



North Tyneside Council

Cabinet

Monday, 20 May 2019

Tuesday, 28 May 2019 0.02 Chamber - Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

**Agenda
Item**

Page(s)

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

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

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

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

2. **Minutes**

To confirm the minutes of the meeting held on 1 April 2019 (previously circulated).

3. **Report of the Young Mayor**

To receive a verbal report on the latest activities of the Young Mayor and Young Cabinet.

4. **2018/19 Provisional Financial Outturn Report**

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To consider a report setting out details in respect of the

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Agenda Item	Page(s)
provisional outturn for the General Fund, Housing Revenue Account, School balances position, the financial and delivery aspects of the Investment Plan and the delivery of the Treasury Management Strategy for the financial year 2018/19.	
5. We Listen and We Care North Tyneside Council Customer Service Programme	79 - 90
To consider a report seeking approval for the North Tyneside Council Customer Service Programme and the proposals to engage.	
6. Officer authorisations - Hackney Carriage and Private Hire Vehicle and Driver Inspections	91 - 100
To consider a report seeking approval for the Authority to enter into a Memorandum of Understanding with other participating licensing authorities in a Cross Border Hackney Carriage and Private Hire Vehicle Authorisation Scheme.	
7. Delivering Affordable Homes	101 - 114
To consider a report seeking approval to authorise a number of Housing Revenue Account owned sites to be brought forward to be used to deliver affordable homes.	
8. North Tyneside Transport Strategy Annual Report	115 - 160
To consider the North Tyneside Transport Strategy Annual Report.	
9. Cabinet Response to Collaborative Sub-Group Report from Overview, Scrutiny and Policy Development Committee	161 - 196
To consider a report seeking approval for the proposed response to the Overview, Scrutiny and Policy Development Committee's recommendations.	
10. Recruitment of Armed Forces Personnel Report	197 - 200
To consider a report on the commitment to the recruitment of Armed Forces personnel.	
11. Exclusion Resolution	
This is to give further notice in accordance with paragraphs 5(4) and 5(5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to consider items 6(a) and (b) below in private.	

Cabinet is requested to consider passing the following resolution:

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

Reasons for taking the items in private: The reports referred to in items (a) and (b) contain information relating to the financial or business affairs of any particular person (including the authority holding the information).

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|-----|--|------------------|
| 12. | Swan Hunter Site - Next Steps | 201 - 210 |
| | To consider a report on the next steps for the Swan Hunter Site. | |
| 13. | Corporate Risk Management Summary Report | 211 - 286 |
| | To consider a report on the latest review of key corporate risks undertaken by the Senior Leadership Team. | |
| 14. | Date and Time of Next Meeting(s) | |
| | Monday 24 June 2019 at 6.00pm. | |

Circulation overleaf ...

Circulated to Members of Cabinet: -

N Redfearn (Elected Mayor)
Councillor B Pickard
Councillor G Bell
Councillor C Burdis
Councillor S Cox
Councillor S Day
Councillor P Earley
Councillor R Glindon
Councillor M Hall
Councillor C Johnson

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

North Tyneside Council Report to Cabinet Date: 28 May 2019

ITEM 5(a)

2018/19 Provisional Finance
Outturn Report

Portfolios: Elected Mayor Finance and Resources	Cabinet Member: Norma Redfearn Councillor Ray Glindon
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Report from Service

Area: Finance

Responsible Officer: Janice Gillespie, Head of Resources **Tel:** 643 5701

Wards affected: All

PART 1

1.1 Executive Summary:

1.1.1 This report, and the supporting Annex 1 and its Appendices, set out details in respect of the provisional outturn for the General Fund, Schools Finance, Housing Revenue Account, the financial and delivery aspects of the Investment Plan and the delivery of the Treasury Management Strategy for the financial year 2018/19.

1.1.2 The purpose of this report is therefore to:

- (a) Advise Cabinet of the provisional 2018/19 outturn for the General Fund, Schools Finance and Housing Revenue Account (Annex 1, Sections 4, 5 and 6) together with a financial overview of the year (Annex 1, Section 1);
- (b) Advise Cabinet of decisions made under the Reserves and Balances Policy (Annex 1, Paragraph 1.7, and Appendix A);
- (c) Inform Cabinet of the Authority's Investment Plan spend during 2018/19, and the financing put in place (Annex 1, Section 7);
- (d) Seek Cabinet approval for approval of reprogramming of £8.484m within the Investment Plan (Annex 1, Section 7, Paragraph 7.8 and Appendix C);
- (e) Advise Cabinet of the Council's Treasury Management performance (Annex 1, Section 8); and
- (f) Advise Cabinet of the performance of both Capital and Treasury Management Prudential Indicators (Annex 1, Section 8 and Appendix D).

1.2 Recommendations:

1.2.1 It is recommended that Cabinet:

- (a) Notes the provisional 2018/19 outturn for the General Fund, Schools Finance and Housing Revenue Account (Annex 1, Sections 4, 5 and 6) together with a financial overview of the year (Annex 1, Section 1);
- (b) Notes the decisions made under the Reserves and Balances Policy (Annex 1, Paragraphs 1.7, and Appendix A);
- (c) Notes the Authority's Investment Plan spend during 2018/19, and the financing put in place (Annex 1, Section 7);
- (d) Approves reprogramming of £8.484m within the Investment Plan (Annex 1, Section 7, Paragraph 7.8 and Appendix C);
- (e) Notes the Council's Treasury Management performance (Annex 1, Section 8); and,
- (f) Notes the performance against the Capital and Treasury prudential indicators (Annex 1 Section 8 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 1 February 2019.

1.4 Council plan and policy framework.

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

1.5 Information - Executive Summary

- 1.5.1 Annex 1 to this report sets out the provisional outturn for 2018/19 for the General Fund, the Housing Revenue Account, Schools Finances and the Investment Plan. It also provides a summary position on the achievement of the Treasury Management Strategy during the year together with the associated Prudential Indicators for capital and treasury.
- 1.5.2 **General Fund Revenue Budget:** The budget for 2018/19 was approved by full Council at its meeting of 15 February 2018. The net General Fund revenue budget was set at £154.726m including efficiency savings of £10.143m. The monitoring report up to 31 January 2019 projected a pressure of £0.642m and the final position is an underspend of £1.031m. It is proposed that the balance is transferred to the Change Reserve. After the final transfer, the General Fund Revenue Account shows spend on budget for 2018/19.
- 1.5.3 **Reserves, Balances and Provisions:** As part of the 2018/19 final accounts, amounts have been set aside as provision and reserves for known liabilities, risks and uncertainties that remain in future years.

- 1.5.4 **Housing Revenue Account:** The Housing Revenue Account has year-end balances of £7.304m, which is £4.634m better than budget.
- 1.5.6 **School Finances:** School Balances have decreased from £3.356m to £1.599m, these balances include a significant amount of committed funds and the permitted carry forward of grants for the remainder of the academic year.
- 1.5.7 **Investment Plan:** The final capital expenditure for the year was £69.359m, with a recommendation noted above for Cabinet to approve reprogramming of £8.484m into 2019/20.
- 1.5.8 **Treasury Management:** The Authority has acted in line with the agreed strategy that the security of the Authority's resources is of greater importance than returns on investments. The level of investments at 31 March 2019 was £12.300m. The level of borrowing (excluding PFI) was £450.146m (down from 2017/18 level of £461.155m) which is well within the capital financing requirement agreed as part of budget setting. This is primarily due to continued level of internal borrowing.

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 2018/19 Final Accounts process. Reprogramming of the Investment Plan will ensure successful delivery of projects included within the Investment Plan.

1.8 Appendices:

Annex 1	2018/19 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

1.9 Contact officers:

Janice Gillespie - Corporate Finance Matters - Tel 643 5701

Claire Emmerson – Corporate Finance Matters - Tel 643 8109

Cathy Davison – Investment Plan and Corporate Finance matters - Tel 643 5727

David Dunford – (Acting) Senior Business Partner – Tel 643 7027

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 2018/19 (P).
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%20201819.pdf>
- (b) Approved Investment Plan 2018-21 (P).
<https://my.northtyneside.gov.uk/sites/default/files/meeting/related-documents/1a.%20Copy%20of%20Appendix%20A%28i%29%20Strategic%20Investment%20Plan.pdf>
- (c) Council Reserves and Balances Policy (P) – Appendix G
<https://my.northtyneside.gov.uk/sites/default/files/meeting/related-documents/cab%20report%20for%2024%2001%202018%20%20item%204.pdf>
- (d) Investment Programme Board – End of year report 2018/19 (available at offices of author)

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

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 Finance Sub-Committee at its meeting on 25 July 2019.

Community engagement

The 2018/19 budget was agreed after widespread consultation in line with the Authority's approved Budget Engagement Strategy. Appendix F of the 2018/19 Financial Planning and Budget Process report to Council on 24 January 2018 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
- Head of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy

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2018/19 Provisional Finance Outturn Report

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Section 1 – EXECUTIVE SUMMARY

1.1. Summary

- 1.1.1. The Authority's audited Statement of Accounts (the Accounts) for 2018/19 will be presented to full Council for discussion and approval on the 25 July 2019. The Accounts are a statutory document which set out the Authority's financial position and performance for the year in a series of formal accounts prepared according to a specific statutory and regulatory framework.
- 1.1.2. Successive changes to local government accounting practice have made the Accounts a very technical document. As in previous years therefore, this report sets out the Authority's financial performance in an outturn report. This reflects the Authority's structure and is set out on a similar basis to the financial management reports presented to Cabinet throughout the year.
- 1.1.3. The figures contained in this report are provisional until the completion of the Accounts. In accordance with legislation the draft Accounts will be "certified" by the Chief Finance Officer by 31 May 2019 and the audited Accounts will be approved by full Council on 25 July 2019.
- 1.1.4. The financial year has seen the Authority continue to manage its finances despite on-going funding reductions and continuing cost pressures in respect of social care services. Despite these challenges the proactive management of the General Fund budget throughout the year has led to a year-end surplus of £1.031m. It is proposed to deal with this surplus by a £1.031m transfer to the Change Reserve. After the final transfer, the General Fund Revenue Account shows spend on budget for 2018/19, with a closing balance on the Strategic Reserve of £14.597m and General Fund balances of £6.804m. Retaining these levels of balances is important for managing the financial resilience of the Authority through 2019/20 and beyond.
- 1.1.5. School balances have reduced from £3.357m at the start of the financial year to £1.599m at 31 March 2019. Whilst some schools have seen their individual balances increase, the value of individual school deficits overall has increased which contributes to the £1.758m reduction in balances. Overall the position improved from projected overall deficit balances of £4.716m. Further details are contained in Section 5 of this Annex.
- 1.1.6. The Housing Revenue Account balances have increased from £6.083m to £7.304m, an in-year increase of £1.221m. This change is as a result of an in-year improvement against budget of £3.191m (this represents 1.8% of the gross budget). Further details are given in Section 6 of this Annex.
- 1.1.7. The initial approved Investment Plan for 2018/19 was £84.059m. Variations and reprogramming of £6.097m (credit) were approved by Cabinet during

2018/19 to give a revised Investment Plan of £77.962m. Capital expenditure for the year was £69.359m (89% of the revised plan), a variation of £8.603m (credit). This outturn includes further reprogramming of £8.484m (credit) as shown in Section 7.

