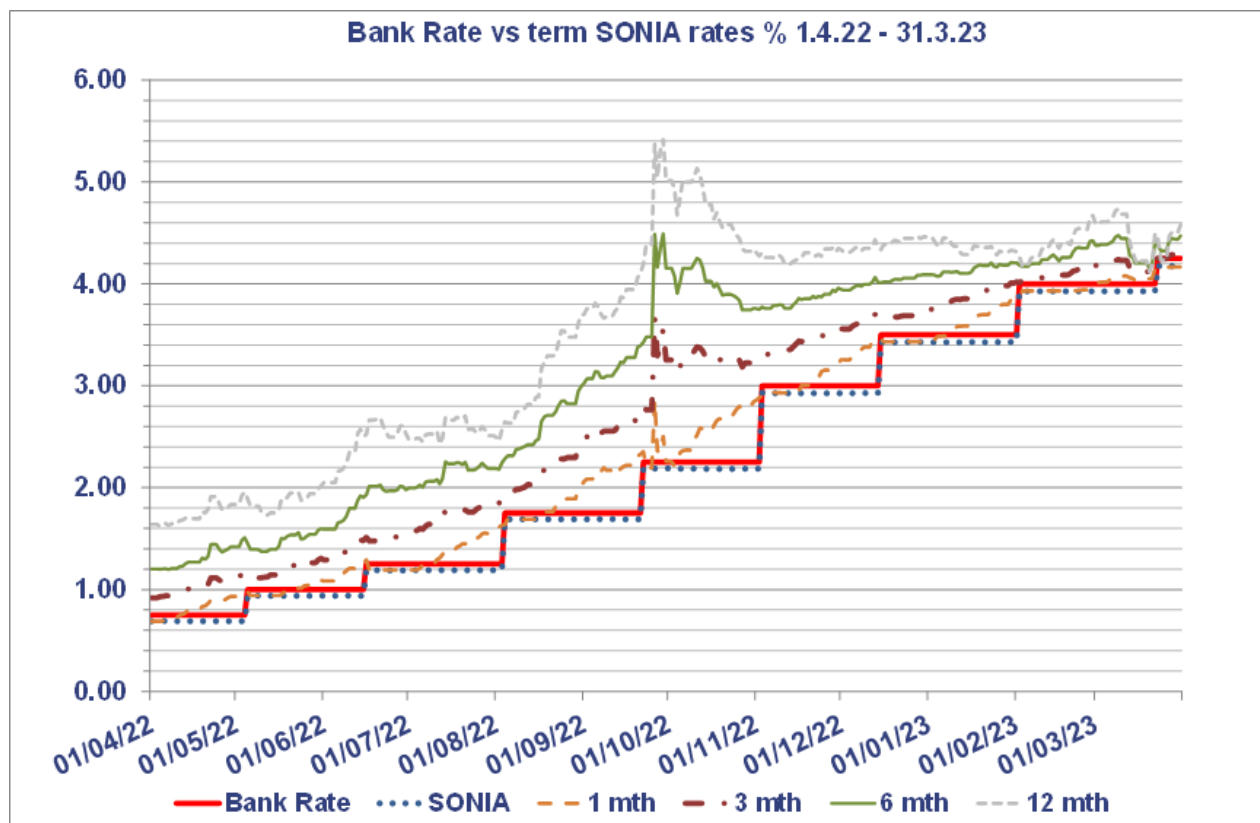
Non-Treasury investments	Actual 31 March 2023 £m	Actual 31 March 2022 £m
Joint venture	0.000	0.000
Companies	0.000	0.000
<b>TOTAL NON-TREASURY INVESTMENTS</b>	<b>0.000</b>	<b>0.000</b>

5.5.1 Return on investments have been at their best during 2022/23. Most local authorities managed surplus funds by undertaking inter local authority lending at a slightly cheaper rate than the PWLB, making it a very competitive market for those who seek short term cash .The expectation for interest rates within the treasury management strategy for 2022/23 was that Bank Rate would rise to combat inflation, with the base rate rising to its highest rate since 2008. Currently at 4.25% as of the last MPC meeting on the 22nd of March. The rate is likely to keep rising, until CPI shows consistent decrease.

5.5.2 The impact on the Bank's operations from Covid and associated restrictions on activity have begun to lessen. The Bank has considered the economic and financial implications for its remits. In particular, the rises in a range of energy and commodity prices have added further inflationary pressure and also increased the squeeze on people's real

incomes, sharpening the trade-off that the MPC faces. Twelve-month CPI inflation fell from 10.5% in December to 10.1% in January but then rose to 10.4% in February, 0.6 percentage points higher than expected in the February Report. If there were to be evidence of more persistent pressures, then further tightening in monetary policy would be required causing a further increase to base rate at the next meeting on the 11th of May.

**Chart 9: Investment strategy and control of interest rate risk**



## 5.6 Borrowing strategy and control of interest rate risk

5.6.1 During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were initially low and minimising counterparty risk on placing investments also needed to be considered.

- 5.6.2 A cost of carry generally remained in place during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. As the cost of carry dissipated, the Council sought to avoid taking on long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<3 years) as appropriate.
- 5.6.3 The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this has been kept under review to avoid incurring higher borrowing costs in the future when this Authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 5.6.4 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Resources monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:
- If it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g., due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
  - If it had been felt that there was a significant risk of a much sharper RISE in long and short-term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years
- 5.6.5 Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23

but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 10% in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.

Chart 10: Interest Rate View

Link Group Interest Rate View	27.03.23											
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
<b>BANK RATE</b>	4.50	4.50	4.25	4.00	3.50	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.50	4.50	4.30	4.00	3.50	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.50	4.40	4.20	3.90	3.40	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.40	4.20	3.80	3.30	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.10	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.20	3.10
10 yr PWLB	4.20	4.20	4.00	3.90	3.80	3.70	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.50	4.40	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.40
50 yr PWLB	4.30	4.20	4.10	3.90	3.80	3.70	3.50	3.50	3.30	3.20	3.20	3.10

5.6.6 Gilt yields have been on a continual rise since the start of 2021, peaking in the autumn of 2022. Currently, yields are broadly range bound between 3% and 4.25% At the close of the day on 31 March 2023, all gilt yields from 1 to 50 years were between 3.64% and 4.18%, with the 1 year being the highest and 6–7.5 years being the lowest yield.

5.6.7 There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate first rises to dampen inflationary pressures and a tight labour market, and is then cut as the economy slows, unemployment rises, and inflation (on the Consumer Price Index measure) moves closer to the Bank of England’s 2% target. As a general rule, short dated gilt yields will reflect movements in the bank rate, whilst medium to long term yields are determined by the inflation outlook.

The margins over gilt yields are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

5.6.8 The Bank of England is also embarking on a process of Quantitative Tightening, but the scale and pace of this has already been affected by the change in Prime Minister in the autumn of 2022 and more recently by the financial market unease with some US (e.g., Silicon Valley Bank) and European banks (e.g., Credit Suisse). The gradual reduction of the Bank's original £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing

## 5.7 Borrowing Outturn for 2022/23

5.7.1 PWLB Interest rates remain heightened in 2022/23 with rates of 4.78% for 1 year borrowing at 31.03.2023. This has led to an increase rate in the LA Temporary Market due increased demand with Authorities holding off on PWLB borrowing, as forecasts show that rates are expected to reduce in 2023/24. Alongside increased borrowing demand in the short-term market, the consistent rise of the BoE base rate by the MPC has caused rates to soar. Our borrowing strategy for 2022/23 has been if borrowing is required to take this from the temporary market as opposed to locking into long term debt at heightened rates, in anticipation of rates reducing in the near future.

5.7.2 At the end of 2022/23, £25.000m of short-term borrowing was taken by the Authority to manage cashflow into 31 March 2023.

5.7.3 Maturing long-term loans of £5.000m were repaid in 2022/23 as detailed in Table 32 below:

**Table 32 - Maturing Long-Term Loans repaid during 2022/23**

Principal £m	Interest Rate %	Date Repaid
5.000	7.00	12 September 2022

5.7.4 Short-term savings were achieved during the year by internally financing new capital expenditure by running down existing cash balances.

### 5.7.5 Borrowing in advance of need

The Authority has not borrowed more than, or in advance of its needs, purely to profit from the investment of the extra sums borrowed.

### 5.7.6 Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

## 5.8 Investment Outturn

5.8.1 **Investment Policy** – the Authority’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by full Council. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

5.8.2 The investment activity during the year conformed to the approved strategy.

5.8.3 **Resources** – the Authority’s cash balances comprise revenue and capital resources and cash flow monies. The Authority’s core cash resources comprised as follows:

**Table 33: Core Cash Balances**

Balance Sheet Resources	31 March 2023 £m	31 March 2022 £m
Balances	9.933	13.899
Earmarked reserves	77.222	98.514
Insurance Provisions	3.150	3.698
Usable capital receipts	16.192	13.167
<b>Total</b>	<b>106.497</b>	<b>117.622</b>

5.8.4 **Investments held by the Authority** – The Authority maintained an average balance of £24.000 of internally managed funds invested with

the Debt Management Office (DMO). An average balance of £5.000m was held in Lloyds Bank on an on-call basis to meet any unforeseen cashflow requirements whilst managing credit exposures. As at 31 March the Authority had £15.000m outstanding with other local authorities. This balance generated a weighted average return for the Authority of 3.90%.

- 5.8.5 Internally managed investments generated £0.891m compared to a budget of £0.023m. The high interest rate environment from Q2 of 2022/23 driven by Bank of England rate rises provided higher return on short term investments.
- 5.9 A full list of the Prudential and Treasury Indicators is shown in **Appendix D**.

## SECTION 6 – USE OF 2023/24 CONTINGENCIES

6.1 As part of the 2023–2027 Medium Term Financial Plan, approved by full Council on 16 February 2023, a higher than normal balance was allocated to contingencies. This was set aside to help address some of the main pressures the Authority faces in 2023/24 and beyond.

6.2 The Authority proposes to allocate £16.702m from Contingencies and £1.779m from Corporate Growth balances within Central Items into the base Budgets of various service areas via Budget virements. Table 34 below shows the allocations:

6.3 **Table 34 Allocation of Contingencies and Corporate Growth**

Allocation to	Contingencies £m	Corporate Growth £m	Total £m
Childrens, Young People & Learning	9.430	0.376	9.806
Adults Social Care	5.528	0.000	5.528
Resources	1.270	1.362	2.632
Regeneration & Economic Development	0.150	0.000	0.150
Corporate Strategy	0.124	0.041	0.165
Commissioning & Asset Management	0.200	0.000	0.200
<b>Total</b>	<b>16.702</b>	<b>1.779</b>	<b>18.481</b>

6.4 In addition to the balances shown in the table above, the Authority is still holding contingencies related to energy pressures and any 2023/24 Pay Award that is agreed. These will be allocated throughout the 2023/24 Financial Year, as required and will be reported in the 2023/24 Financial Management Reports to Cabinet.



Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
			£m	
<u>General</u>				
Insurance Reserve	Risks covered by the reserve include fire, employer and third party liability, contract guarantee bonds, motor cars, personal accident and other general risks	(8.328)	0.930	(7.398)
Planning Functions 20% Fee	Reserve set aside to account for the 20% uplift in planning application fees. The reserve to be invested into the planning service	(0.436)	(0.129)	(0.564)
Private Landlord Lease to Let Scheme	Reserve set aside to modernise private landlord properties for future lettings	(0.273)	(0.039)	(0.312)
Street Lighting	Set up to equalise cash flows relating to the Council's street lighting PFI scheme	(4.466)	2.859	(1.607)
Lettings Agents Transparency & Redress Scheme	Grant to support the monitoring of lettings agents in the Lettings Agents Transparency & Redress Scheme	(0.005)	0.000	(0.005)
Music Service	Development of music education hub	(0.140)	(0.002)	(0.141)
North Shields Christmas Market	The Xmas Market runs annually at a 'cost neutral' basis. The balance handed over & now retained in NTC's accounts acts as a contingency for the market (given that the market event is run for the community). If the event makes a loss, the balance/funding held is used to meet the expense. Similarly, if the event makes a profit, the balance will increase. It is expected that the annual event runs on a 'cost neutral' basis for some time to come	(0.006)	0.004	(0.002)
Wallsend Festival	The Wallsend Festival runs annually at a 'cost neutral' basis. The balance handed over & now retained in NTC's accounts acts as a contingency for the festival (given that the festival is run for the community). If the event makes a loss, the balance/funding held is used to meet the expense. Similarly, if the event makes a profit, the balance will increase. It is expected that the annual event runs on a 'cost neutral' basis for some time to come	(0.004)	0.002	(0.002)
Tynemouth Pool Restoration	A grant from Ministry of Housing, Communities and Local Government to provide planning application support for Tynemouth Pool Restoration	(0.047)	0.000	(0.047)
Reinvestment in Leisure Service	Reinvestment in Leisure Service	(0.112)	0.000	(0.112)
Alternate Weekly Waste Collection Reserve	Alternate Weekly Waste Collection Reserve	(0.170)	0.000	(0.170)
Redundancy & Remuneration Reserve	Reserve to meet the expected cost of redundancies arising from the Change Programme	(1.524)	0.040	(1.485)
Support for Change Programme	Reserve to support the implementation of the Change Programme	(4.498)	2.050	(2.447)
Community Infrastructure Levy	To be used on the costs associated with the Community Infrastructure Levy	(0.318)	(0.141)	(0.459)
Housing Growth	Carry forward of budget to continue to develop initiatives and create the requisite delivery mechanisms to help achieve Cabinet's ambition to enable delivery of 3,000 affordable homes in the Borough over the next 10 years	(0.090)	(0.081)	(0.171)
Lead Local Flood Authority	Funding to support the Council's programme of flooding work in its role as Lead Local Flooding Authority	(0.012)	0.000	(0.012)
MHCLG - Self Build	Works associated with the self build and custom build register	(0.082)	0.000	(0.082)
Capita Managed Budget Reserve	Surplus/loss relating to the Capita NTC Partnership Managed Budget	(0.657)	0.314	(0.343)
New Burdens UC Funding	To support welfare in future years as a result of the impact of Covid-19	(0.019)	0.000	(0.019)
Training Reserve	This reserve will be available to supplement and support the delivery of the Corporate Training Plan	(0.160)	0.000	(0.160)
Welfare Reform	Grant funding from central government to meet the on-going cost of implementing welfare reform and to support welfare in future years as a result of the impact of Covid-19	(0.194)	0.000	(0.194)

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
Education PFI Reserve	Established to provide a mechanism which takes account of project cashflows over a 30-year period to enable the yearly equalisation of the additional costs of the PFI schools	(3.747)	3.212	(0.535)
Education Change Reserve	Reserve to reflect potential future risks associated with change to our schools	(1.094)	0.000	(1.094)
Assessed & Supported Year in Employment (ASYE) & Student Placements (Children's)	To help newly qualified social workers develop their skills, knowledge and capability, and strengthen their professional confidence. It provides them with access to regular and focused support during their first year of employment in social work.	(0.063)	(0.017)	(0.080)
Hackney Carriage Unmet Demand Survey Reserve	A ring fenced reserve set up at the request of the Hackney Carriages and Private Hire Trade representatives whereby any surplus from fees is reinvested in the service	(0.021)	0.000	(0.021)
Practical support for Self-Isolation	Covid-19 grant to support individuals self-isolating	(0.003)	0.003	0.000
Mental Health in Schools	To support the Wellbeing for Education Return project which seeks to better equip education settings to support pupils and students' wellbeing and psychosocial recovery as they return to full-time education this autumn.	(0.024)	0.024	0.000
Building Control Reserve	The reserve has been set up to assist in complying with the accounting requirements of the Building (Local Authority Charges) regulations 2010	(0.212)	(0.167)	(0.379)
Feasibility Study Reserve	Set up to fund feasibility studies of potential capital schemes	(0.841)	0.111	(0.730)
ASC Covid Reserve	Covid-19 grants linked to Adult Social Care	(0.296)	0.281	(0.015)
Strategic Reserve	Established to address future potential significant external pressures on the Council's budget	(14.426)	8.081	(6.345)
Poverty & Intervention Fund	Established to support our residents in financial hardship	(0.732)	0.167	(0.566)
Dudley/Shiremoor Joint Service Centre PFI Reserve	Established to provide a mechanism which takes account of project cashflows over a 25-year period to enable the yearly equalisation of the additional costs of the Joint Service Centre	(1.965)	0.129	(1.836)
Schools PFI Lifecycle Costs	Established to provide a mechanism to reflect the costs of replacing items of equipment over the life of the PFI contract	(2.233)	0.581	(1.652)
MHCLG Bond Bank	This reserve is used to underwrite the deposit required when renting a property and therefore enabling people (over 18) who are homeless or have a housing need to access private lettings	(0.040)	0.000	(0.040)
Dudley PFI Lifecycle Costs	Established to provide a mechanism to reflect the costs of replacing items of equipment over the life of the PFI contract	(0.289)	0.037	(0.252)
Business Rates Volatility Fund	Established to support potential volatility in business rates income as the market changes post pandemic	(1.113)	0.000	(1.113)
Minimum Revenue Provision Reserve	As part of the 2021-2025 Medium-Term Financial Plan the Authority stated an intention to undertake an MRP review encompassing the methodology for charge as well as the underlying calculations. During the year, the Authority engaged with its Treasury advisors Link to carry out a review of the Authority's MRP methodology. This work was completed in March 2022 and the change in methodology has resulted in a reduced MRP charge delivering a £5.893m surplus in 2021/22. This will be used as an earmarked reserve to strengthen the Authority's financial resilience in a time of continued cost pressures as well as rising inflation and interest rates.	(5.893)	0.000	(5.893)
Customer Services Call Recoding VODA Contribution	Contribution towards a new system in customer services for call recording.	0.000	(0.020)	(0.020)
High Borans Operational Reserve	To purchase a mini bus.	0.000	(0.047)	(0.047)

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
Ringfenced Property Reserve	A reserve holding the surplus balances generated by the Ringfenced properties within the Capita NTC Managed Budget. Reserves used to ensure a nil impact on the managed budget	0.000	(0.580)	(0.580)
Salisbury House N Shields Ringfence	Salisbury House Reserve	(0.043)	0.043	0.000
131 Bedford Street	North Shields Reserve - 131 Bedford Street.	(0.087)	0.087	0.000
Smokehouses Reserve	Fish Quay Reserve - Smokehouses	(0.087)	0.087	(0.000)
Service Improvement Fund	Support fund established to facilitate the delivery of the major change programme that is required to ensure we continue to provide the services that our people need. The fund also provides Cabinet with the flexibility to make service improvement choices based on feedback from the residents and other key stakeholders	(0.630)	0.122	(0.508)
Waste Procurement Reserve	A reserve established to manage the future costs of waste provision	(0.987)	0.000	(0.987)
Pow Dene Reserve	Fish Quay Reserve - Pow Dene	(0.215)	0.215	(0.000)
Dockmasters Reserve	Fish Quay Reserve - Dockmasters	(0.009)	0.009	0.000
Working Above The Shops	Fish Quay Reserve - Union Quay Reserve	(0.049)	0.049	0.000
Local Safeguarding Board	To hold the balance of contributions from various partners and income generated from the LSCB charging policy (in relation to training) on behalf of the LSCB	(0.139)	(0.006)	(0.145)
Vita House Reserve	Fish Quay Reserve - Vita House reserve	(0.063)	0.063	(0.000)
Ballards Smoke House Reserve	Fish Quay Reserve - Ballards Smoke House	(0.000)	0.000	0.000
Barracks Building Reserve	Fish Quay Reserve - Barracks Building	(0.045)	0.045	0.000
Whitley Bay CFC PFI Reserve	Established to provide a mechanism which takes account of project cashflows over a 25-year period to enable the yearly equalisation of the additional costs of the Customer First Centre	(1.432)	0.101	(1.330)
Whitley Bay CFC PFI Lifecycle Costs	Established to provide a mechanism to reflect the costs of replacing items of equipment over the life of the PFI contract	(0.213)	(0.012)	(0.225)
Apprenticeships	To support the further development of the Council's apprenticeship and training programme, with a particular focus on working with the business partners EQUANS and Capita Symonds	(0.195)	0.195	0.000
Major Repairs Reserve (MRR)	Reserve that is used for new capital investment in Housing Revenue Account assets	(8.227)	0.000	(8.227)
Internal Refurbishment Reserve	A furniture reserve to fund a rolling programme of refurbishments to the Direct Access Units and Dispersed Units	(0.099)	0.032	(0.067)
HRA Solar PV Green Fund	To support the provision of energy efficiency measures on council dwellings	(0.788)	(0.084)	(0.872)
Older Peoples Homes for the Future PFI Reserve	Set up to equalise cash flows relating to the Council's North Tyneside Living PFI scheme	(13.118)	(2.024)	(15.142)
Housing PFI Lifecycle Costs	Established to provide a mechanism to reflect the costs of replacing items of equipment over the life of the PFI contract	(5.888)	(0.631)	(6.520)
Surplus on RTB Admin Costs	Reserve created to recognise additional administration payments over and above those required to fund RTB administration costs over the previous two years, have been set aside to supplement financing available for the Housing Investment Plan.	(0.697)	0.164	(0.533)
HRA Solar PV Maintenance	Maintenance of solar PV systems on new build council dwellings	(0.016)	(0.016)	(0.032)
Repairs Options Post 2019	To assist with Repairs Offer Options post 2019	(0.145)	0.145	0.000