1.2. Strategic Management of the Council's Budget

1.2.1. Whilst statutorily the Authority's budget and Accounts must be prepared by individual financial years, the pressures and opportunities that the Authority faces often extend across several accounting years. Decisions taken in one year will 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 final accounts preparation. Budget setting, budget management and final accounts 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 2018/19.

1.3. General Fund

1.3.1. The budget for 2018/19 was approved by full Council at its meeting of 15 February 2018. The net General Fund revenue budget was set at £154.726m including efficiency savings of £10.143m.

1.3.2. The Monitoring report up to 31 January 2019 projected a pressure of £0.642m and the final position is an underspend of £1.031m.

1.4. Creating a Brighter Future (CBF) Programme

1.4.1. The efficiency programme for 2018/19 included savings of £10.143m and £1.111m of savings targets carried forward from 2017/18, for the delivery of projects/actions included as part of the CBF Programme. The scale of the financial challenge for the year meant that wide ranging efficiencies and service reconfiguration were required to be implemented during 2018/19 leading to £7.596m or 67.5% of the savings targets being achieved. The remaining balance was handled through a range of alternative management activity. The success of which is demonstrated in the outturn. These CBF savings have been monitored as part of the overall financial position of the Authority, and regular updates of progress shared with the Mayor and Cabinet members and also reported to Cabinet as part of the bi-monthly Financial Management reports. Further details of the CBF programme outcomes are detailed in section 3.

1.5. Redundancies

- 1.5.1. In response to resource reduction and cost pressures the implementation of the CBF programme has resulted in redundancy costs of £0.613m (including schools staff) during 2018/19.

1.6. Treasury Management

- 1.6.1. There has been a decrease in the level of actual external borrowing (excluding PFI) from £461.155m at 31 March 2018 to £450.146m at 31 March 2019. The level of internal funding remains high at £84.137m at 31 March 2019 (£70.148m at 31 March 2018), subsequently this avoids interest charges. During 2018/19 the sustained approach to maximising the use of internal borrowing, using short term borrowing at lower rates and the impact of reprogramming within the Investment Plan resulted in interest savings of £3.412m in-year.

1.7. Reserves and Outlook

- 1.7.1. The Council continues to face significant government funding cuts in future years. Combined with cost pressures arising from increased demand for services and unfunded new burdens means that savings of £10.533m are required in 2019/20. This includes £3.550m relating to the full year effect of 2018/19 saving targets, £3.325m of 19/20 saving targets, £2.879m of 2018/19 Procurement and Management efficiencies and £0.779m of 2018/19 residual service efficiency targets. The Medium-Term Financial Plan presented in the January budget report to Cabinet estimated that the level of savings required by 2022/23 would be in the region of £27.181m. The Spending Review is still expected to take place over the summer, leading to an indicative three-year Settlement for 2020/21 to 2022/23. The picture remains unclear as to whether further savings and efficiencies will continue to be required annually for the foreseeable future.
- 1.7.2. In addition, Government has begun a The Fair Funding Review and, whilst it is correct that the funding formula of Local Government is refreshed and updated, the more significant question has to remain regarding the quantum of funding available to Local Government. In addition to the Fair Funding Review, the Government have advised of their intention to move to 75% Business Rate Retention but uncertainty remains as to how this will form part of the Fair Funding Review.
- 1.7.3. For 2019/20 North Tyneside will be part of the pooling arrangements for the North of Tyne Combined Authority following the successful bid to be a 75% Business Rate pilot. A key feature of becoming a 75% business rates pilot is that Business Rate income above the current 49%/50% retention

arrangements will be pooled across the pilot, and the three local authorities would be regarded as one entity in Business Rates terms.

- 1.7.4. The Medium Term Financial Plan (MTFP) sets the approach to the redirection of resources in order to deliver the priority-led spending plans and deliver the outcomes shaped by the Our North Tyneside Plan. The Cabinet is aware it must keep under review its medium-term Financial Strategy and four-year Financial Plan, in the context of the 2018-2020 'Our North Tyneside Plan' and known key financial risks.
- 1.7.5. It has been highlighted previously by the Chief Finance Officer that the Authority has a relatively low level of reserves and the level of uncertainty with regard to the levels of funding for Local Government Finance beyond 2019/20 remains a significant concern. 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.
- 1.7.6. The Support for Change Reserve has increased to £4.894m following an allocation of £1.031m as part of the outturn. The Strategic Reserve represents 4.03% of the 2019/20 gross budget and just over 9.37% of the 2019/20 net budget, with the General Fund balances added together these represent 5.90% of the 2019/20 gross budget and 13.74% of the 2019/20 net General Fund budget.
- 1.7.7. The net movement in HRA reserves and balances is a reduction of £1.749m. The HRA reserves have decreased by £2.970m to £19.851m in 2018/19. The use of up to £3.000m of HRA PFI Reserve was approved by Cabinet on 10 September 2018 under the Use of Reserves policy to finance the purchase of new repairs and construction fleet vehicles, as part of the end of the Kier North Tyneside Joint Venture. Within the HRA reserve total over £16m relates to PFI reserves. Included in the overall movement is an increase in Housing Revenue Account balances of £1.221m as set out in Section 6 of this Annex.
- 1.7.8. School Balances show a reduction of £1.758m as set out in section 5 of this Annex, but as stated previously this is an improvement against the planned deficit balance position of £4.716m.
- 1.7.9. Overall, 2018/19 was typical of recent years in that several strategic concerns overlay the management of the approved budget. The Council was able to manage these issues through its forward planning process and by pro-active management of in-year issues. Financially that management action was underpinned by close management of spend, and by taking advantage of short term borrowing rates to achieve interest savings.

However, because such strategic pressures are a feature of the current local authority environment there will always be an element of risk as we move forward into each new financial year. The experience of 2018/19, once again reinforces the importance of forward planning, a strong balance sheet, close management of the core budget, a regular monitoring and reporting process and a flexible approach to managing the efficiency programme.

SECTION 2 - GENERAL FUND SUMMARY

2 General Fund Revenue Provisional Outturn

2.1 This section of the report details the provisional outturn figures at 31 March 2019. The Authority's approved net revenue budget of £154.726m is provisionally expected to underspend by £1.031m. This is an improvement of £1.673m on the previous position reported to Cabinet, based on forecasts at January 2019 which showed a pressure of £0.642m. The budget includes £10.143m of budget savings as agreed at full Council on 15 February 2018. Table 1 in paragraph 1.6 below sets out the variation summary across the General Fund.

Accounting Adjustments

2.2 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 outturns 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 Public Finance Initiatives (PFI) which has reduced the reported costs of the services by £5.754m and has had the opposite impact on the corporate budget lines.

2.4 As these accounting adjustments were not included in the previously reported forecasts presented to Cabinet, the impact of these adjustments within the outturn variance needs to be removed to allow comparison to the last reported forecast at a service level as at January 2019. This is shown in Table 1, in paragraph 1.6 below.

2.5 Table 1 below shows the variance between the outturn to be published in the statement of accounts and the budget and also shows the adjustments required to allow comparison of the provisional outturn for Cabinet to the last reported position.

2.6 Table 1: 2018/19 General Fund Revenue Provisional Outturn as at 31 March 2019

	Budget	Final Accounts Outturn	Variance	Accounting Adjustments	Adjusted Variance for Cabinet	January Forecast Variance for Cabinet	Movement from Last Cabinet Report
Services	£m	£m	£m	£m	£m	£m	£m
Health, Education, Care and Safeguarding	63.440	67.847	4.407	1.027	5.434	5.754	(0.320)
Commissioning and Asset Management	18.772	2.307	(16.465)	16.800	0.335	0.390	(0.055)
Environment, Housing and Leisure	40.403	27.028	(13.375)	13.401	0.026	0.023	0.003
Chief Executive Office	(0.019)	(0.035)	(0.016)	0.000	(0.016)	(0.032)	0.016
Business and Economic Development	1.205	1.463	0.258	0.127	0.385	0.368	0.017
Commercial and Business Redesign	1.433	1.777	0.344	0.845	1.189	0.779	0.410
Corporate Strategy	0.202	0.444	0.242	0.000	0.242	0.164	0.078
Finance	(0.645)	(0.969)	(0.324)	0.031	(0.293)	0.451	(0.744)
Human Resources and Organisational Development	(0.130)	(0.109)	0.021	0.000	0.021	0.065	(0.044)
Law and Governance	(0.110)	0.221	0.331	0.000	0.331	0.296	0.035
Central Items	10.335	33.881	23.546	(32.231)	(8.685)	(7.616)	(1.069)
Support Services	19.840	19.840	0.000	0.000	0.000	0.000	0.000
Total Authority	154.726	153.585	(1.031)	0.000	(1.031)	0.642	(1.673)

Main Movements From Previous Reported Forecast Variance (January Report)

- 2.7 Comparing the adjusted outturn variance to the previously reported January forecast outturn shows an overall improvement of £1.673m. The main reasons for these movements are itemised below with more detailed explanations of both the outturns and the changes compared to the January report being contained in section 2 of this report.

Health Education Care and Safeguarding

- 2.8 There has been an overall improvement of £0.320m since the January report resulting from a reduced cost associated with adoptions and an improved position against staffing budgets within Children's Services. Within Adult Services, increased third party payments were offset by increased client contributions.

Commercial and Business Redesign

- 2.9 There has been an increase in the outturn pressure within Commercial and Business Redesign of £0.410m since the January report. Of this, £0.292m is due to a realignment of ENGIE contract costs and an increased cost in relation to development work around the Customer Journey Project.

Finance

- 2.10 The Finance Service saw an overall improvement of £0.744m compared to the January report. This is mainly due to the realignment of ENGIE contract costs referred to in the paragraph above. In addition the Revenues and Benefits Service position improved by £0.366m as a result of a better than anticipated benefits subsidy position and a lower requirement for provision against bad debts.

Central Items

- 2.11 Central Items has improved by £1.069m since the January report. There has been £0.722m of additional Central Government Funding (s31 Grant) received to compensate for further Business Rate support, such as small business rate relief, which was enhanced in the Chancellor's budget. There have also been additional savings on Pensions out of Revenue (a reduced call on the Superannuation Fund) of £0.103m and a further £0.262m in interest savings partially offset by minor expenditure items.

Other Services

- 2.12 Other services have been grouped together as individually the movements in outturn variances are not significant. The largest items within the overall worsening of £0.050m was a reduced contribution from reserves compared to the January forecast to support costs in Corporate Strategy associated with the final purchase costs of an analytics tool and additional locum and barrister fees within Law and Governance following a period of staff turnover.

SECTION 3 - DELIVERY OF BUDGET SAVINGS PROPOSALS

3.1 The combined budget savings of £10.143m in 2018/19 approved by full Council in February 2018 brought the total savings the Authority has had to find in the eight years following the 2010 Comprehensive Spending Review (CSR) to £120.076m.