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
HPC Vehicle Replacement Reserve	A delegated decision on Use of Reserves was taken as part of the project to create the Housing Property and Construction Group which released up to £3m from the North Tyneside Living PFI reserve to fund the purchase of the new fleet. As part of this decision it was agreed that the money recovered to cover the purchase costs over time from the financing element of hire rates, would initially be put into a VRR in order to build resource to replace the fleet as appropriate over the longer term. However, the one stipulation was that the PFI Reserve would have first call on the money to restore its position should that be required. For 2019-20 this resulted in the total applicable sum of £365,394 being split evenly between the Reserve and the VRR with each receiving a contribution of £182,697	(0.552)	(0.349)	(0.900)
Plant Replacement Reserve	Housing Property Services has undertaken a major replacement of core Plant and Equipment required by the frontline Operational staff during 2022-23. This replenishment of around £250k was met from the HRA Capital Investment Plan, the purpose of the Plant Reserve is to build up a fund to enable future such replacements to be accrued from Plant Hire charges levied on the use of the purchased plant.	0.000	(0.052)	(0.052)
Tenancy Satisfaction Measures Funding	Funding for new Government initiatives that will be undertaken from 2023-24 onwards	0.000	(0.030)	(0.030)
<b>Sub Total - General Reserves</b>		<b>(88.258)</b>	<b>15.758</b>	<b>(72.500)</b>
<b>Grants</b>				
Air Quality Monitoring Grant	Grant to fund support on measures to improve air quality in the local authority area	(0.042)	0.000	(0.042)
Step up to Social Work Grant	A programme to provide accelerated entry route into social work for high achieving graduates and career changers	(0.093)	0.000	(0.093)
Rogue Landlords Grant Reserve	To provide improved reporting systems to assist in tackling rogue landlords in North Tyneside	(0.002)	0.000	(0.002)
Tobacco Burdens Grant	To cover any additional costs incurred as a direct result of the implementation new tobacco legislation	(0.006)	0.000	(0.006)
Public Health Grant	Department of Health ring-fenced grant made available to local authorities to allow them to discharge their new public health responsibilities	(0.957)	(0.507)	(1.464)
Education Funding Agency	The 16-19 Bursary Fund aims to ensure that every young person participates and benefits from a place in 16-19 training. The SEN element of the reserve is intended to develop special educational needs and disability implementation and services	(1.095)	0.927	(0.168)
Syrian Refugee Grant	The reserve is for the Syrian Refugee Relocation Programme and will be used for spend in-line with this programme. The grant will be spent over the 5 years of the programme, but will be added to/ reduced as the next wave of refugees enter our Borough, with their 5 years of funding starting from this point	(0.434)	(0.096)	(0.531)
Assessed & Supported Year in Employment Programme	The Assessed and Supported Year in Employment (ASYE) is designed to help newly qualified social workers develop their skills, knowledge and capability, and strengthen their professional confidence. It provides them with access to regular and focused support during their first year of employment in social work	(0.013)	0.007	(0.007)
Test & Trace Service Support	Covid-19 grant relating to the Test and Trace Service	(0.031)	0.031	(0.000)
Flexible Homelessness Support Grant	Grant to allow councils greater flexibility to prioritise homelessness prevention through new ways of working	(0.282)	0.008	(0.274)
RRP Tenancy Support	Tenancy Support for Rapid Rehousing Pathway Scheme for Homelessness	(0.032)	0.000	(0.032)
Hardship Fund	Established from the unused balance of the Hardship funding provided during 20/21 for support to the covid-19 pandemic.	(0.286)	0.025	(0.261)
Covid 19 LA Support Grant Reserve	Covid 19 LA Support Grant Reserve	(1.384)	1.384	0.000

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
Local Authority EU Exit Preparation Reserve	As Central Government is committed to ensuring councils have the support and the funding they need to prepare for an orderly exit from the EU and do appropriate contingency planning, this funding will help councils to adapt to changes caused by Brexit, while still protecting vital local services	(0.337)	0.000	(0.337)
Business Rates Support Top Up	Covid-19 grant to support businesses during the pandemic	(3.118)	3.118	0.000
Local Restriction Support Grant	Covid-19 grant to support businesses during the pandemic	(2.684)	2.684	0.000
Additional Restrictions Grant	Covid-19 grant to support businesses during the pandemic	(0.201)	0.201	0.000
Test and Trace Support Payments	Covid-19 grant to support residents that are required to self-isolate	(0.117)	0.117	0.000
Contain Outbreak Management	Covid-19 grant to assist local authorities in containing outbreaks	(1.578)	1.451	(0.127)
Clinically Extremely Vulnerable	Covid-19 grant to support CEV residents in the borough	(0.160)	0.160	0.000
Homeless Reduction Act Grant	Grant to support the introduction of the Homeless Reduction Act from 1st April 2018	(0.061)	0.061	0.000
Rough Sleepers Grant	This grant supports the delivery of the government's rough sleeping strategy. It allows local authorities to employ one or more specialist personal advisers to support a small caseload of 5 to 10 care leavers	(0.226)	0.059	(0.167)
Business Rates; NoTCA Growth	Business Rates Growth income; result of the authority's membership in the 2019-20 NOTCA Pool	(1.841)	0.000	(1.841)
LRSO Open	Covid-19 grant to support businesses during the pandemic	(0.001)	0.001	0.000
Apprentice Incentive Payments	The incentive payment is in addition to the £1,000 employers already receive for hiring an apprentice.	(0.062)	0.062	0.000
Homeless Veterans	The homeless veteran's daily allowance and grant program is designed to help non-profit and government organizations set up and run supportive service centres and housing to cater for the needs of homeless veterans.	(0.024)	0.000	(0.024)
Brownfield Land Register	The Brownfield Land Register is a register of brownfield land which is suitable, available and achievable for housing development. The register has been introduced to help ensure that 90% of suitable brownfield sites have planning permission for housing by 2021.	(0.001)	0.001	0.000
Tyne Port Health – Export Health Certificates	Reserve is for costs to Tyne Port Health for the implementation of the new Export health Certificates following Brexit.	(0.011)	0.000	(0.011)
Grant Reserves under £100k	£83,794.05 English for speakers of other languages. £7,928.30 Working Well.	(0.476)	0.384	(0.092)
Revenues and Benefits New Burdens Admin Funding'	The Admin Subsidy is used to part fund the Unitary Charge that is paid to EQUANS for them to deliver the Housing Benefit Administration	(0.092)	(0.092)	(0.185)
Omicron Hospitality and Leisure Grant	Covid-19 grant linked to business rates and the pandemic	(0.233)	0.233	0.000
Business Restart Grant 21/22	Covid-19 grant supporting businesses to recover	(0.026)	0.026	0.000
Rough Sleeping Accommodation Programme (Revenue)	Funding for external service provider to provide support to residents as part of the Rough Sleepers Accommodation programme	(0.028)	0.028	0.000
Capability Fund – Sustainable Transport	Funding to provide sustainable transport solutions	(0.181)	(0.046)	(0.227)
Bio-Diversity Net Gain Grant	To help Local Planning Authorities and other local authorities with planning oversight prepare for Biodiversity Net Gain which will become mandatory two years after Royal Assent of the Environment Act	(0.010)	0.000	(0.010)
Food Allergen Labelling – Grant	Grant to assist the authority in the monitoring of the New Food Allergen labelling laws	(0.006)	(0.003)	(0.009)
Botulinum Toxin & Cosmetic Fillers Grant	Grant to assist the authority in the monitoring of underage practice	(0.003)	(0.006)	(0.008)

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
Covid 19 Pavement licenses – New Burdens'	Covid-19 grant linked to admin of more businesses looking for outside space	(0.002)	0.000	(0.002)
S31 – Covid-19 Business Rates Relief Additional Grant	Covid-19 business rates relief linked grant	(1.074)	(2.898)	(3.972)
Step up to Social Work Grant – Cohort 7	Cohort 7 Step up to Social Work grant	(0.067)	0.018	(0.049)
Cyber Security Grant	Cyber Security Grant	(0.150)	0.150	0.000
Local Audit Fees Grant	Local Audit Fees Grant	(0.069)	0.069	0.000
Organisational and Workforce Development	Established to support the authority's training programme in 2022-2023, which is expected to see pressure from the back log created as a result of the pandemic.	(0.064)	0.021	(0.043)
ASC Household Grant	ASC Household Grant	(0.103)	0.103	0.000
Air Quality – New Burdens – Smoke Emissions	Air Quality – New Burdens – Smoke Emissions	0.000	(0.012)	(0.012)
COVID-19 Reserve	COVID-19 Reserve	0.000	0.000	0.000
Brownfield Housing Grant Fund Reserve	Brownfield Housing Grant Fund Reserve	0.000	(0.003)	(0.003)
Public Health – Health Inequalities Grant	Development and introduction of Health and Care Connector posts to support individuals to address healthcare needs through a social care lens. Funding will support a menu of interventions from TyneHealth, offering access to a range of interventions, clinical and practice nurse support. An annual fund to support individuals to access healthcare where there may be barriers linked to financial hardship	0.000	(0.190)	(0.190)
Public Health – Vaccine Inequalities Grant	Established local VCS. To understand barriers to accessing current vaccines (PPV). Long established programme with large variation across the LA area. Also include primary care perspective.	0.000	(0.020)	(0.020)
Public Health – Cardiovascular Disease Prevention Grant	Targeting and monitoring unwarranted variation in care and outcomes. System leadership to co-ordinate action to drive CVD recovery. Supporting general practice to recover the management of key risk factors in atrial fibrillation, hypertension, and hypercholesteremia. Accelerating making every contact count (MECC) interventions such as commissioning non-NHS providers, high street pharmacies and vaccination centres to undertake BP checks.	0.000	(0.178)	(0.178)
ASYE Social Work Training & Development Grant	The Assessed and Supported Year in Employment (ASYE) is designed to help newly qualified social workers develop their skills, knowledge and capability, and strengthen their professional confidence. It provides them with access to regular and focused support during their first year of employment in social work	0.000	(0.021)	(0.021)
Public Health – Community Reading Contribution	Part year (carry forward) funding of a post linked to delivering Community Reading within Libraries & Community Centres.	0.000	(0.007)	(0.007)
Training & Development	School-centred initial teacher training (SCITT) – Networks of schools that have been approved to run school-centred courses are known as SCITTs. They provide practical, hands-on teacher training, delivered by experienced, practising teachers based in their own school or a school in their network. SCITT courses generally last one year, and many include a postgraduate certificate in education (PGCE) and/or Master's-level credits. Training as part of a SCITT gives you the opportunity to learn 'on the job'. You will benefit from working and learning every day in a school and getting an immediate insight into what teaching involves.	(0.010)	0.010	0.000
Parks – Heritage Lottery Fund Grant	Ring-fenced grant for the future maintenance and managements costs associated with Wallsend Parks and Northumberland Parks	(0.783)	0.265	(0.518)
ICT – Local Digital Fund Round 6	The Local Digital Fund aims to help councils transform their digital services in line with the Local Digital Declaration	0.000	(0.094)	(0.094)
Household Support – Private Sector Heating	Funding towards the installation of energy efficient measures in private sector housing.	0.000	(0.009)	(0.009)

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
Capacity & Productivity Grant	To help streamline adult social care assessments, simplify processes and reduce bureaucracy	0.000	(0.130)	(0.130)
Household Grant	Support households in the most need with food, energy & water bills. It can be used to support households with essential costs related to those items and with wider essential costs	0.000	(0.137)	(0.137)
Trees For Cities / Forest Commission / Newcastle CC Grant Income	Working with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalising forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.	0.000	(0.041)	(0.041)
Wallsend Towns and High Streets Innovation Programme	Wallsend Masterplan Regeneration support funding for delivery of proposals for the plan.	0.000	(0.129)	(0.129)
Support for those in Domestic Abuse	Funding for initiatives and support for those fleeing domestic abuse.	0.000	(0.078)	(0.078)
PCC – Safer Underpasses	To provide wardens to patrol underpasses in the borough to improve safety.	0.000	(0.010)	(0.010)
Chairs Charity Lottery	Reserve of balance of monthly lottery money linked to charity distribution.	0.000	(0.008)	(0.008)
Youth Employability Project	A partnership to help improve employment outcomes or prospects of future employment outcomes for long-term unemployed individuals and groups facing the most complex and intractable barriers to work.	0.000	(0.286)	(0.286)
Multiply Project	A partnership to help improve employment outcomes or prospects of future employment outcomes for long-term unemployed individuals and groups facing the most complex and intractable barriers to work.	0.000	(0.136)	(0.136)
Digital Inclusion Outreach Project	Targeted support to residents who, due to the impacts of Covid-19, have found themselves to be now digitally excluded, unable to afford internet connectivity and/or access to the devices needed to get online.	0.000	(0.111)	(0.111)
Elections Act 2022 New Burdens Funding	The purpose of the reserve is to provide support to local authorities in England and Wales towards expenditure lawfully incurred or to be incurred by them through implementation of the Elections Act 2022.	0.000	(0.034)	(0.034)
Improvement & Development Grant	The Improvement and Development Grant is to support implementation of the Redmond review recommendations for internal audit fees	0.000	(0.005)	(0.005)
Dedicated Schools Grant	This Grant is a ring-fenced specific grant and must be used in support of the Schools Budget as financed in the School Finance (England) Regulations 2008	12.851	(4.511)	8.340
Schools Recovery Premium	Recovery premium is part of the government's package of funding to support pupils whose education has been impacted by COVID-19. It is an Academic Year funding stream focused on pupils who are eligible for pupil premium and pupils in specialist settings because of the additional impact of the pandemic on these students.	0.000	(0.409)	(0.409)
Schools National Tutoring Premium	As part of the Department for Education's (DfE)'s education recovery plan, the Secretary of State for Education is providing financial assistance to eligible local authorities, for their maintained schools, and academy trusts. This is in accordance with section 14 of the Education Act 2002, in the form of the school-led tutoring grant. It is an Academic Year funding stream which will give schools and academy trusts the flexibility in determining how best to provide tutoring intervention to support catch-up for lost education due to the coronavirus (COVID-19) pandemic.	0.000	(0.359)	(0.359)
NE One Public Estate Grant	Grant as part of a national programme (NT are part of North East Scheme) to transform local communities and public services	(0.026)	0.000	(0.026)
Transparency Code New Burdens Funding	Funding for local authorities under the new burdens scheme for carrying out specific activities associated with its Local Land Charges Programme	0.000	(0.013)	(0.013)
LAA Performance Grant	To support local authorities in England towards expenditure lawfully incurred	(0.002)	0.000	(0.002)