3.2 **Table 2: Year on Year savings since 2010 CSR**

Year	£m
2011/12	16.169
2012/13	16.739
2013/14	12.240
2014/15	16.552
2015/16	14.158
2016/17	15.737
2017/18	18.338
2018/19	10.143
Total Savings	120.076

3.3 Although the vast majority of the ambitious 2017/18 savings target of £18.338m were delivered during 2017/18, at the beginning of the year there was £1.111m of savings from 2017/18 that remained to be delivered, taking the overall savings target for 2018/19 to £11.254m. Progress has been tracked during the year against each saving proposal and £7.596m, including mitigating savings, equating to 67.5% of the overall target has been identified as saved during 2018/19 (January, £7.438m representing 66% of the target). Table 3 below shows the delivery by Service;

3.4 Table 3: Creating a Brighter Future (CBF) savings in 2018/19

Service	Savings Target £m	Actual Savings Delivered vs Original Plans £m	Other Mitigating Savings £m	Remaining Shortfall March 2019 £m	% of target delivered in 2018/19	Assumed in Forecast at Jan £m
Business & Economic Development	0.121	0.121	0.000	0.000	100%	0.121
Central Items	3.870	0.991	0.000	2.879	26%	0.991
Commercial & Business Redesign	0.060	0.060	0.000	0.000	100%	0.060
Commissioning & Asset Management	0.555	0.511	0.000	0.044	92%	0.511
Corporate Strategy	0.124	0.124	0.000	0.000	100%	0.124
Environment, Housing & Leisure	1.158	1.158	0.000	0.000	100%	1.158
Finance	0.305	0.155	0.150	0.000	100%	0.155
Health, Education, Care and Safeguarding (HECS)	4.920	3.830	0.355	0.735	85%	4.185
HR & Organisational Development	0.025	0.025	0.000	0.000	100%	0.025
Law & Governance	0.116	0.101	0.015	0.000	87%	0.108
Total savings	11.254	7.076	0.520	3.658	67%	7.438

3.5 Throughout the year, a prudent approach was taken in relation to efficiency savings which were only reported as achieved in the forecast position when the impact could be seen flowing into the financial ledger. The governance structure of the CBF programme included separate monthly reviews of progress by the Senior Leadership Team and the Deputy Mayor. In addition, in-year finance and performance progress meetings were held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The main areas of pressure in relation to delivery of savings targets in 2018/19 were the cross-cutting procurement and management savings shown within Central Items and savings related to care costs within HECS. The remaining balance was handled through a range of alternative management activity. The success of which is demonstrated in the outturn.

Central Items

3.6 As anticipated in the reported position at January, within Central Items the year has ended with £2.879m of savings targets yet to be delivered which will be carried forward into 2019/20. These are the cross-cutting targets for Procurement Savings under the Maximising Resources Business Case (£1.592m) and Management Savings under Fit for Purpose – How we are Organised (£1.287m).

- 3.7 In relation to the Procurement target of £2.000m, a total of £0.408m was achieved in 2018/19. Investigations continue into a range of other proposals in relation to their potential to deliver savings in 2019/20. In October 2018, Cabinet made the decision to return the Procurement Service back to direct Council control and commercial negotiations continue with our partner ENGIE.
- 3.8 The position for management savings also remains unchanged from the report at January, however Heads of Service continue to develop a range of plans to address the remaining balance to be achieved. These plans include consideration of the opportunities arising from devolution and regional joint working in regard to the provision of children's social care services, consideration of the arrangements in place to manage our major contracts and delivery of our transformation and ICT requirements. The delivery of these plans will continue into 2019/20.

In both procurement and management terms significant work has been done; in particular as part of the arrangements at the end of the Kier North Tyneside Joint Venture. While major savings were made, much of the benefit was felt in the Housing Revenue Account.

Commissioning and Asset Management

- 3.9 The Service has made good progress and delivered 92% of its target in 2018/19, however £0.044m remains to be delivered. Work continues into 2019/20 to look at options to at least secure the remaining balance.

Environment, Housing and Leisure

- 3.10 The Service can confirm, as previously reported, that it has delivered all of its £1.158m target.

Finance

- 3.11 The target relating to changes to the Customer Services operating model of £0.150m has been achieved via the one-off application of a Pension Cap and Collar payment. Discussions are on-going with our partner ENGIE to implement required changes and deliver the savings on a sustainable basis whilst maintaining the level of service our customers expect and deserve. Alternate options to meet this target were actively explored during the year and mitigating savings have been achieved in 2018/19 through vacancy management and the management of the contract with ENGIE.

Health Education, Care and Safeguarding

- 3.12 In line with all of Local Government, social care continues to be the area of greatest financial challenge and highest risk. The Service is forecasting to deliver £4.185m amounting to 85% of its targets. This is unchanged from the January report. Projects around Public Health contracts, reductions in block contracts and staffing restructures in Integrated Services are all complete.
- 3.13 The target of £1.713m savings relating to achieving income within the People Wellbeing Services Business Case was achieved by the delivery of additional income relating to the Troubled Families Programme in addition to a grant for the Partners in Practice work and for work associated with the Alternative Delivery Model (ADM) project.

- 3.14 However, an amount of £0.300m relating to banding of care home fees, is not yet achieved and will be carried forward into 2019/20. This resulted from significant challenge from the care providers in negotiating the 2018/19 fee increase. An agreement was ultimately reached with care home providers which has allowed detailed work to review bandings of care homes to commence, taking into account Care Quality Commission (CQC) ratings with the intention of delivering savings in 2019/20.
- 3.15 The 2017/18 savings targets relating to HECS have been subsumed within the normal budget monitoring processes. In relation to the Children with Disabilities target, work has been on-going to develop a revised plan to achieve these savings. Savings of £0.013m were achieved by generating additional income from providing a residential assessment place at Riverdale to a neighbouring authority and an additional in-year mitigating contribution of £0.200m was secured. The service continues to review alternative ways of permanently achieving the full target of £0.350m in 2019/20. In addition there are £0.244m of savings against placement costs in relation to Looked After Children which have not been yet achieved and will be carried forward to 2019/20.
- 3.16 Throughout 2018/19, the service has taken a prudent view around savings delivered against care provision and its related income as these are delivered over the course of the year by on-going robust review and management actions rather than as a one-off activity with a discrete start and end date as in, for example, a staffing restructure. The project around Customer Demand Pathway is estimated to have achieved £0.100m of the £0.200m target. There have been challenges during the year in separately identifying the impact of actions to manage demand from the natural changes in needs presented by individual clients. The projects on Direct Payments and Client Charging gained momentum following policy decisions taken by Cabinet in October 2018 and these targets are now confirmed as achieved in 2018/19. The project on Health Funding has achieved the target of £0.400m from increased s117 income relating to mental health aftercare and increased levels of Continuing Healthcare, following reviews of eligible clients with an over achievement of £0.155m partially mitigating in-year delays in achievement of targets.

SECTION 4 – SERVICE COMMENTARIES

4.1 Members provided robust challenge to Services throughout 2018/19 to support effective financial management. Meetings took place in July, October/November and January with officers, the Cabinet Member for Finance and Resources, the Deputy Mayor and relevant Cabinet Members to discuss the in-year finance and performance position. Heads of Service and their senior teams attended to discuss plans in progress to mitigate any pressures.

4.2 Health, Education, Care & Safeguarding (HECS)

4.2.1 HECS is forecasting a pressure against its £63.440m net controllable expenditure budget of £5.434m representing an overall improvement of £0.320m since the January report. This forecast position excludes the application of contingency budgets set aside in Central Items for demand-led pressures in Adult Services of £1.800m and within Children’s Services of £2.616m.

4.2.2 Table 4: Financial Summary for HECS

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Corporate Parenting & Placements	13.953	17.533	3.580	3.641
Early Help and Vulnerable Families	2.130	2.049	(0.081)	(0.077)
Employment and Skills	0.601	0.524	(0.077)	(0.075)
Integrated Disability & Additional Needs Service	1.994	2.341	0.347	0.474
School Improvement	0.050	(0.080)	(0.130)	(0.083)
Wellbeing, Governance & Transformation	2.128	1.768	(0.360)	(0.328)
Disability & Mental Health	28.275	29.658	1.383	1.486
Wellbeing & Assessment	11.425	12.837	1.412	1.180
Integrated Services	2.430	1.973	(0.457)	(0.330)
Business Assurance	0.435	0.252	(0.183)	(0.134)
Public Health	0.019	0.019	0.000	0.000
Total HECS	63.440	68.874	5.434	5.754

Main budget pressures across HECS

4.2.3 In addition to its normal complex budget management, during 2018/19, the service has continued to deal with a combination of demand-led pressures and national policy changes. There have been upward pressures on care providers’ fees largely resulting from the National Living Wage increase in April 2018 and reduced income from the NHS particularly in relation to their contribution for Mental Health Resettlement costs.

4.2.4 The main factor behind the significant pressure during the year was third party payments in relation to fees for care homes and community-based packages for adults. This was foreseen and, as part of the 2018/19 budget setting process, contingencies were created and these continue to be held centrally and remain in place for 2019/20. In addition, there continued to be significant pressure within Corporate Parenting and Placements in relation to care provision for Looked After Children (LAC) and Care Leavers. This is combined with the on-going pressures in the workforce arising from staff retention and recruitment costs. As indicated in section 2, the service made significant progress in delivering another demanding set of savings projects but the remaining total of £0.735m, which are targets not yet achieved, have contributed to the overall pressure within the provisional outturn.

The main factors contributing to the pressure in the provisional outturn are shown in the table below;

4.2.5 **Table 5: Summary of Factors Driving the Pressure within HECS**

Sub-service	Savings yet to be delivered £m	Demand Pressures £m	CCG Income £m	Grants and client income £m	Staff £m	Other £m	Total £m
Adults	0.354	4.270	0.466	(2.416)	(0.355)	(0.524)	1.795
Children	0.381	3.231	0.070	0.000	0.180	(0.223)	3.639
Total	0.735	7.501	0.536	(2.416)	(0.175)	(0.747)	5.434

Adult Services

4.2.6 In Adult Services there was a pressure of £1.795m which has reduced by £0.079m since the last report at January. Within this position there has been an increase in third party payment costs which has been offset by an increase in income. The position includes the Winter Pressures Grant of £1.031m but excludes a contingency budget of £1.800m which was set aside during budget setting to mitigate the risk of third party payment pressures. This contingency budget is shown in Central Items.

4.2.7 The pressure of £1.795m predominantly relates to this rising complexity of demand foreseen by Cabinet. In addition, there are £0.354m of CBF efficiency targets which have not been delivered in 2018/19 and will need further action to fully deliver these savings in 2019/20. There is a remaining pressure of £0.466m from CCG income around the s256 mental health resettlement agreement. This latter issue was recognised during the budget setting process for 2019/20 and corrected through a budget growth item.

4.2.8 In common with most local authorities, and in line with the national picture, North Tyneside has seen costs within adult social care continue to rise. Although the number of adults supported remains relatively stable, their individual needs have increased due to living longer with multiple complex conditions. Supporting those needs requires more intensive packages of care which are more expensive to

provide. In addition to older people, younger adults with learning disabilities and physical disabilities are also living longer, often with multiple complex issues.

4.2.9 In order to manage this demand as effectively as possible and ensure that the most intensive services are targeted at those in the greatest need, the service has been going through a period of transformation to embed an asset-based approach that focuses on enhancing an individual's own strengths and informal support networks to maximise their independence. This has had the impact of containing the overall size of the population in receipt of services with a cost to the Authority, but the average cost of those services has increased due to the increased average complexity of the needs of those clients.