Reserve	Purpose of Reserve	Opening Balance	Net Movement In Reserves (Cont. to) / Cont. from	Closing Balance
	Sub Total of Grant Reserves	(5.633)	1.023	(4.610)
	Total all Reserves	(93.891)	16.780	(77.110)



2022/23	Actual Gross Expenditure £000	Financing						Total Financing £000
		Unsupported Borrowing £000	Capital Receipts £000	Government Grants £000	ERDF £000	Grants & Contributions £000	Revenue Funding £000	
General Fund	50.814	(10.793)	0.000	(38.122)	(1.022)	(0.877)	0.000	(50.814)
Housing (HRA)	26.628	0.000	(0.443)	(0.752)	0.000	(16.033)	(9.400)	(26.628)
<b>Total</b>	<b>77.442</b>	<b>(10.793)</b>	<b>(0.443)</b>	<b>(38.874)</b>	<b>(1.022)</b>	<b>(16.910)</b>	<b>(9.400)</b>	<b>(77.442)</b>

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Investment Plan provisional outturn 2022/23

GENERAL FUND		Budget	Gross Expenditure	Variance	Funding Adjustment	Re-programming
		£M	£M	£M	£M	£M
BS026	Asset Planned Maintenance	2.909	2.836	0.073	(0.114)	0.041
BS029	Wallsend Customer First Centre	0.314	0.315	(0.001)	0.001	0.000
BS030	Public Sector Decarbonisation Scheme	0.761	0.707	0.054	0.000	(0.054)
BS031	Childrens Home Capital Programme	0.201	0.166	0.035	0.000	(0.035)
BS032	Spirit of NT Commemoration Project	0.200	0.190	0.010	(0.010)	(0.000)
BS033	Changing Places Facilities	0.100	0.007	0.093	0.000	(0.093)
BS034	Parks Sports Centre - Security Measures	0.350	0.005	0.345	0.000	(0.345)
CO079	Playsites	0.050	0.042	0.008	0.000	(0.008)
CO080	Burradon Recreation Ground	0.006	0.006	0.000	0.000	0.000
CO081	Gosforth Nature Reserve Grey Squirrel Control and Enhancements	0.002	0.000	0.002	0.000	(0.002)
CO082	Sport and Leisure Facility Improvements	0.018	0.006	0.012	0.000	(0.012)
CO083	Whitley Bay Crematoria	0.613	0.337	0.276	0.000	(0.276)
CO085	Northumberland Park Labyrinth	0.005	0.005	0.000	0.000	0.000
CO086	North West Library Improvements	0.129	0.060	0.069	0.000	(0.069)
CO087	Contours Gym Improvements	0.177	0.176	0.001	(0.001)	(0.000)
CO088	Gateways to the Boroughs	0.100	0.066	0.034	0.000	(0.034)
CO089	S106 Raleigh Drive Allotment Extension	0.030	0.005	0.025	0.000	(0.025)
CO090	Wallsend Park Machinery	0.095	0.091	0.004	(0.004)	(0.000)
CO091	Neighbourhood Parks	0.065	0.048	0.017	0.000	(0.017)
CO092	Wallsend Park Bothy Toilet	0.060	0.001	0.059	0.000	(0.059)

		Budget	Gross Expenditure	Variance	Funding Adjustment	Re-programming
		£M	£M	£M	£M	£M
CO093	Rising Sun Country Park S106 Ecology	0.000	0.000	0.000	0.000	0.000
CO094	Lawn Tennis - Improvements to Tennis Courts	0.175	0.042	0.133	0.000	(0.133)
CO095	S106 Willington Quay Community Garden	0.000	0.000	0.000	0.000	0.000
CO096	St Peters Sports Pavilion and AGP Pitches	0.000	0.054	(0.054)	0.000	0.054
DV064	Council Property Investment	0.897	0.577	0.320	0.000	(0.320)
DV066	Investment in North Tyneside Trading Co	2.195	1.916	0.279	0.000	(0.279)
DV067	Northern Promenade	0.452	0.452	0.000	0.000	0.000
DV071	Section 106 Contributions to Set Up Health Facilities	0.262	0.262	0.000	0.000	0.000
DV073	Ambition for North Tyneside	0.000	0.000	0.000	0.048	(0.048)
DV074	North Shields Heritage Action Zone (Ambition)	0.423	0.339	0.084	(0.084)	0.000
DV076	Getting Building Fund (North Shields Public Realm)	0.882	0.882	0.000	0.000	0.000
DV077	Tyne Brand Development Site	0.099	0.003	0.096	0.000	(0.096)
DV078	Bedford Street / Saville Street	0.073	0.000	0.073	(0.073)	0.000
DV079	Howard Street The Exchange	0.557	0.595	(0.038)	0.038	(0.000)
DV080	Segedunum Roman Museum MEND	0.075	0.080	(0.005)	0.000	0.005
DV081	North Shields Cultural Quarter	0.239	0.000	0.239	0.000	(0.239)
DV082	Wallsend Town & High Street Programme	0.130	0.000	0.130	0.000	(0.130)
ED075	Devolved Formula Capital	1.138	0.684	0.454	0.000	(0.454)
ED120	Basic Need	0.037	0.001	0.036	0.000	(0.036)
ED132	School Capital Allocation	5.231	4.372	0.859	0.022	(0.881)
ED190	High Needs Provision Capital Allocation	2.360	1.677	0.683	0.000	(0.683)
EV034	Local Transport Plan	3.222	2.124	1.098	(0.104)	(0.994)
EV055	Surface Water Improvements	0.723	0.389	0.334	(0.025)	(0.309)
EV056	Additional Highways Maintenance	3.635	3.739	(0.104)	0.104	0.000

	Budget	Gross Expenditure	Variance	Funding Adjustment	Re-programming
	£M	£M	£M	£M	£M
EV069 Vehicle Replacement	0.779	0.772	0.007	0.000	(0.007)
EV076 Operational Depot Accommodation Review	2.631	2.582	0.049	0.000	(0.049)
EV083 Street Lighting LED	1.200	1.218	(0.018)	0.000	0.018
EV084 A189 Improvements Haddricks Mill to West Moor	0.000	0.000	0.000	0.000	0.000
EV086 Clean Bus Technology Fund	0.000	0.022	(0.022)	0.022	0.000
EV091 Other Initiatives Climate Change	0.274	0.160	0.114	0.000	(0.114)
EV094 Transforming Cities Fund - NT02 North Shields Transport Hub	8.000	8.818	(0.818)	0.000	0.818
EV095 Active Travel Fund 1 & 2 Rake Lane	1.137	1.078	0.059	0.000	(0.059)
EV096 Highway Maintenance Challenge Fund - Tanners Bank	0.625	0.341	0.284	0.000	(0.284)
EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway Homes)	3.250	2.354	0.896	0.000	(0.896)
EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority	1.893	1.508	0.385	0.000	(0.385)
EV099 Transforming Cities Fund - NT10 Links to Metro	0.748	0.400	0.348	0.000	(0.348)
EV100 Active Travel 3 - Permenant Seafront Scheme	0.000	0.057	(0.057)	0.000	0.057
EV101 Transforming Cities Fund - Intelligent Transport Systems	0.179	0.082	0.097	0.000	(0.097)
GEN12 Local Infrastructure	0.127	0.080	0.047	0.000	(0.047)
GEN13 Project Management	0.075	0.000	0.075	(0.075)	0.000
HS004 Disabled Facilities Grant	2.578	1.869	0.709	0.000	(0.709)
HS051 Private Sector Empty Homes	0.270	0.215	0.055	0.000	(0.055)
HS053 Green Homes Local Authority Delivery	5.426	4.621	0.805	0.077	(0.882)
IT020 ICT Strategy	1.897	1.380	0.517	0.000	(0.517)
<b>Sub Total</b>	<b>60.079</b>	<b>50.814</b>	<b>9.265</b>	<b>(0.178)</b>	<b>(9.087)</b>
GEN03 Contingency Provision	0.623	0.000	0.623	0.085	(0.708)
<b>TOTAL GENERAL FUND</b>	<b>60.702</b>	<b>50.814</b>	<b>9.888</b>	<b>(0.093)</b>	<b>(9.795)</b>

		Budget	Gross Expenditure	Variance	Funding Adjustment	Re-programming
		£M	£M	£M	£M	£M
<b>HRA</b>						
HS015	Refurbishment / Decent Homes Improvements	22.954	23.530	(0.576)	(0.019)	0.595
HS017	Disabled Adaptations	1.220	1.190	0.030	0.020	(0.050)
HS039	ICT Infrastructure Works	0.444	0.093	0.351	(0.001)	(0.350)
HS044	HRA New Build	1.996	1.815	0.181	0.000	(0.181)
HS054	HRA Vehicle Replacement Programme	0.000	0.000	0.000	0.000	0.000
<b>TOTAL HRA</b>		<b>26.614</b>	<b>26.628</b>	<b>(0.014)</b>	<b>0.000</b>	<b>0.014</b>
<b>TOTAL</b>		<b>87.316</b>	<b>77.442</b>	<b>9.874</b>	<b>(0.093)</b>	<b>(9.781)</b>

Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2021/22	2022/23	2022/23
	actual	revised	actual
	£m	£m	£m
<b>Capital Expenditure</b>			
Non – HRA (General Fund)	£36.287	£66.119	£50.814
HRA	£26.758	£26.614	£26.628
TOTAL	£63.045	£92.733	£77.442
<b>Ratio of financing costs to net revenue stream</b>			
Non – HRA (General Fund)	17.14%	11.75%	10.14%
HRA	28.02%	31.23%	33.19%
<b>Ratio of financing costs for Prudential Borrowing to net revenue stream</b>			
Non – HRA (General Fund)	8.20%	6.26%	5.98%
HRA	11.70%	17.44%	17.43%
<b>Gross borrowing requirement General Fund (CFR excluding PFI)</b>			
brought forward 1 April	£269.975	£262.496	£262.496
carried forward 31 March	£262.496	£271.853	£267.869
in year borrowing requirement	(£7.479)	(£9.357)	(£5.373)
<b>Gross borrowing requirement HRA (CFR excluding PFI)</b>			
brought forward 1 April	£242.634	£234.637	£234.637
carried forward 31 March	£234.637	£231.137	£228.106
in year borrowing requirement	(£7.997)	(£3.500)	(£6.531)
<b>Gross debt (excluding PFI)</b>			
CFR			
Non – HRA	£397.443	£427.587	£427.443
HRA	£301.139	£305.028	£301.934
TOTAL	£603.279	£732.615	£729.377
	£604.418	£605.206	£598.864

<b>Annual change in Capital Financing Requirement</b>			
Non – HRA	(£3.890)	£3.890	(£3.090)
HRA	(£4.383)	(£3.100)	(£3.250)
<b>TOTAL</b>	<b>(£8.273)</b>	<b>£0.079</b>	<b>(£6.340)</b>
<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>actual</b>	<b>revised</b>	<b>actual</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt –</b>			
borrowing	£1,080.000	£1,000.000	£1,000.000
other long-term liabilities	£150.000	£235.000	£235.000
<b>TOTAL</b>	<b>£1,230.000</b>	<b>£1,235.000</b>	<b>£1,235.000</b>
<b>Operational Boundary for external debt –</b>			
borrowing	£540.000	£550.000	£550.000
other long term liabilities	£130.000	£185.000	£185.000
<b>TOTAL</b>	<b>£670.000</b>	<b>£735.000</b>	<b>£735.000</b>
<b>Actual external debt (including PFI)</b>	<b>£504.728</b>	<b>£529.803</b>	<b>£530.332</b>

<b>Maturity structure limits of fixed rate borrowing during 2021/22</b>	<b>upper limit</b>	<b>lower limit</b>
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%





North  
Tyneside  
Council

# Investment Programme Board

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# Terms of Reference

## Purpose

- To provide strategic leadership for all of the Council's capital project activity
- Oversee the entire programme
- Provide a gateway to inclusion on the programme ensuring funding and resources are in place
- Line of sight on the delivery of the programme ensuring programme and project managers are accountable for the delivery of their work.

## Scope

The Group will consider the entirety of the Council's capital investment.

This means:

- The Housing capital programme
- The Education capital programme
- The Council's Buildings and Regeneration capital programme
- The Highways and Infrastructure programme
- Other infrastructure projects.

# Membership

## Investment Programme Board Membership

- The Mayor
- The Deputy Mayor
- The Cabinet Member for Finance and Resources
- The Director of Housing and Property Services
- The Director of Regeneration and Economic Development
- The Director of Commissioning and Asset Management
- The Director of Resources
- Capita Business Director – North Tyneside Partnership
- Head of Property Services
- Head of Estates

# 2022/23 Investment Plan

Ref	Project	Budget £m
BS026	Asset Planned Maintenance Programme	2.909
BS029	Wallsend CFC	0.314
BS030	Public Sector Decarbonisation	0.761
BS031	Children's Home Capital Fund	0.201
BS032	Spirit of NT Commemoration	0.200
BS033	Changing Places	0.100
BS034	The Parks Sports Centre – Security	0.350
CO079	Playsite	0.050
CO080	Burradon Recreation Ground	0.006
CO081	Gosforth Nature Reserve Improvements	0.002
CO082	Sport & Leisure Facility Improvements	0.018
CO083	Whitley Bay Crematorium	0.613
CO085	Northumberland Park Labyrinth	0.005
CO086	S106 North West Library Improvements	0.129
CO087	Contours Gym Improvements	0.177
CO088	Gateways to the Borough	0.100
CO089	S106 Raleigh Drive Allotment	0.030
CO090	Wallsend Park Machinery	0.095

Ref	Project	Budget £m
CO091	Neighbourhood Parks Improvements	0.065
CO092	Wallsend Park Bothy Toilet Improvements	0.060
CO093	Rising Sun Country Park – Ecology Impr	0.000
CO094	Lawn Tennis, Improvements to Tennis Courts	0.175
CO095	S106 Willington Quay Community Garden	0.000
CO096	St Peter's Sports Hub	0.000
CO097	Forest Hall Library Improvements	0.000
CO098	S106 Killingworth Lakeside Centre Impr	0.000
DV064	Council Property Investment	0.897
DV066	Investment in NT Trading Company	2.195
DV067	Northern Promenade	0.452
DV071	S106 Contribution set up Health Facilities	0.262
DV073	Ambition for North Tyneside	0.000
DV074	North Shields HAZ	0.423
DV076	Getting Building Fund	0.882
DV077	Tyne Brand Site Development	0.099
DV078	Saville/Bedford Street Public Realm	0.073
DV079	Howard Street / The Exchange	0.557

# 2022/23 Investment Plan

Ref	Project	Budget £m
DV080	Segedunum MEND	0.075
DV081	North Shields Cultural Quarter	0.239
DV082	Wallsend Town & High Street Fund	0.130
ED075	Devolved Formula Capital	1.138
ED120	Basic Need	0.037
ED132	School Capital Allocation	5.231
ED190	High Needs Provision Capital	2.360
EV034	Local Transport Plan	3.222
EV055	Surface Water Improvements	0.723
EV056	Additional Highways Maintenance	3.635
EV069	Vehicle Replacement	0.779
EV076	Operational Depot	2.631
EV083	Streetlighting LED	1.200
EV091	Climate Change	0.274
EV094	TCF – NT02 North Shields Transport Hub	8.000
EV095	Active Travel Fund Tranche 2 (Rake Lane)	1.137
EV096	Highways Maintenance Challenge Fund	0.625
EV097	Weetslade / Westmoor Improvements	3.250

Ref	Project	Budget £m
EV098	TCF NT08 A188/A189 Four Lane Ends	1.893
EV099	TCF – NT10 Impr Cycling/Walking to Metro	0.748
EV100	Active Travel Fund Tranche 3 (Seafront)	0.000
EV101	TCF – Intelligent Transport Systems	0.179
GEN03	Contingency Provision	0.623
GEN12	Local Infrastructure Projects	0.127
GEN13	Project Management	0.075
HS004	Disabled Facility Grant	2.578
HS051	Private Sector Empty Homes Programme	0.270
HS053	Green Homes	5.426
IT020	ICT Strategy	1.897
HS015	Refurbishment / Decent Home Improvement	22.954
HS017	Disabled Adaptations	1.220
HS039	ICT Infrastructure Works	0.444
HS044	HRA New Build	1.996
HS054	HRA Vehicle Replacement	0.000
EV089	Ultra-Low Emission Taxi Infrastructure	
	<b>2022/23 Investment Programme Total</b>	<b>87.316</b>

# 2022/23 Investment Plan Actual Spend

➤ Housing Improvements & New Build	32.043
➤ ICT Improvements	1.379
➤ Vehicle Transport Review	0.863
➤ Highways and Infrastructure	13.290
➤ Disabled Facilities Grant	1.869
➤ Education/Schools	6.899
➤ Public Buildings	4.369
➤ Regeneration	11.233
➤ Operational Depot Accommodation Review	2.582
➤ Sport and Leisure facilities	0.339
➤ Trading Company Activities	1.916
➤ Whitley Bay Crematoria	0.337
➤ Climate Change Initiatives	0.181
➤ Minor projects (under £0.100m)	<u>0.142</u>
<b>Total</b>	<b><u>£77.442m</u></b>

# 2022/23 Financing Summary

<u>General Fund</u>	<u>£m</u>
Borrowing	10.793
Grants and Contributions	38.122
ERDF	1.022
Contribution from Reserves	0.877
<b>Total General Fund</b>	<b>50.814</b>
<u>Housing</u>	
Capital Receipts	0.443
Revenue Contribution	9.400
Major Repairs Reserve	15.663
HRA Grants and Contributions	0.752
Contribution from Reserves	0.370
<b>Total Housing</b>	<b>26.628</b>
<b>Total General Fund &amp; Housing</b>	<b>77.442</b>



# Summary of Gateway Decisions

## IPB – 15 April 2022 (approved via email outside of IPB meeting cycle)

Gateway 0 – EV076 Operational Depot (feasibility fund)
Gateway 0 & 1 – DV082 Wallsend Town and High Street Fund
Gateway 1 – EV100 Active Travel Fund Tranche 3 (Seafront)
Gateway 1 & 2 – CO090 Wallsend Park Machinery
Gateway 2 – EV055 Surface Water Additional Grant Funding
Gateway 2 – EV094 Transforming Cities Fund (TCF) NT02 North Shields Transport Hub
Gateway 2 – EV098 TCF NT08 Four Lane Ends
Gateway 2 – CO089 Rayleigh Drive Allotment (S106)

## IPB – 18 May 2022

Gateway 0 – Wallsend Levelling Up
Gateway 0 – North Shields Fish Quay Levelling Up
Gateway 1 & 2 – BS033 Changing Places Fund
Gateway 2 – EV100 Active Travel Fund Tranche 3 (Seafront)

## IPB – 22 June 2022

Gateway 0 – Swans Mooring Dolphin
Gateway 0 – Salix Public Sector Decarbonisation Fund (Round 2)
Gateway 1 – North Shields Fish Quay Levelling Up
Gateway 1 – Wallsend Levelling Up
Gateway 2 – ED132 School Capital Allocation (Backworth Park Primary Class Refurbishment) (S106)
Gateway 3 – BS026 Asset Planned Maintenance Programme & EV056 Additional Highways Maintenance (capital costs associated with Storm Arwen)
Gateway 3 – DV067 Northern Promenade

## IPB – 4 July 2022 (approved via email outside of IPB meeting cycle)

Gateway 3 – DV078 Saville / Bedford Street Public Realm
---

# Summary of Gateway Decisions

IPB – 20 July 2022
Gateway 0 – Cultural Development Fund
Gateway 3 – EV056 Additional Highways Maintenance (DfT Pothole Funding)
Gateway 3 – EV094 TCF NT02 North Shields Transport Hub
Gateway 3 – ED132 School Capital Allocation (Backworth Park Primary Class Refurbishment) (S106)
Gateway 4 – BS026 Asset Planned Maintenance Programme
Gateway 4 – DV058 Swan Hunters Redevelopment
Gateway 4 – DV075 ERDF Town Centre Business Recovery
Gateway 4 – ED07 Devolved Formula Capital
Gateway 4 – ED132 School Capital Allocation
Gateway 4 – EV034 Local Transport Plan
Gateway 4 – EV055 Surface Water Management Improvements
Gateway 4 – EV056 Additional Highways Maintenance
Gateway 4 – EV069 Vehicle Replacement
Gateway 4 – EV084 Haddricks Mill
Gateway 4 – HS015 Refurbishment / Decent Home Improvements
Gateway 4 – HS017 Disabled Adaptations
Gateway 4 – HS039 ICT Infrastructure Works

IPB – 20 July 2022
Gateway 4 – HS044 HRA New Build
Gateway 4 – CO079 Playsites (Merlin Place Playsite) (Phase 1 & 2) (S106)
Gateway 4 – CO079 Playsites (Killingworth Lakeside Park) (S106)
Gateway 4 – CO079 Playsites (Westmoor Playsite) (S106)
IPB – 29 July 2022 (approved via email outside of the IPB meeting cycle)
Gateway 2 – EV034 Local Transport Plan (S106)
IPB – 17 August 2022
Gateway 0 – CO097 Forest Hall Library Improvements
Gateway 0 & 1 – Brownfield Housing fund – Howdon Tip
Gateway 0 & 1 – CO094 Lawn Tennis – Improvements to Tennis Courts
Gateway 0, 1 & 2 – EV101 TCF Intelligent Transport Systems
Gateway 2 – EV099 TCF NT10 Improvements Cycling / Walking to Metro
IPB – 7 September 2022 (approved via email outside of the IPB meeting cycle)
Gateway 0, 1 & 2 – BS034 The Parks Sports Centre – Security Measures