4.2.10 Demand-led pressures (excluding those which form part of savings targets as yet to be achieved as outlined in 2.12 to 2.16) total £4.270m above budget which is an increase of £0.591m since the January report. These are analysed into the following service types;

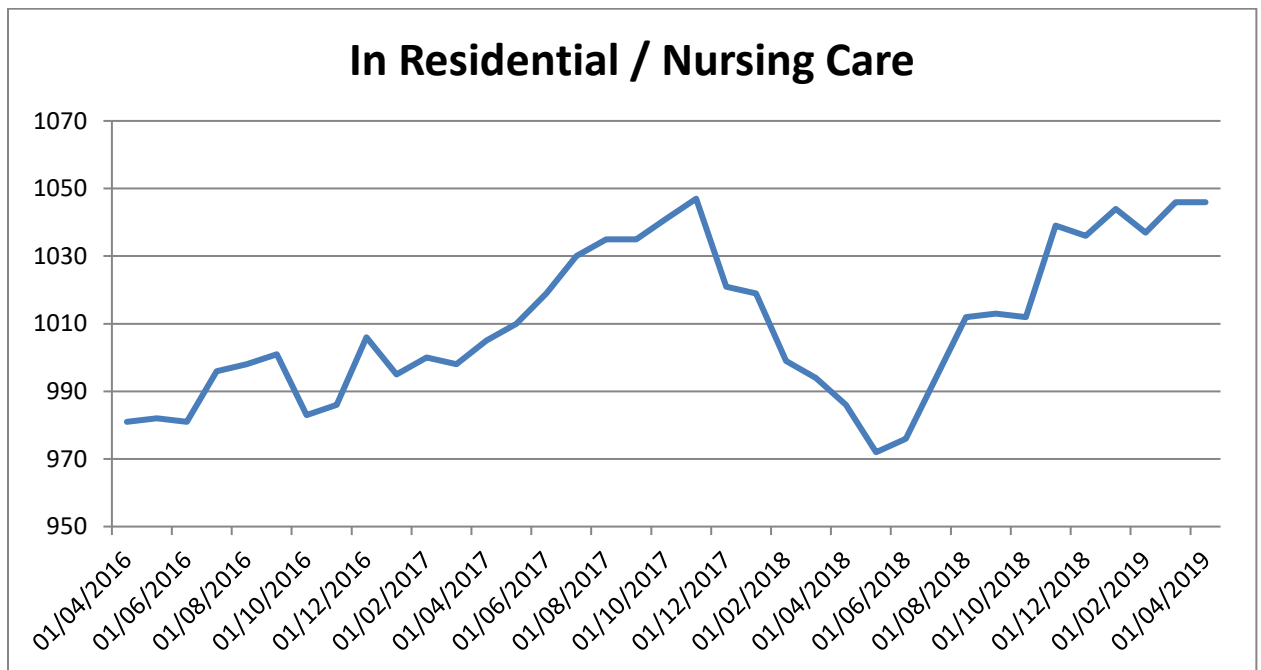
Table 6: Analysis of Adult Services Care Provision Pressure by Service Type

Type of Service	Demand-led Pressure March £m	Demand-led Pressure January £m
Residential and Nursing care	2.234	1.931
Homecare and Extra Care	1.376	1.078
Other Community Based Care	0.660	0.670
Total	4.270	3.679

Residential and Nursing Care

4.2.11 The first quarter of 2018/19 showed a falling trend in the number of placements mainly in relation to reducing the numbers of short-term placements by effective alternative intervention. However, the service saw an increase in demand in July and August which continued through the autumn and winter and has not yet shown any sustained reduction. The number of clients placed at November 2017 was 1,050 which had dropped to 971 at the end of June 2018. The numbers rose to 1036 in December 2018 and ended the year at 1046. The Service is continuing to carefully monitor levels of placements and is reviewing all proposed placements to appropriately challenge each decision.

4.2.12 **Chart 1: Trend of numbers of Clients in Residential and Nursing Care**

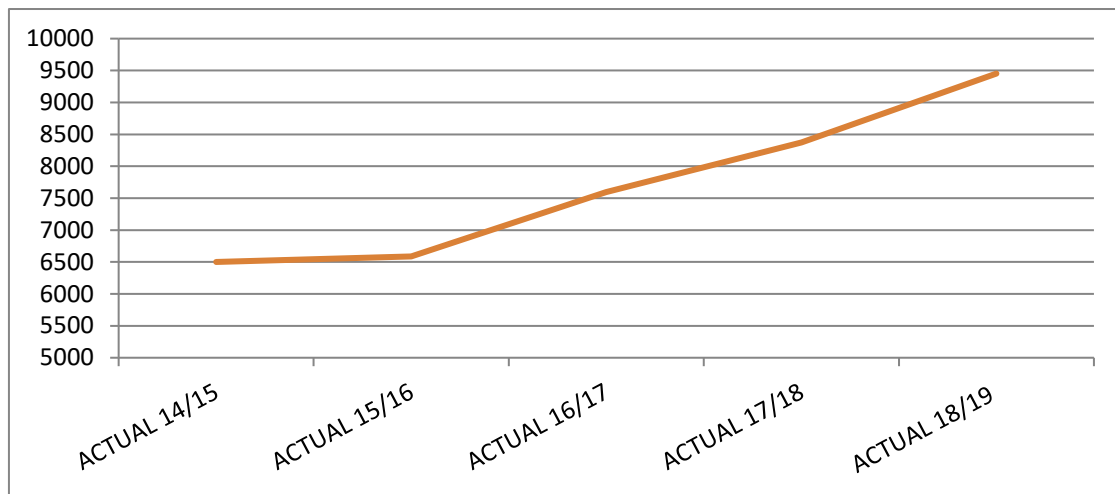


4.2.13 Residential and nursing placement forecasts are showing a pressure of £2.234m which has increased by £0.303m from the January position. This increase is mainly due to the continued increase in admissions outlined in paragraph 4.2.11 above in addition to backdated payments relating to the fee increase for 2018/19. The Service is proactively working to achieve further reductions in the level of residential and nursing care into 2019/20 as alternative forms of provision of services are identified for short-term placements. Services such as reablement, community based intermediate care and extra care are being deployed effectively to reduce admissions to long term residential care. The service is undertaking a focused review of all short-term placements with support from colleagues from sheltered accommodation and with a view to maximising the appropriate use of assistive technology to identify exit plans for those people needing to move on from short-term residential placements. This is a demand led service however, facing demographic pressures of an increasingly aging population.

Homecare and Extra Care

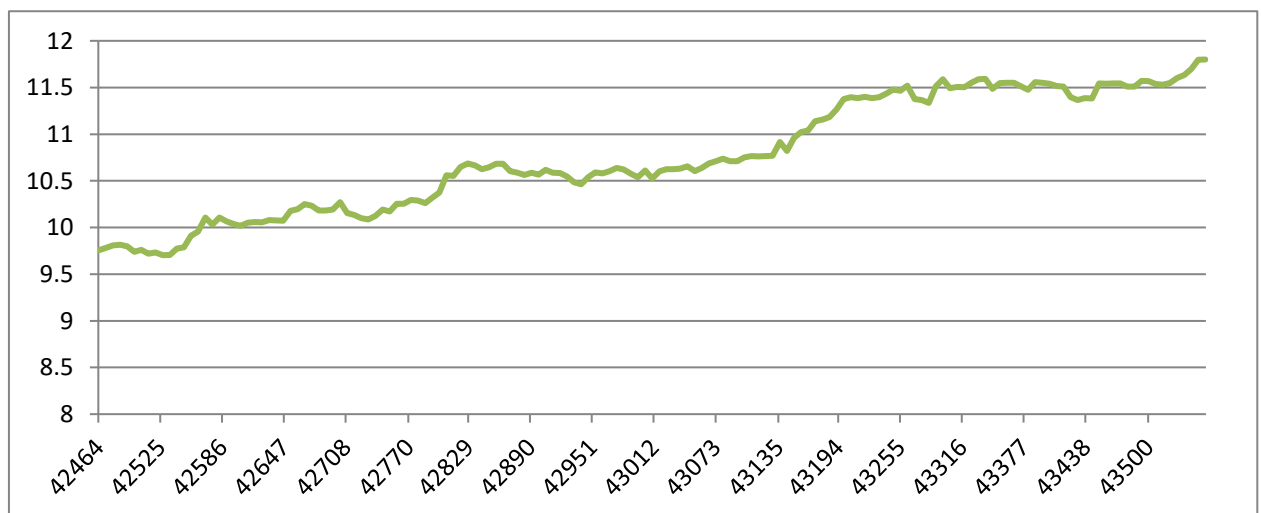
4.2.14 The cost of homecare and extra care has also risen since the last report with the budget pressure increasing by £0.298m to £1.376m. As reported during 2017/18 and 2018/19, the Authority, in line with the national picture, has seen an increase in the average cost of homecare as more intense support for an aging population results in higher average package costs. This is shown in chart 2 below.

4.2.15 **Chart 2: Trend in Annual Cost per Client of Homecare/Extra Care Services**



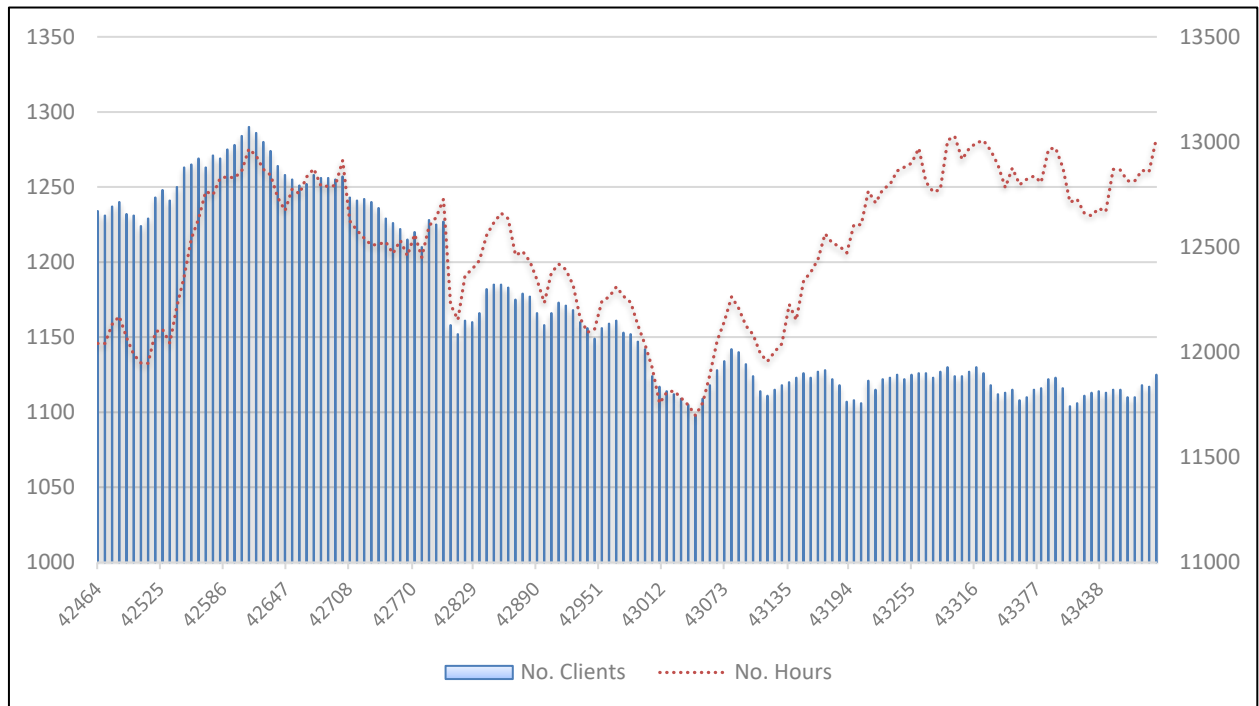
4.2.16 The number of hours provided per client has increased by 24% since April 2015 from 9.48 hours on average to 11.80 hours in March 2019, indicating a significant increase in the levels of need which are now being supported in the community rather than in a residential setting. This level has increased during 2018/19 from 11.3 hours to 11.8 hours (4.4%). The overall number of hours delivered has increased during 2018/19 from 12,472 per week at the beginning of the year to 13,200 at the end of the year, a rise of 5.8%.

4.2.17 **Chart 3: Average number of hours provided per client**



4.2.18 As described in 4.2.9, the Service is working hard to continue embedding the asset-based approach by remodelling how customers access the service. Chart 4 below clearly shows how the service has transformed to support a smaller number of clients with higher needs resulting in an overall increase in the number of hours provided.

4.2.19 **Chart 4: Number of Clients Supported and Number of Hours Provided - Homecare**



CCG Income

4.2.20 The pressure of £0.466m (increased by £0.075m since the January report) relates to reduced Mental Health Resettlement income after agreement was reached with the CCG on future funding for infrastructure and placement costs (£0.667m) partially offset by recharges for clients with Mental Health Aftercare (s.117) services and clients with a jointly funded package. The service continues to carefully review all clients with s.117 eligibility where the CCG has undertaken to fund 50% of all mental health aftercare support packages and this has resulted in increasing trend of recharges to the CCG from £4.263m in 2017/18 to an outturn of £4.724m in 2018/19. Recharges for jointly funded packages of care however have fallen from £2.440m in 2017/18 to £1.680m in 2018/19. In relation to jointly funded care, the Authority is working collaboratively with the CCG on a case by case basis where it is identified that a client has significant health needs. However, if a client has not been assessed as fully meeting the threshold for continuing healthcare, there has been an absence of clear statutory guidelines outlining the CCG’s responsibility. New national guidance around jointly funded cases was published in October 2018 with revised national tools to support the assessment of continuing healthcare and the Authority is continuing to work through these issues with the CCG.

Other Community Based Care

4.2.21 This category is comprised of supported living, individual service funds, direct payments and day care. The pressure has reduced by £0.010m since the January report.

Other

4.2.22 The pressure in placement costs and CCG income is being partially mitigated by the Winter Pressures Grant (£1.031m) and client contributions over budgeted levels of income (£1.385m). The budget surplus on client contributions has increased by £0.566m since the last report partially resulting from the changes to policy introduced in January 2019 following the Cabinet decision in October 2018 and a strong recovery of deferred payments income at the end of the year.

There are also underspends in staffing of £0.355m and other areas totalling £0.524m. The latter is comprised mainly of previously unallocated transformation budgets within Wellbeing, Governance and Transformation and resources that have become available following successful changes adopted in Integrated Services to manage costs down particularly in relation to client transport.

Children's Services

4.2.23 In Children's Services the overall pressure of £3.639m has reduced by £0.241m from the January position of £3.880m. The improvement covers a range of different areas; reduced staffing pressure of £0.092m mainly within Integrated Disability and Additional Needs as vacancies have been held across the service wherever possible, an improved income position within School Improvement (£0.047m) with reduced expenditure and improved income in relation to adoptions making up the majority of the remaining improvement. Costs within Corporate Parenting and Placements formed the main pressures in 2018/19 across Children's Services on-going demand related placement pressures ending the year at £3.231m overspent. This issue was foreseen by Cabinet and backed by £2.616m of contingencies held centrally. In addition, there are £0.381m of, as yet, not fully delivered CBF efficiency targets with the balance made up mainly of staffing pressures.

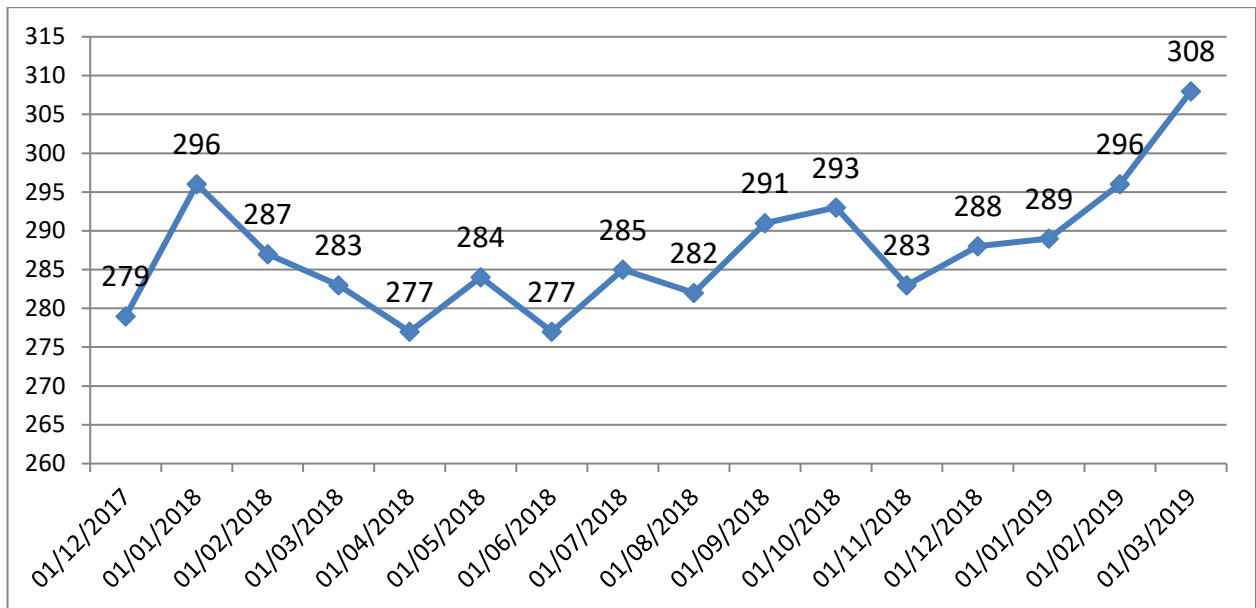
4.2.24 A breakdown of the total of demand led pressures of £3.231m is shown below;

Table 7: Analysis of Demand Led Pressures in Children's Services by Type

Type of Service	Demand-led Pressure Mar £m	Demand-led Pressure Jan £m
Placement costs for LAC	2.322	2.169
Costs relating to non LAC	0.807	0.926
Leaving Care costs	0.014	0.063
Management and legal fees	0.088	0.045
Total	3.231	3.203

4.2.25 The main pressure continues to be in relation to placement costs for looked after children totalling £2.322m which is showing an increase of £0.153m since the January report. Over recent years, there has been an increase nationally in demand for children’s residential placements but with no corresponding increase in central government funded provision. In North Tyneside, the trend in numbers of Looked After Children has reflected the increases felt nationally and despite all management action to manage demand in this volatile area, the final month of the year has shown a further increase to 308 children.

4.2.26 **Chart 5: Looked After Children numbers at each month end**



4.2.27 In addition to this rise in overall numbers of LAC, placement mix also continues to change. Placements for adolescents (particularly males) with a combination of risks including aggressive behaviour, offending, substance use and sexualised behaviour are increasingly difficult to source. This has resulted in the use of more costly bespoke individual placements, where it is not suitable to place young people in group environments. This is demonstrated in the table below where the main pressure results from residential placements which, in terms of total bed nights, represents only 7% of provision but is very costly amounting to 41% of the overall placement cost. The average cost of a residential care placement has increased to £0.390m. This is very volatile and is dependent on the individual needs of the cohort of children and young people in externally provided residential placements at a point in time.

4.2.28 **Table 8: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	18/19 Forecast Variance	Average Annual Placement cost £m	18/19 Bed nights	Placement Mix	No. LAC at Jan 19
External Residential Care	1.559	0.390	7,366	7%	22
External Fostering	0.289	0.040	9,701	9%	23
In-House Fostering Service	0.380	0.018	76,076	69%	218
External Supported Accommodation	0.161	0.135	1,349	1%	11
Other*	(0.067)	various	15,146	14%	34
Total	2.322		109,638	100%	308

*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility and NTC Children's Homes.

4.2.29 The service has been successful in reducing the use of externally provided supported accommodation, which is the next most costly form of provision after residential care. This has been achieved by making full use of the Authority's in house provision jointly working with the housing team and supporting young people who have been involved in risk taking behaviour with stable and resilient staff teams. This has allowed the placement of young people within internal services that may otherwise have required an external placement at significant additional cost.

4.2.30 Pressures relating to other placements total £0.807m which has reduced from the January report of £0.926m mainly as a result of increased income and reduced expenditure in relation to adoptions. The remaining pressure consists mainly of Special Guardianship Order payments and Cabinet will be aware of the increases in costs for these placements after the revised Council Policy was introduced in 2018. Part of the contingency budget of £2.616m held in Central Items was created to mitigate this risk.

Staffing pressures

4.2.31 Cabinet are aware of the particular challenges faced across the children's social care sector nationally and this has led to a net pressure on staffing costs of £0.180m mainly due to the need to use agency workers earlier in the financial year and market supplement payments. This pressure has reduced by £0.092m since the January report due to the holding of vacancies wherever feasible to mitigate the staffing pressures overall. At the time of reporting no agency staff are currently required and case loads are in line with good practice.

Other

4.2.32 There is a net underspend of £0.223m in other areas which has improved by £0.177m since the January report. This relates predominantly to increased School

Improvement income (£0.044m), a contribution towards a post in the Multi Agency Safeguarding Hub (£0.055m) and reduced commissioned services costs in Integrated Disability and Additional Needs (£0.035m) with the remainder being a number of small improvements across the service.

4.3 Commissioning and Asset Management

4.3.1 Commissioning and Asset Management is forecasting a pressure of £0.335m as set out in table 9 below. This compares to the January position of £0.390m.

4.3.2 **Table 9: Commissioning and Asset Management outturn variation**

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
School Funding & Statutory Staff Costs	2.252	2.146	(0.106)	(0.045)
Commissioning Service	0.405	0.379	(0.026)	0.000
Child Protection Independent Assurance and Review	0.663	0.674	0.011	0.016
Facilities and Fair Access	0.087	0.309	0.222	0.125
Community & Voluntary Sector Liaison	0.438	0.445	0.007	0.000
Strategic Property and Investment	13.448	13.520	0.072	0.045
High Needs Special Educational Needs	0.000	0.000	0.000	0.000
Property	1.363	1.534	0.171	0.249
Commissioning & Investment Management & Support	0.152	0.148	(0.004)	0.000
Procurement	(0.036)	(0.048)	(0.012)	0.000
Total Commissioning & Asset Management	18.772	19.107	0.335	0.390

4.3.3 The largest area of pressure with Commissioning and Asset Management is Facilities and Fair Access which ended the year with an overspend of £0.222m, an increase of £0.097m since the January report. The pressure in Catering Services has been finalised as £0.084m and results mainly from inflationary pressures within food costs. There are also inflationary pressures in Cleaning of £0.096m and demand led issues within Home to School Transport of £0.074m partially offset by £0.032m of underspends, mainly from staffing.

4.3.4 Within Property, there has been an improvement of £0.078m due to lower than forecasted costs within the managed repairs and maintenance budget across public buildings however a residual pressure of £0.106m remains net of energy management. Costs of preventing and managing vandalism relating to the Sir G.B. Hunter Memorial Hospital vacated by the NHS in 2018/19 have left the Authority with a pressure of £0.106m during the year. Plans are in place to manage the building on site during 2019/20.