# Summary of Gateway Decisions

## IPB – 21 September 2022

Gateway 0 – BS033 Changing Places Fund (Second Phase)

Gateway 0 & 1 – Social Housing Decarbonisation Fund

Gateway 2 – DV082 Wallsend Town and High Steet Fund

Gateway 2 – CO079 Playsites (Earsdon Playsite (S106)

Gateway 2 – CO091 Neighbourhood Parks Improvements (S106)

## IPB – 19 October 2022

Gateway 0 – Investment Zones

Gateway 0 – Killingworth Heat Network

Gateway 0 & 1 – HS044 HRA New Build (HUSK Project Battle Hill)

Gateway 3 – IT020 ICT Strategy (Cyber Security Section 31 Grant)

## IPB – 16 November 2022

Gateway 0 – Northumberland Line

Gateway 0, 1 & 2 – CO092 Wallsend Park Bothy Toilet Improvements

Gateway 0, 1 & 2 – GEN13 Project Management

Gateway 2 – CO079 Playsites (Richardson Dees Playsite ) (S106)

## IPB – 16 November 2022 (continued)

Gateway 2 – CO079 Playsites (Moorside Playsite) (S106)

Gateway 2 – CO079 Playsites (Hill Top Playsite) (S106)

Gateway 2 – CO093 Rising Sun Countryside Park (Ecology Improvements) (S106)

Gateway 2 – DV071 S106 Contributions to set up health facilities (Bewicke Medical Centre) (S106)

## IPB – 5 December 2022 (approved via email outside of IPB meeting cycle)

Gateway 3 – BS026 Asset Planned Maintenance Programme

## IPB – 14 December 2022

Gateway 0 – Additional High Needs Capital Funding

Gateway 1 – EV055 Surface Water Additional grant Funding

Gateway 2 – CO094 Lawn Tennis – Improvements to Tennis Courts

Gateway 2 – CO079 Playsites (Rising Sun Countryside Park) (S106)

Gateway 2 – CO079 Playsites (Mullen Road Playsite) (S106)

Gateway 2 – ED132 School Capital Allocation (Backworth Park Primary Class Refurbishment – Phase 2) (S106)

# Summary of Gateway Decisions

## IPB – 18 January 2023

Gateway 0 – North of Tyne in Year Capital Funding

Gateway 0 – Affordable Homes Delivery

Gateway 1 – CO096 St Peter’s Sports Hub

Gateway 2 – HS044 HRA New Build (HUSK Project Battle Hill)

## IPB – 15 February 2023

Gateway 1 – BS033 Changing Places Fund (Second Phase)

Gateway 1 – Segedunum Development

Gateway 2 – CO096 St Peter’s Sports Hub

Gateway 2 – CO095 Willington Quay Community Gardens (S106)

Gateway 3 – EV094 TCF NT02 North Shields Transport Hub

Gateway 3 – CO094 Lawn Tennis – Improvements to Tennis Courts

## IPB – 22 March 2023

Gateway 0 & 1 – On Street Residential Charging Scheme EV Charging Point (approved in principle and updated Gateway forms approved 12 April 2023)

Gateway 1 & 2 – CO097 Forest Hall Library Improvements

Gateway 2 – CO098 Killingworth Lakeside Centre Improvements (S106)

Gateway 3 – DV064 Council Property Investment

Gateway 3 – DV066 Investment in North Tyneside Trading Company

Gateway 3 – CO081 Gosforth Nature Reserve

Gateway 4 – BS032 Spirit of north Tyneside Commemoration Project

# Section 1

## Projects Completed

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# Commissioning and Asset Management

## BS026 Asset Planned Maintenance Programme £2.836m

Circa 30 schemes were delivered, including examples such as:

- Refurbishment of the Wooden Doll in Northumberland Square
- Converting the Spa into a dance studio at Waves
- Refurbishment / relocation of the Book of Remembrance at Tynemouth Cemetery
- Tynemouth Pool roof replacement
- Window replacements at High Borrans.

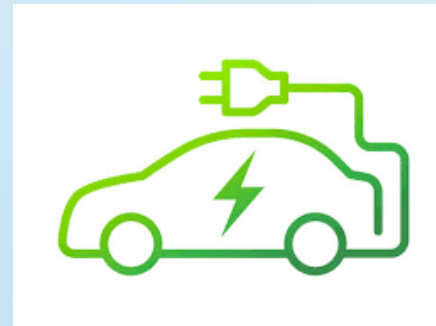


# Commissioning and Asset Management

## BS031 Children's Home Capital Fund £0.166m

### Refurbishment works to 1-3 Heatherfield Mews

- Renew bathrooms & kitchens
- Replacement flooring and decorating throughout
- New white goods
- New furniture, fixtures and fittings
- Externals works to the garden and new garden furniture
- New electric vehicle and charging point.



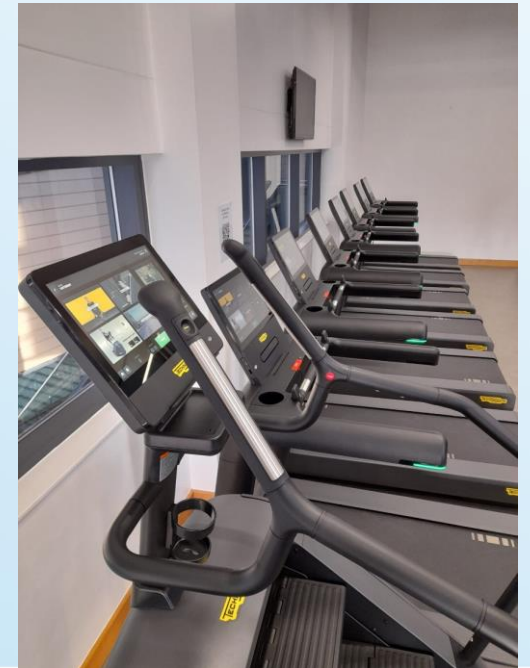
# Environment

## CO087 Contours Gym Improvements £0.176m

Replacement of the flooring and new Technogym kit, with improved functionality, at the Lakeside Centre:

- 7 x Treadmills
- 5 x Cross trainers
- 3 Skill rowers
- 2 x Stair climbers
- A Ski- erg

Investing in our Contours membership package, providing value for money for our residents.





# Environment

## CO088 Gateways to the Borough £0.066m

Improvements carried out to 12 strategic gateways into North Tyneside helping to build a sense of place, identity and civic pride for residents and visitors across the Borough.

Schemes included:

- The introduction of new signage in line with the Council's corporate branding
- Landscaping appropriate to each location's individual design and location, made up of a mixture of herbaceous planting, bulb planting and rockeries.



# Investment in North Tyneside Trading Company

## DV066 Investment in North Tyneside Trading Company £1.916m

- The Council has received £0.359m from the Company in the last 12 months
- Aurora Affordable Homes has invested £2.344m and increased their stock to 94 homes with a further four homes under offer
- Aurora Affordable Homes has successfully secured loan finance of up to £12.5m to further increase their asset base, support regeneration within the borough and tackle derelict properties
- The Company is now providing homes for independent supported living that is reducing costs for the Authority
- The Company is continuing work to secure a contractor for the housing regeneration scheme at Unicorn House.



# Commissioning and Asset Management

## DV067 Northern Promenade £0.452m



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- Final phase of the Whitley Bay Northern Prom public realm improvement works in line with the Whitley Bay seafront master plan
- Included the demolition of old concrete plinths and shelters and installation of new railings, prom surface, pebble seating, shelters and bins to match previous phases
- Wild flower planting was integrated into the new re-graded banksides and sea defence repairs carried out to future proof the promenade
- Scheme also included the first phase of the sustainable coastal route, creating a shared cyclist / pedestrian surface, to align with the Authorities net zero targets and green agenda.

# Regeneration and Economic Development

## DV076 Getting Building Fund £0.882m



Get building Fund, for Northumberland Square and Howard Street, enabled the first of the North Shields Masterplan projects to be completed.

The project included:

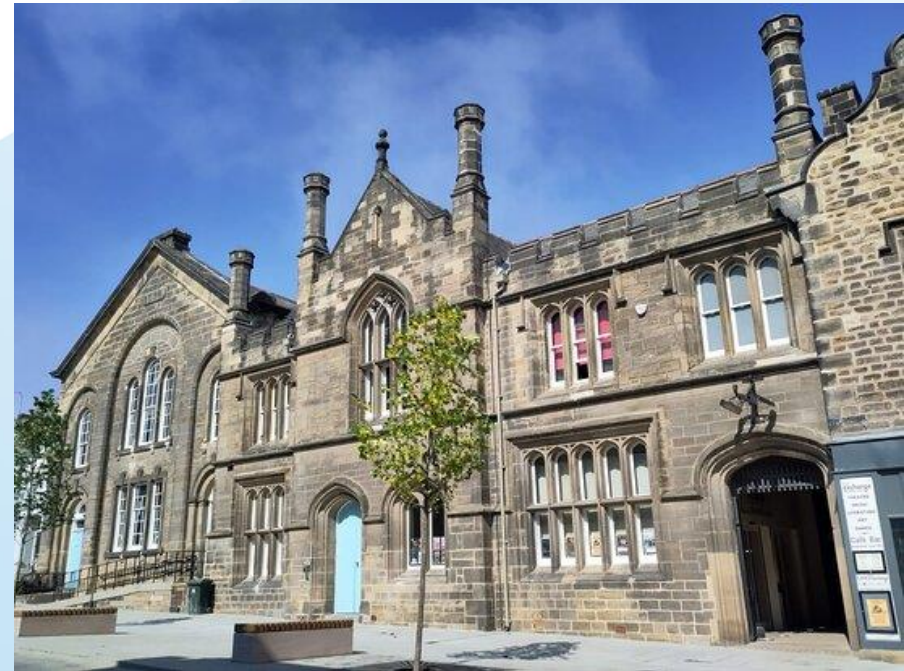
- Significant high quality public realm improvements that complemented the work of North Shields Heritage action zone
- The restoration of the original Georgian layout to Northumberland Square
- A more commodious route to Fish Quay from North Shields Town centre
- Additional space for events to be held on Howard Street. Allowing the North Shields Christmas market to expand.

# Commissioning and Asset Management

## DV079 Howard Street / The Exchange £0.595m

External restoration works to allow for an improved overall experience at The Exchange building in North Shields including:

- New slate roofing
- Stonework replacement
- Repointing and rendering
- Window repairs
- Painting to woodwork
- New rainwater goods.



# Commissioning and Asset Management

## ED132 School Capital Allocation £4.372m

Circa 25 condition related schemes delivered, including examples such as:

- Replacement windows, lifts, and Fire Risk Assessment works at George Stephenson High School
- Roof placement at Amberley Primary School
- Electrical works at Spring Gardens Primary School.

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# Regeneration and Economic Development

**EV034 Local Transport Plan £2.124m**

**EV056 Additional Highways Maintenance £3.739m**

EV034 Local Transport Plan – EV056 Additional Highway Maintenance – The Local Transport Plan is the Authority’s ongoing programme of transport works and includes road resurfacing; maintenance of bridges and infrastructure; and road safety, network management and parking schemes. In 2022/23 this has included:

- Full delivery of the annual resurfacing programme. Combined with project EV056 (Additional Highway Maintenance), this involved:
  - 43,000 m<sup>2</sup> of micro-asphalt, enough to surface 4 miles of road
  - 70,000 m<sup>2</sup> of full resurfacing schemes, enough to surface 5 miles of road
  - Completion of a programme of additional footway improvements in line with a Mayoral priority: around 19 full footway refurbishment schemes have been delivered
- Development of Harrow Street bridge repair scheme ready for construction in 23/24
- Completion of 13 traffic safety schemes
- Delivery of 3 sustainable travel schemes.



# Environment

## EV069 Vehicle Replacement £0.772m

- 4 refuse collection vehicles delivered
- 3 recycling vehicles delivered

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# Regeneration and Economic Development

## EV095 Active Travel Fund Tranche 2 (Rake Lane) £1.078m

A project to improve cycling provision along the A191 corridor was successfully completed in late 2022.

This included the redesign of the Rake Lane roundabout, to give priority to cyclists and protected cycle lanes along the length of the corridor, with other works to reduce traffic speeds.

Further cycling improvements were also introduced along the Middle Engine Lane corridor.



# Regeneration and Economic Development

## EV097 Weetslade / Westmoor Improvements £2.354m

This project involved the signalisation of two roundabouts along with remodelling of the highway to improve capacity. New pedestrian and cycle crossing facilities were also provided.

The works were carried out on behalf of a housing developer via a bespoke Section 106 agreement.

The works link into and complement previous improvement works undertaken by the Authority along the A189 corridor.



New crossing provision and signalisation

# Regeneration and Economic Development

## EV101 Transforming Cities Fund – Intelligent Transport Systems £0.082m

A scheme to upgrade traffic signals as part of a regional improvement programme has been carried out.

The project was funded through the regional Transforming Cities Fund.

The funding allocated to North Tyneside was for the civils works associated with upgrading the signal equipment.

# Commissioning and Asset Management

## GEN12 Local Infrastructure Projects £0.80m

- Delivery of small community led (Ward) projects carried out to improve assets for local communities across the borough
- 9 projects were identified for delivery in 2022/23 across 9 Wards (7 projects across 6 Wards in 2021/22)
- Traditionally projects include footpath improvements, road/path resurfacing, improvements to playsites and fencing.



# Housing and Property Services

## HS004 Disabled Facility Grant £1.869m

- A total of 164 Disabled Facilities Grants were approved in 2022/23
  - 145 Discretionary Grants
  - 19 Mandatory Grants
- A range of adaptation work delivered includes:
  - Level access showers
  - Extensions
  - Through floor lifts
  - Level access ramps



# ICT

## IT020 ICT Strategy £1.380m

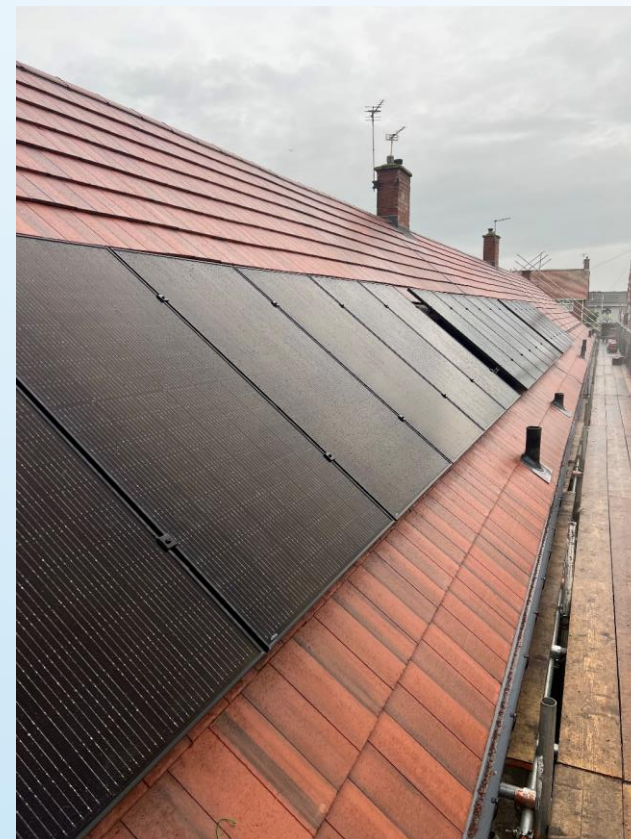
- Installation of a new 10Gb line from Killingworth to improve internet connectivity speeds and reliability, and facilitate vastly improved Disaster Recovery resilience via increased back-up and re-routing options
- Implementation of further Office 365 improvements – such as Bring Your Own Mobile Device, Multi-Factor Authentication and One Drive – across the entire workforce
- Installation of video conferencing equipment and new room booking system across Quadrant East (including the Chamber) to facilitate hybrid meetings
- Replacement of 25 network switches in quadrant, and 42 across the estate, to improve reliability, speed, security and resilience
- Reduction of Citrix licences from 2000+ to under 400 via the removal of applications using the platform
- Mitigation of multiple security vulnerabilities, including the removal of SOPHOS from the mail-flow exchange.

# Housing and Property Services

## HS015 Refurbished / Decent Homes Improvements £23.530m

The Housing Capital delivery programme has seen the following works delivered across the borough during 2022/23:

- Replacement kitchens and bathrooms to 686 homes
- High efficiency condensing boilers to 823 homes
- Boundary improvements to 958 homes
- External decoration to 1,659 homes
- Roof replacements to 295 homes
- Solar PV arrays to 215 homes
- External brickwork repairs to 131 homes
- Internal wall insulation and DPC works to 101 homes.



# Housing and Property Services

## HS017 Disabled Adaptations £1.190m

A total of 2,947 adaptations have been completed to our housing stock during 2022/23

- 376 urgent adaptations
- 2,495 minor adaptations
- 76 major adaptations
- A range of adaptation work delivered includes:
  - Grab rails
  - Level access showers
  - Showers over baths
  - Level access ramps.

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# Housing and Property Services

## HS044 HRA New Build £1.815m

Completed the conversion of a brownfield garage site at Falmouth Road, North Shields into 9 new affordable homes using the HUSK Modern Method of Construction (MMC):

- Off Gas
- Air Source Heat Pump installed
- Solar PV arrays installed
- Highly insulated structure.



# Section 2

## Work in Progress

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# Commissioning and Asset Management

## BS033 Changing Places £0.007m

- Designs approved by Muscular Dystrophy UK
- Preferred supplier appointed, units in manufacture
- Groundworks due to commence late May 2023
- Units to be installed late July 2023 at Whitley Park and Low Lights Car Park, North Shields.



# Environment

**CO079 Playsites £0.042m**

**Installation of new play equipment and safer surfaces**

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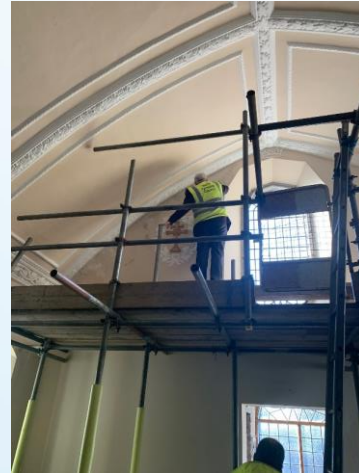


# Commissioning and Asset Management

CO083 Whitley Bay Crematorium £0.337m

## Completed works

- Replacement of the two cremators with one larger fully mercury abated cremator
- External canopy outside book of remembrance room.



## Work in progress

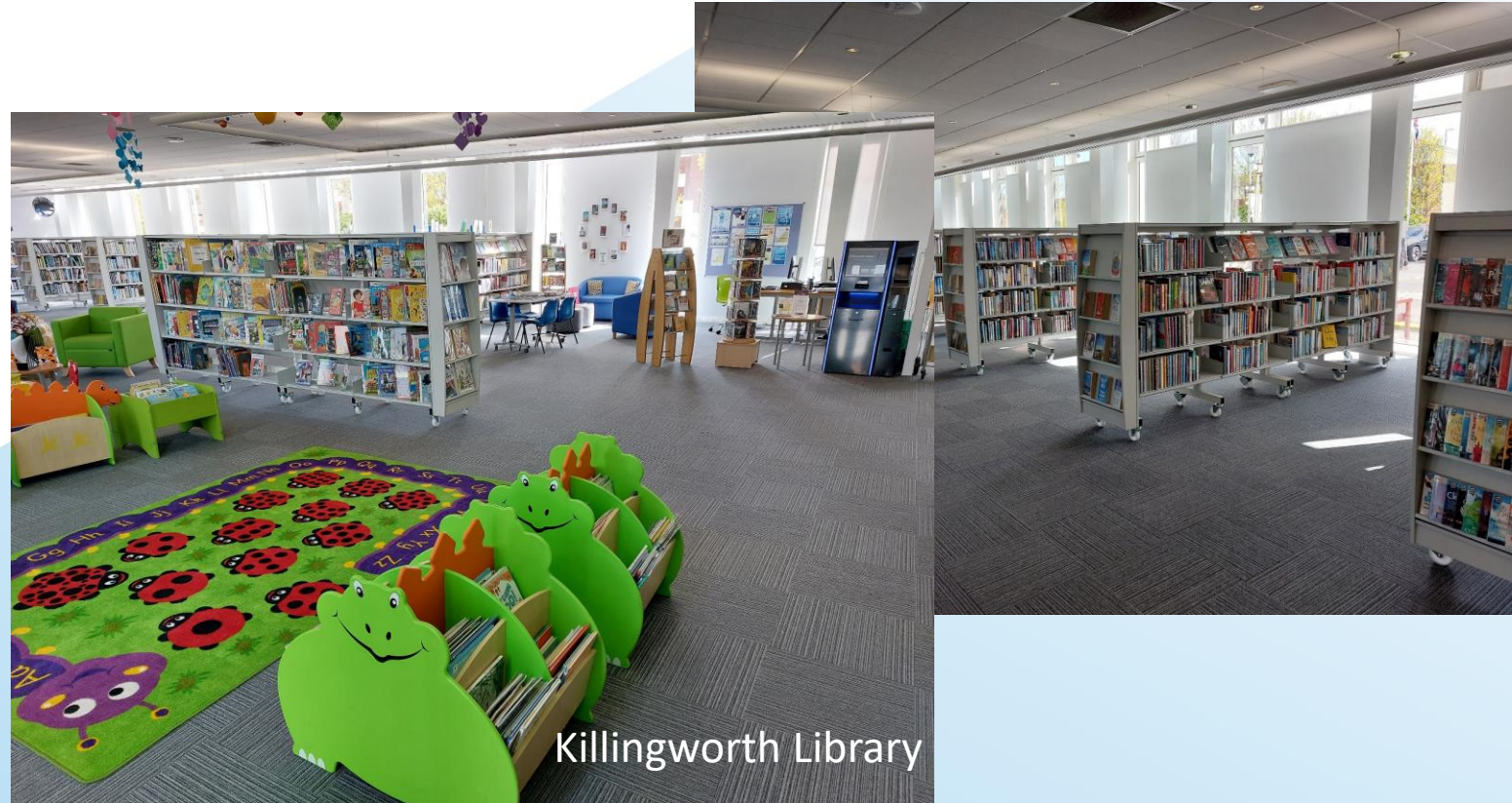
- Re-surfacing within the grounds.