- 4.3.5 There are staffing pressures affecting Strategic Property and Investment where a savings target of £0.044m relating to management savings remains to be achieved. The service is continuing to review required staffing resources against the Authority's commitments and priorities and is also looking at alternative sources of funding to at least secure this remaining balance. The largest item within the remaining pressure is a contribution to costs of the community wing at Burradon Community Primary School.
- 4.3.6 The position has been supported by an increased underspend in School Funding and Statutory Staff costs resulting from lower than anticipated costs associated with teachers' early retirement.

4.4 Environment, Housing & Leisure

- 4.4.1 The Environment, Housing and Leisure Service is reporting a pressure of £0.026m against the £40.400m budget, as set out in Table 10 below. The underlying forecast position has changed slightly by £0.003m from the last reported position of £0.023m pressure at January.

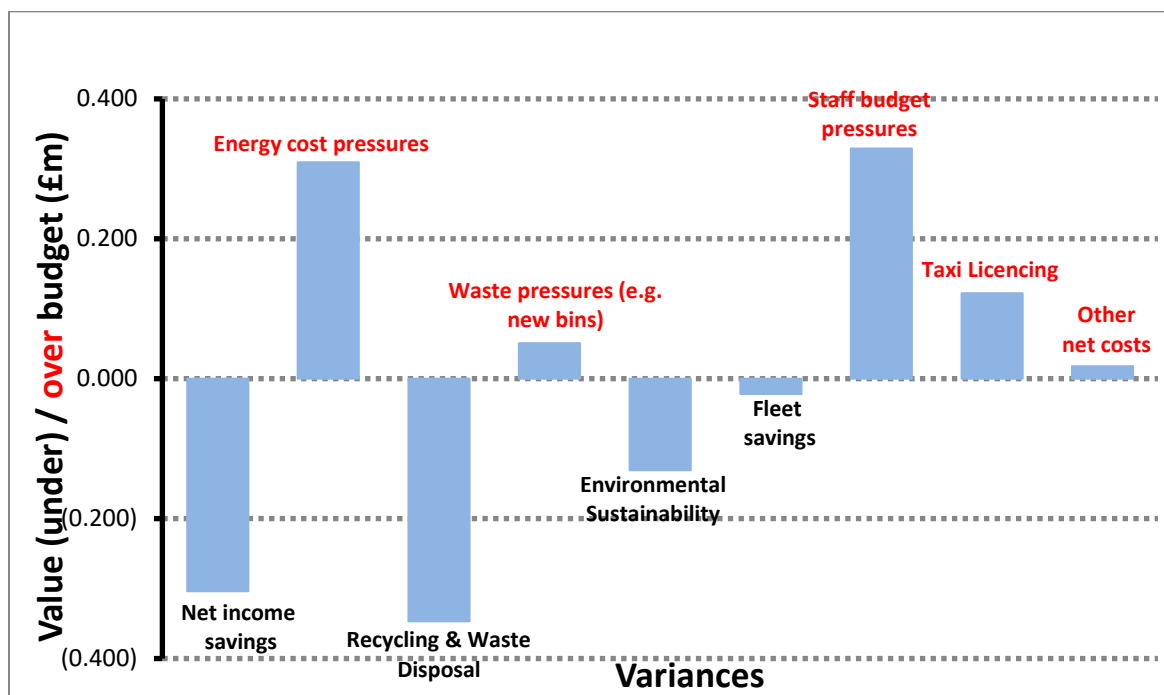
4.4.2 Table 10: Outturn Variation in Environment Housing & Leisure to budget

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Sport & Leisure	3.113	3.404	0.291	0.093
Cultural Services	6.702	6.702	0.000	0.088
Security & Community Safety	0.176	0.230	0.054	0.062
Fleet Management	0.586	0.564	(0.022)	(0.130)
Waste Strategy	11.162	10.854	(0.308)	(0.306)
Local Environmental Services	7.049	7.006	(0.043)	0.099
Head of Service and Resilience	0.110	0.104	(0.006)	0.023
Street Lighting PFI	4.294	4.294	0.000	0.000
Consumer Protection & Building Control	0.838	0.928	0.090	0.096
Transport and Highways	5.365	5.338	(0.027)	0.013
Planning	0.115	0.121	0.006	0.000
General Fund Housing	0.893	0.884	(0.009)	(0.015)
Total Environment, Housing and Leisure	40.403	40.429	0.026	0.023

- 4.4.3 Although the underlying position has not changed significantly since the last reported forecast, some areas of pressure persist and are offset by increased income or expenditure reductions elsewhere. The largest overall remaining pressures are staffing issues of £0.329m across the service and premises-related energy and water pressures of £0.310m. These pressures are offset by increased net income of £0.304m, plus cost savings in waste (£0.427m) and fleet (£0.022m). In addition, there is a pressure in taxi licencing of £0.122m and there are a range of other

miscellaneous operational savings and costs across the service areas described in the paragraphs below amounting to £0.018m.

4.4.4 Chart 6: EHL Underlying Pressures and Savings 2018/19



4.4.5 The main area of the underlying improvement in the position since January is in relation to Street Environment. Cost reductions within Grounds Maintenance of £0.241m, have combined with cost reductions of £0.102m within Waste to offset a reduction of income of £0.275m across Taxi Licencing, Sport & Leisure, Security and Bereavement. There are additional net movements of £0.071m, covering additional costs for fleet and commercial updates amongst other, smaller movements.

Sport & Leisure

4.4.6 Sport & Leisure has shown an improved position on income of £0.634m in 2018/19. Whilst this is a reduction from the previous expected improvement by £0.199m, it reflects the impacts of both the changes to VAT rules as well as marketing to improve the take-up of gym memberships. Of the £0.634m, £0.400m has been moved to Central Items as it represents the VAT element of the increase. Sport & Leisure have reported the remaining £0.234m income surplus against budget, which is mainly due to increased take-up in gym membership. There is a pressure of £0.244m around staffing costs which is mainly caused by the need to cover shifts and back-fill for sickness.

4.4.7 The balance of the position is made up of operational expenditure pressures the largest of which are premises costs of £0.167m within the service area relating to energy and water costs, in addition to supplies and services costs of £0.115m. This leaves Sport & Leisure overall showing a net pressure of £0.292m.

Cultural Services

- 4.4.8 Whilst Cultural Services are showing an overall break-even, there are historical pressures due to energy pressures and income shortfalls, plus a Business Rates pressure of £0.125m which is being offset in 2018/19 by an in-year one-off rates rebate in relation to Segedunum Museum. The net saving is mainly caused by an increased profit share (compared to previous years) from Whitley Bay Playhouse of £0.055m, plus some smaller operational savings.

Security & Community Safety

- 4.4.9 The service ended the year with a net pressure of £0.054m, which is a small improvement since January. The pressure was due to historical and challenging income targets, though the service mitigated their impact by removing staff posts and other operational costs where possible.

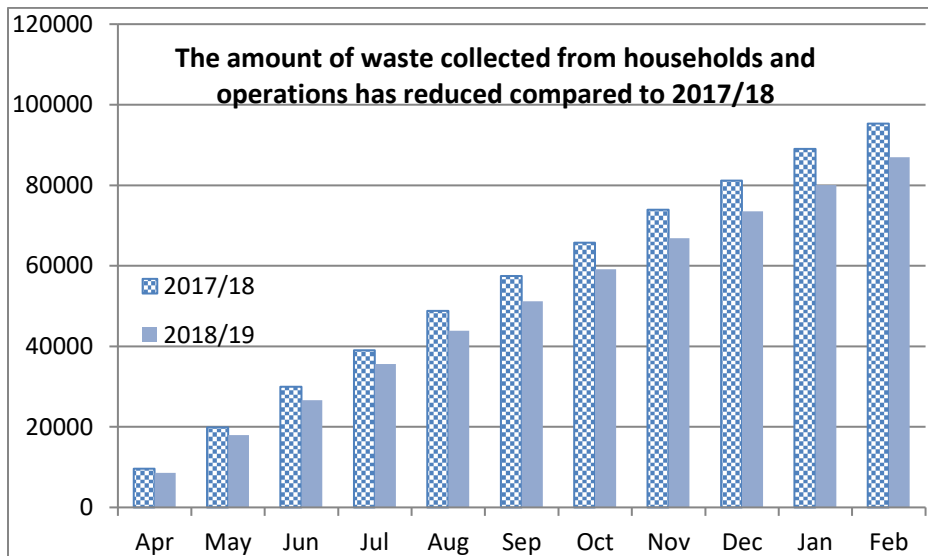
Fleet Services/Facilities Management

- 4.4.10 The Fleet Services and Facilities Management Service ended the year with marginal saving against budget of £0.022m. The additional cost of financing new vehicles, whilst increasing during the year, continued to be more than offset by the associated reduction in servicing and maintenance costs. In addition, the service area has benefitted from reduced fuel costs associated with more efficient vehicles.

Waste Strategy

- 4.4.11 Waste Strategy has shown a final underspend for 2018/19 of £0.308m, a small improvement from January's reported position. The Service has absorbed the additional costs for the first year of introducing the alternate weekly collections including the provision of new bins and the expansion of the garden waste collection service within the overall budget set for waste without the need to use the contingency reserve established to cover these costs.

4.4.12 Chart 7: Overall Waste Tonnage – Comparison to 2017/18

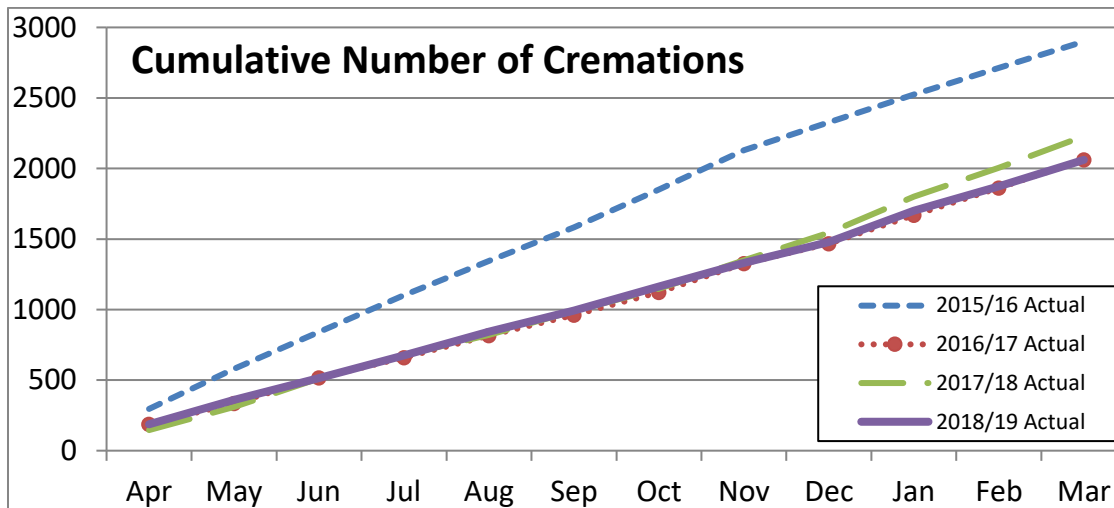


4.4.13 The overall amount of waste collected from household and operations across the borough has shown a 9% decrease compared to 2017/18. This decrease reflects the beneficial impact of the measures implemented at the Household Waste Recycling Centre from July 2017 to tackle illegal usage of the site and the introduction of alternate weekly waste collections at the end of August 2018. Encouragingly, following the implementation of alternate weekly waste collections, home kerbside recycling has increased as residents are changing their behaviour and considering how to best dispose of their household waste. It is anticipated that home recycling performance will show further improvement as the free garden waste scheme is extended to newly built homes throughout 2019.

Local Environmental Services

4.4.14 Local Environmental Services has shown an underspend of £0.043m against budget. The main variances relate to an underspend of £0.138m in Grounds Maintenance, increased income from Sea-Front Properties of £0.035m offset by a shortfall in Bereavement income mainly due to a drop in income from cremations and burials compared to previous years and some additional staff costs, due to sickness.

4.4.15 **Chart 8: Annual Number of Cremations (2015/16 to 2018/19)**



4.4.16 For 2018/19 the income generated by cremations and burials reflected the lowest numbers for the past four years. This is illustrated in table 8 above, showing the lowest number of cremations with no upturn in winter as experienced previously (note the high levels of cremations in 2015/16 were due to the closure of the crematorium in Blyth following a fire).

4.4.17 Within the Grounds Maintenance area there were savings against budgeted weed-spraying costs, where a fourth spray was not required (£0.048m), the impact of in-sourcing Royal Quays and the burial service (£0.047m), increased income across the service and reduced transport, repair and maintenance costs.

Street Lighting PFI

- 4.4.18 The street-lighting PFI break-even position resulted from a pressure due to increased energy costs being mitigated by a draw-down from the PFI reserve of £0.396m.

Consumer Protection & Building Control

- 4.4.19 This Service area includes taxi licencing where there is a £0.122m income shortfall, which has worsened since the previously reported position of £0.096m, due to changing business patterns and requirements in neighbouring authorities.

4.5 Business & Economic Development

- 4.5.1 This Service has ended the year with a pressure of £0.385m as shown in table 11 below. The pressure relates to business unit rental and berthing fees at the Swan site. The service is proactively marketing all available business unit space with a view to securing additional tenants in 2019/20.

4.5.2 **Table 11: Outturn Variation Business and Economic Development**

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Regeneration	0.390	0.808	0.418	0.372
Business & Enterprise	0.787	0.768	(0.019)	0.009
Resources & Performance	0.028	0.014	(0.014)	(0.013)
Total Business & Economic Development	1.205	1.590	0.385	0.368

4.6 Commercial & Business Redesign

- 4.6.1 This Service ended the year with a pressure of £1.189m (January, £0.779m) as shown in table 12 below. The movement in this position is largely due to a realignment of ENGIE contract costs (£0.292m) with related reductions in costs being seen predominantly within Finance. The year has seen an underlying pressure within staffing associated with transformation projects of £0.369m. The Service continues to actively review the staffing structure in line with the priorities of the Council's change programme with a view to identifying savings in 2019/20. There is also a pressure relating to non-pay costs associated with the Customer Journey work streams relating to the Outsystems IT application and services provided by ENGIE. Within ICT, there are historical pressures relating to costs of systems not included within the original ICT contract with Engie. Following the implementation of the senior structure agreed by Cabinet last October, Commercial & Business Redesign will cease to exist in 2019/20.

4.6.2 Table 12: Outturn Variation Commercial and Business Redesign

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Head of Commercial & Business Redesign	(0.184)	0.636	0.820	0.722
ICT	1.617	1.986	0.369	0.057
Total Commercial and Business Redesign	1.433	2.622	1.189	0.779

4.7 Corporate Strategy

4.7.1 Corporate Strategy has ended the year with a pressure of £0.241m as set out in table 13 below (January, £0.164m). There was a pressure in staffing throughout the year where resources were in place to support the organisation through the changes arising from the implementation of the Efficiency programme.

4.7.2 Table 13: Outturn Variation Corporate Strategy

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Corporate Strategy Management	0.078	0.110	0.032	0.019
Policy, Performance & Research	(0.172)	(0.025)	0.147	0.097
Marketing	0.122	0.173	0.051	0.055
Elected Mayor and Executive Support	(0.005)	0.008	0.013	0.002
Children's Participation & Advocacy	0.179	0.178	(0.001)	(0.009)
Total Corporate Strategy	0.202	0.444	0.242	0.164

4.8 Finance including Revenues & Benefits and Customer Services

4.8.1 The overall position is an underspend of £0.293m in the Finance Service (January, overspend of £0.451m) as set out in table 14 below. The improvement has resulted mainly from a realignment of ENGIE contract costs to other service areas in line with delivery of the contract and an improvement in Revenues and Benefits due to a better than anticipated subsidy position and a reduced bad debt provision. A prudent assessment of the impact of the move to Universal Credit on the Benefits position has been taken through the year and we will continue to monitor closely the impact that residents moving to Universal Credit in North Tyneside is having on the Benefit Subsidy Claim and Housing Benefit Overpayment income reduction as we move into 2019/20.

4.8.2 Table 14: Outturn Variation Finance

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Finance Service	(0.441)	(0.772)	(0.331)	0.000
Internal Audit	(0.038)	(0.087)	(0.049)	(0.002)
Revenue & Benefits and Customer Services	(0.166)	(0.079)	0.087	0.453
Total Finance	(0.645)	(0.938)	(0.293)	0.451

4.9 Human Resources & Organisational Development

4.9.1 The outturn pressure of £0.021m compares to the January forecast of £0.065m. The movement in the position is due mainly to additional income of £0.025m from the North East Combined Authority (NECA) for HR support and employer incentive payments re the Apprentice Levy of £0.011m received in March with the balance relating to supplies and services savings. The remaining pressure results from a savings target which was applied to budgets for staff which, having originally transferred out to the Authority's business partner, were subsequently transferred back in.

4.9.2 Table 15: Outturn Variance Human Resources and Organisational Development

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Human Resources & Organisational Development	(0.130)	(0.109)	0.021	0.065

4.10 Law & Governance

4.10.1 Law & Governance has ended the year with a pressure of £0.331m compared to the January forecast of £0.296m. The movement since the last report relates to increased barristers fees and higher than forecasted running costs within the Coroner's Service. The pressure predominantly relates to staffing within the service which, earlier in the year, was forced to incur high costs for locum staff. This has been resolved by successful recruitment. However, Members will recall in January an increased staffing cost within the Coroner's Service was reported.

4.10.2 Table 16: Outturn Variation Law and Governance

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Customer, Governance & Registration	(0.074)	(0.021)	0.053	0.057
Democratic & Electoral Services	(0.075)	(0.065)	0.010	0.002
Information Governance	(0.047)	(0.007)	0.040	0.057
Legal Services	(0.207)	(0.098)	0.109	0.077
North Tyneside Coroner	0.293	0.412	0.119	0.103
Total Law and Governance	(0.110)	0.221	0.331	0.296

4.11 Central Budgets & Contingencies

4.11.1 The 2018/19 forecast outturn set out in Table 17 below reflects an underspend of £8.685m on central budgets (January, underspend of £7.616m).

4.11.2 Table 17: Outturn Variation Central Budgets and Contingencies

	Budget £m	Outturn £m	Outturn Variance £m	Variance Jan £m
Corporate & Democratic Core	9.546	9.287	(0.259)	(0.175)
Other Central Items	0.789	(7.637)	(8.426)	(7.441)
Total Central Items	10.335	1.650	(8.685)	(7.616)

4.11.3 The forecast underspend in Corporate and Democratic Core relates to savings against Pensions out of Revenue of £0.203m (improved from an underspend of £0.100m in the January report) and Corporate and Democratic Core recharges to the Housing Revenue Account (HRA) from the General Fund of £0.075m offset by £0.019m of miscellaneous expenditure.

4.11.4 The improvement of £0.985m in Other Central Items relates mainly to an improvement in Section 31 Grant of £0.722m due to additional Central Government compensation for increased reliefs and further interest savings of £0.262m in the final period leading up to year-end.

4.11.5 The items making up the overall surplus position of £8.426m within Other Central Items includes the total value of interest savings for 2018/19 of £3.412m, which has been saved, as a result of a detailed review of the level of internal borrowing and temporary borrowing to be maintained over the course of the year and reprogramming within the Investment Plan and an amount of £0.369m for minimum revenue provision as reported in January.

4.11.6 There is £0.204m of additional income relating to recharges to services for costs of borrowing to finance investment in new vehicles and other assets being higher than originally planned. There is £0.726m of additional income relating to North Tyneside's share of the Levy Account Surplus allocation announced as part of the Provisional Finance Settlement by Central Government on 13 December 2018. As part of the budget setting process for 2018/19 contingency budgets were created

and held corporately for demand pressures within Adult Services (£1.800m) and Children's Services (£2.616m). The demand pressures are shown within the HECS service and the Central budget within Other Central Items is shown as underspent to offset this pressure. This will continue to be monitored in 2019/20 and any proposed permanent allocation of contingency would be reported to Cabinet for their express decision. In addition, there is an amount of £0.551m relating to business rates refunds mainly for Segedunum, £0.977m additional Section 31 Grant and £0.250m dividend from the Kier JV.

- 4.11.7 From November monitoring, the £0.400m of additional income from VAT changes within Sport and Leisure has been shown centrally rather than within the service.
- 4.11.8 These underspends are partially offset by pressures relating to 2018/19 savings targets totalling £2.379m (See Section 2.6 to 2.8) and the £0.500m forecast pressure relating to the 2017/18 procurement saving. Further areas of savings within Procurement continue to be investigated in 2019/20 and further management savings are also expected to be identified in the new year as the review of leadership within each service area continues.

4.12 New Revenue Grants

- 4.12.1 The following revenue grants have been received or notified during February and March 2019.

Service	Grant Provider	Grant	Purpose	2018/19 value £m
Environment Housing and Leisure	Department of Health	New Tobacco Burdens	Supports implementation of the new Tobacco Products Directive and Age of Sale – Nicotine Inhaling Products Legislation	0.003
Commissioning and Asset Management	Education and Skills Funding Agency	Year 7 Catch Up Premium Allocations	For the educational benefit of children who do not meet level 4 in Key Stage 2 in reading or mathematics	0.132
Commissioning and Asset Management	Education and Skills Finding Agency	Free School Meals Supplementary Grant	To provide schools with additional funding resulting from changed thresholds for free school meals as a result of universal credit	0.201
Environment Housing and Leisure	Ministry of Housing, Communities and Local Government	National Community Clean Up Campaign	To support efforts in cleaning up local communities	0.036
Environment Housing and Leisure	Ministry of Housing, Communities and Local Government	Local Authority Parks Improvement Funding	To give local leaders and their communities resources to better maintain, protect and increase their recreational spaces	0.037
Health, Education, Care and Safeguarding	Police and Crime Commissioner for Northumberland	Early Intervention Youth Fund	To provide purposeful intervention to young people who are identified on the periphery of becoming involved in serious or violent crime	0.002
Total				0.411

SECTION 5 - SCHOOLS FINANCE

Schools Balances in 2018/19

5.1 Schools have concluded their 2018/19 accounts closure exercise in line with the local Scheme For Financing Schools and the Authority's year-end timetable. Collective school balances in North Tyneside maintained schools reduced from a surplus of £3.357m at the start of the year to a surplus of £1.599m. This position is significantly better than the forecast at the start of the year when the outturn was expected to be an overall deficit of £4.716m. The most recent set of monitoring performed with schools during the year and completed in early February 2019 showed an overall forecast deficit balance of £3.224m. The final balance position for schools is reported in the Authority's statutory accounts and is before any commitments are taken into account. Table 18 below shows balances analysed by phase.