# Regeneration and Economic Development

## CO086 S106 North West Library Improvements £0.060m

- Various improvements to North West public buildings, including ICT improvements, new printers, scanners and audio book stock and new flooring to both the White Swan and Oxford Centres
- New CCTV system at White Swan Centre.



# Environment

## CO094 Lawn Tennis – Improvements to Tennis Courts £0.042m

Site	Scheme of works
<b>Richardson Dees Park (4 courts)</b>	Full resurface and repaint Weed and growth removal 15 linear metres of fencing Smart gate access system installation
<b>Crawford Park (2 courts)</b>	Wash and repaint Smart Access gate installation
<b>Souter Park (5 courts)</b>	Full resurface and repaint Weed and growth removal 55 linear metres of sectional repair fencing Smart gate access systems (x2) installation



# Environment

## CO096 St Peter's Sports Hub £0.054m

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- Aspirational sports hub development for the region, which includes a new super sized artificial grass pitch, multi-use pavilion and associated site improvement works
- Significant external funding levered in to deliver the project, as well as the use of ring fenced section 106 monies to improve the Boroughs sport offer
- Project commenced in April 2023 and due for completion February 2024
- Will become the headquarters of the Northumberland Football Association and will be utilised for football and rugby.



# Investment in North Tyneside Trading Company

## DV066 Investment in North Tyneside Trading Company £1.916m

- Site enabling works at former Unicorn House to support the regeneration of North Shields
- Further investment of S106 commuted sums that will see Aurora Affordable Homes increase their stock to 100 homes
- Aurora Affordable Homes will begin to draw down loan finance to increase their asset base
- The Company will support the Council's Ambitions within the Our North Tyneside Plan by providing housing-led regeneration including tackling derelict properties, specialist homes and investigate options to provide low-cost home ownership.

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# Regeneration and Economic Development

## DV074 North Shields Heritage Action Zone (HAZ) £0.339m

- Third party grant funded work nearing completion at:
  - 25 Northumberland Square
  - 41-42 Howard Street
  - 43-44 Howard Street
  - 47 Howard Street
  - 66-67 Howard Street
  - 8 Northumberland Place
- Curtilage/Railing Scheme design prepared.



# Commissioning and Asset Management

## DV080 Segedunum MEND £0.080m

- Phase 1 – Emergency Lighting scheme completed in March 2023
- Phase 2 – Emergency Light and lift replacement to commence 2023/24.



# Regeneration and Economic Development

## DV082 Wallsend Town & High Street Fund £0.000m

- Shop Front Grant launched in April 2023
- Walking / Cycling link between High Street & Segedunum in development with cultural artworks to be installed along the route.



# Commissioning and Asset Management

## ED190 High Needs Provision Capital £1.677m

Investment at Beacon Hill School – pupils 2-19 with Severe, Profound and Multiple, and Autistic Spectrum disorders.

- 10 classroom extension
- Removal of Modular Accommodation
- External alterations
- Work Commenced March 2023
- Completion scheduled April 2024.



# Regeneration and Economic Development

## EV055 Surface Water Improvements £0.389m

This project involves an ongoing programme of work to reduce the risk of flooding from both land and sea. Current projects include:

- Repairs to the sea wall below Sea Banks at King Edward's Bay
- Catchment modelling studies at Wallsend and Briardene to better understand the risk of flooding
- Development of various business cases to support future funding bids to the Environment Agency.



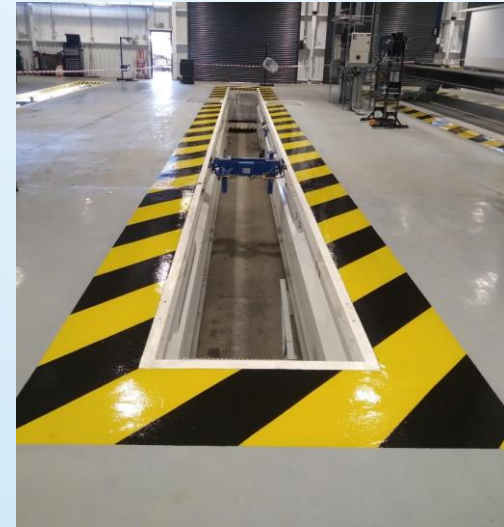
Repairs to Sea Banks sea wall

# Commissioning and Asset Management

## EV076 Operational Depot Accommodation Review £2.582m



1542No 450W Solar PV panels installed to Block A, Block F and car park canopies



Block F Fleet Workshop Refurbishment - including new MOT Lane, Pits, Ramp Lifts, Oil Gantries, Welfare and Office Facilities.

# Environment

## EV083 Streetlighting LED £1.218m

This project is the final phase of LED retrofitting works to almost 20,000 street lights.

6,250 installs completed to the end of March 2023

The project will:

- Reduce spend on electricity across the lighting portfolio by £1.5m
- Take CO2 reduction to 90% across the portfolio.





# Environment

## EV091 Climate Change £0.160m

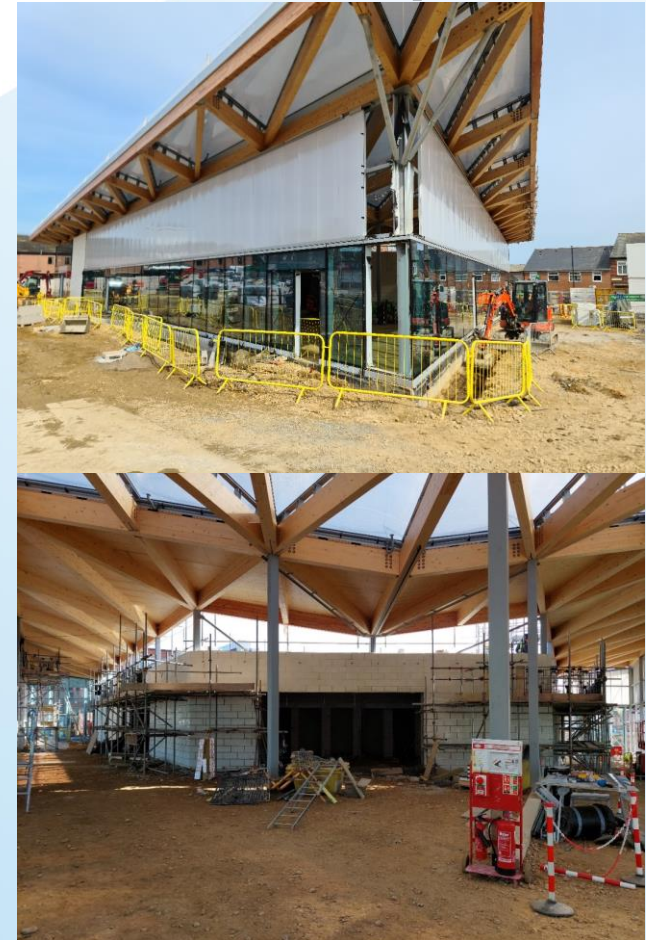
- LED lighting scheme commenced on site March 2023 at The Riverside Centre, North Shields
- Projected carbon savings of 24 tonnes per year.



# Regeneration and Economic Development

## EV094 Transforming Cities Tranche 2 – North Shields Transport Hub £8.818m

- Transport Hub building structure complete and being glazed
- Solar PV installation complete to support Net Zero in operation
- Work on adjacent New Town Square commenced
- Riverside Embankment Walkway – Piling works solution currently under review.



# Regeneration and Economic Development

## EV096 Highways Maintenance Challenge Fund £0.341m

A project to improve highway junctions in the North Shields area is ongoing

The work supports and complements the wider regeneration work being undertaken in the town

Refurbishment of the 5-arm roundabout at Prudhoe Street / Coach Lane was recently completed

The next elements of work will involve upgrading Tanners Bank (including new cycling provision) and the resurfacing of Christ Church junction.



# Housing and Property Services

## HS051 Private Sector Empty Homes Programme £0.215m

- Long-term private sector empty properties continue to reduce, from 926 in 2022 to 850 in 2023
- 4 problematic long-term empty homes back into use through the lease and repair programme
- Works to 3 properties underway
- Assisted 52 owners to return their properties to use through advice and assistance
- 13 properties targeted for lease and repair scheme in 2023/24
- Planning approval for demolition and rebuild of derelict property in North Shields.



# Housing and Property Services

## HS053 Green Homes Local Authority Delivery £4.621m

- Completion of LAD1 Scheme:
  - ✓ 486 measures installed in 400 homes, taking 319 homes to EPC C
- Completion of LAD2 Scheme:
  - ✓ 120 measures installed in 102 homes, bringing 67 homes up to EPC C
- Ongoing delivery of LAD3 Scheme:
  - ✓ 230 measures delivered to date.



# Section 3

# Off Balance Sheet Project

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# Commissioning and Asset Management

## Whitley Bay High School

- Part of the National Schools Rebuilding Programme
- New school building providing both general teaching and specialist accommodation
- External improvements including outdoor sports provision
- Construction commenced May 2022
- New school to be operational September 2023
- External works July 2024 to December 2024
- Demolition of existing buildings commencing September 2023.

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# Section 4

## 2023/2024 Priorities

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# 2023/24 Investment Plan

## Schedule of Projects – total investment £95.737m (as approved at February 2023 Budget)

Ref	Project	Budget £m
BS026	Asset Planned Maintenance Programme	2.800
CO079	Playsite	0.091
CO091	Neighbourhood Parks Improvements	0.075
CO093	Rising Sun Country Park – Ecology Impr	0.013
DV064	Council Property Investment	0.300
DV066	Investment in NT Trading Company	4.508
DV071	SI06 Contribution set up Health Facilities	0.013
DV073	Ambition for North Tyneside	1.669
DV074	North Shields HAZ	0.173
DV067	Tyne Brand Site Development	3.950
DV080	Segedunum Roman Museum MEND	0.455
DV081	North Shields Cultural Quarter	0.450
DV082	Wallsend Town & High Street Programme	1.360
ED075	Devolved Formula Capital	1.110
ED120	Basic Need	2.000
ED132	School Capital Allocation	4.034
ED190	High Needs Provision Capital Allocation	2.060

Ref	Project	Budget £m
EV034	Local Transport Plan	2.552
EV056	Additional Highways Maintenance	3.253
EV069	Vehicle Replacement	1.248
EV076	Operational Depot Accommodation Review	0.225
EV083	Street Lighting LED	1.860
EV091	Other Initiatives Climate Change	1.000
EV094	TCF – NT02 – North Shields Transport Hub	9.110
EV096	Highways maintenance – Tanners Bank	0.300
EV098	TCF – NT08 Four Lane Ends Bus Priority	1.190
EV099	TCF – NT10 Links to Metro	3.418
EV100	Active Travel Fund 3 – Seafront Scheme	3.231
GEN03	Contingencies	2.000
GEN12	Local Infrastructure Projects	0.100
GEN13	Project Management	0.100
HS004	Disabled Facilities Grant	1.869
HS051	Private Sector Empty Homes	0.205

# 2023/24 Investment Plan

**Schedule of Projects – total investment £95.737m (as approved at February 2023 Budget)**

Ref	Project	Budget £m
IT020	ICT Strategy	1.000
CO096	St Peter's Sports Hub	4.062
	<b>General Fund Total</b>	<b>61.784</b>
HS015	Refurbishment / Decent Homes Improvements	23.766
HS017	Disabled Adaptations	1.583
HS039	ICT Infrastructure Works	0.761
HS044	HRA New Build	6.130
HS054	HRA Vehicle Replacement	0.000
	<b>HRA Total</b>	<b>33.953</b>
	<b>2023/24 Investment Plan Total</b>	<b>95.737</b>