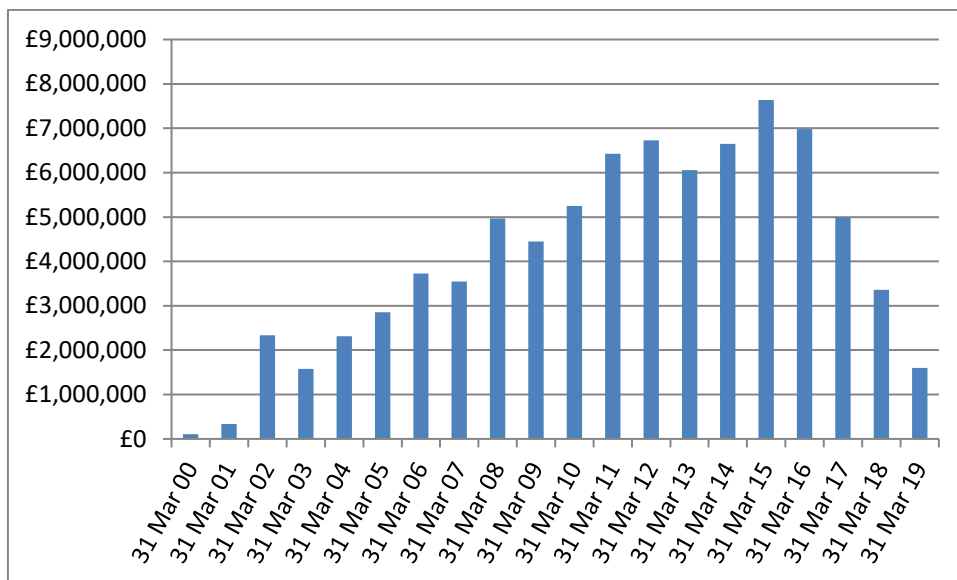
5.2 **Table 18: Total School balance position against plan Surplus/ (Deficit) - committed and uncommitted**

Phase	Outturn 2017/18 £m	Budget Plan 2018/19 £m	Monitoring 2 2018/19 £m	Provisional Outturn 2018/19 £m	Movement in balances between 2018/19 and 2017/18 £m
Nursery	0.018	(0.003)	0.002	0.009	(0.009)
Primary	4.299	1.511	1.934	3.789	(0.510)
Secondary	(2.062)	(6.472)	(5.796)	(3.279)	(1.217)
Special/PRU	1.102	0.248	0.636	1.080	(0.022)
Total	3.357	(4.716)	(3.224)	1.599	(1.758)

5.3 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. 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.

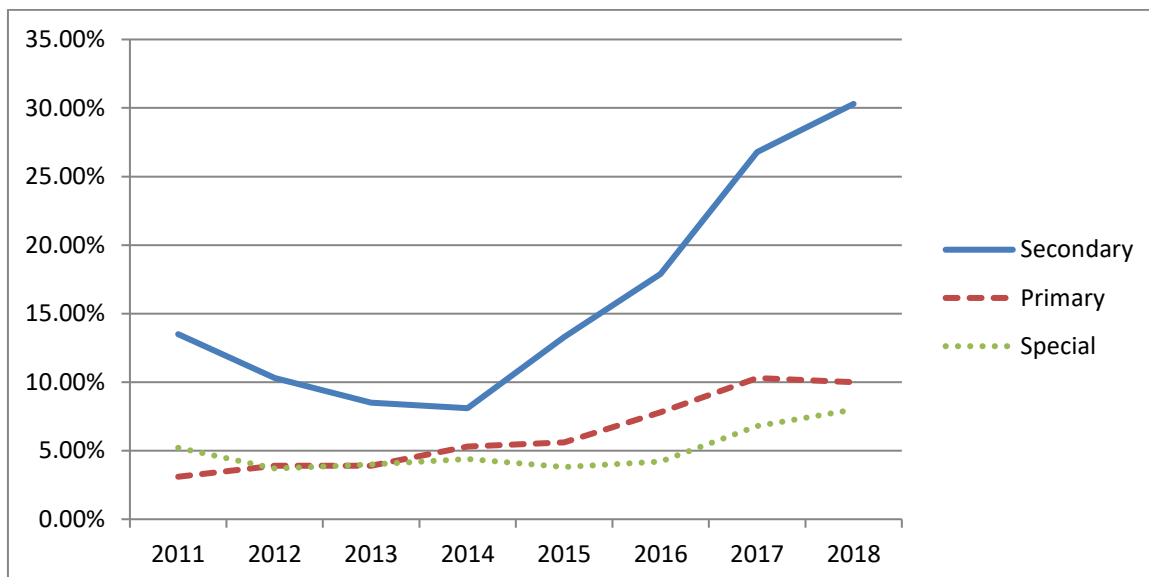
5.4 Cabinet will be aware that the Authority has been working with schools for a number of years with regard to the long-term strategic issue of surplus secondary places and the associated financial pressures which continue to be compounded by rising employment costs. As anticipated, 2018/19 is the fourth year of balances decreasing following a long term trend of rising balances in North Tyneside and chart 9 below sets out the long term trend.

5.5 **Chart 9: Long Term Trend in School Balances within North Tyneside**



5.6 Adequacy of school funding continues to be a high profile issue nationally and the position of school balances provides a useful barometer of the health of school finances. The latest picture nationally available, based on 2017/18 information, shows the proportion of schools in deficit has increased and that secondary schools are more likely to be in deficit compared to primary schools or special schools. In 2017/18, almost a third of secondary schools were in deficit (30.2%) compared with 8.1% of primary schools and 10.1% of special schools.

5.7 **Chart 10: The Percentage of Maintained Schools in Deficit in 2011 to 2018 Analysed by Phase**



School Deficits

- 5.8 As well as school balances reducing overall, some individual schools continue to face significant financial challenges. During the year, the Authority and Schools Forum paid particular attention to those schools with approved deficits.
- 5.9 There were nine schools with approved deficits in 2018/19. Schools Forum and senior officers worked closely with these schools during the year which contributed to an improved outturn of £7.256m compared to the approved deficit budgets planned totalling £8.485m. Two schools, Monkseaton Middle School and Whitley Bay High School, ended the year in a surplus position. The progress of individual schools is outlined in table 19 below;

5.10 Table 19: Provisional Outturn – Schools in deficit

School	Deficit Approval 2018/19 £m	Provisional Outturn £m	Improvement £m
Backworth Park Primary	(0.091)	(0.013)	0.078
Ivy Road Primary	(0.278)	(0.223)	0.055
Percy Main Primary	(0.086)	(0.055)	0.031
Monkseaton Middle	(0.088)	0.029	0.117
Marden High	(0.646)	(0.533)	0.113
Norham High	(1.549)	(1.462)	0.087
Longbenton High	(1.702)	(1.544)	0.158
Monkseaton High	(3.652)	(3.485)	0.167
Whitley Bay High	(0.393)	0.030	0.423
Total	(8.485)	(7.256)	1.229

- 5.11 Cabinet should note that of the nine schools in deficit, six schools are expected to remain in deficit for 2019/20. Deficit challenge sessions have been planned with these schools in May/June 2019. There are up to eight schools expected to request deficit approval in 2019/20 as schools finalise and submit their three year budget plans for 2019/20 by the deadline of 31 May 2019. Initial deficit challenge session for these schools are planned to take place in June 2019. Full details of deficit approval applications will be reported to Members as part of the first Financial Management report of 2019/20.
- 5.12 In 2018/19, Schools Forum agreed to delegate an amount of £0.131m for schools in financial difficulty often referred to as 'headroom' funding. Schools Forum agreed to offset the costs of the Schools Procurement Officer of £0.010m against this fund. Schools Forum also agreed to centrally retain a sum of £0.250m to support schools with falling rolls. A sub group of Schools Forum met during 2018/19 to develop a recommendation for Schools Forum for the allocation of these funds. As this agreement was outstanding at 31 March 2019, these amounts have been carried forward into 2019/20 for allocation in that year. In addition to the 2018/19 centrally retained and de-delegated sums, an amount of £0.432m carried forward from 2017/18 (net of repayments of funding back to academies during the year) is also carried forward into 2019/20 as summarised in table 20 below;

5.13 **Table 20: Centrally retained and de-delegated funds to support schools in Financial Difficulty**

	£m
Carried forward from 2017/18	0.467
Less repayments to academies	(0.035)
Falling rolls funding 2018/19	0.250
Headroom funding 2018/19	0.131
Procurement Officer costs	(0.010)
Carried forward into 2019/20	0.803

5.14 As in previous years, the details of schools balances will be reported to the Department for Education (DfE) through the Consistent Financial Reporting (CFR) return. This return will be co-ordinated by the Local Authority and will be submitted by the deadline in July 2019. The CFR is then used to populate parts of the s251 Outturn return which will be submitted to the DfE by the end of August 2019 for verification in September. Full details of each individual school's balance will then be reported to Cabinet.

5.15 Cabinet will recall that a programme of work is in progress with schools to consider further actions required to address the longer term approach to financial planning in North Tyneside. The programme is focussing on three new work streams and is also consolidating work on two existing projects. The work streams are:-

- Financial review and analysis;
- Planning and modelling;
- Tools for schools;
- Keeping Children and Young People in school; and
- Closing the Gap.

5.16 As previously reported to Cabinet, improved solutions for school financial management have been explored with a new four year funding forecasting tool made available during 2018/19. The provision of a new five year budget planning and monitoring tool is being explored.

5.17 Consultation with all schools on revisions to the Scheme For Financing Schools was completed and the changes were formally approved by Schools Forum on 24 April 2019. The changes reduce the required time period to pack back a deficit balance from five years to three years and apply to new deficits from 2019/20. A new support and challenge framework for schools in financial difficulty has been developed which further clarifies the deficit approval process and the respective responsibilities of schools and the Local Authority. The framework also introduces earlier intervention and support for schools forecasting a deficit in future years. Further work has been on-going to review curriculum planning in specific schools with a view to identifying further achievable savings. A refresh of the 'rich picture' in relation to schools pupil projections is underway and will be completed in Summer 2019. This will further enhance understanding of the impact of the pattern of required school places around the Borough on current and future school balances.

2018/19 Dedicated Schools Grant (DSG) Outturn

- 5.18 Overall and after allowing school allocations, the DSG in 2018/19 of £133.593m (after removing academy funding) is showing a net surplus balance of £0.742m. This compares to a surplus of £0.120m in 2017/18. The DfE have introduced a requirement for 2018/19 for any authority with a deficit of greater than 1% of the overall DSG value to prepare and submit a recovery plan by 30 June 2019. North Tyneside Council will not be required to provide such a plan.
- 5.19 Within the individual blocks, the balance on the High Needs Block is an overspend of £0.920m. This is offset by an underspend of £0.881m on the Early Years Block and an underspend of £0.781m on centrally retained and de-delegated items notably the headroom and falling roles funding referred to in section 4.13 above. As the DSG is a ringfenced account, any balance is carried forward into the next financial year.

High Needs Block

- 5.20 Cabinet will recall that the High Needs block outturn in 2017/18 was a pressure of £0.430m. This pressure has continued in 2018/19 in line with national trends. In recognition of the nationwide issue of increasing demand within special educational needs, in December 2018, the Government announced additional funding for High Needs in 2018/19 and 2019/20. The additional funding amounts to £0.426m for North Tyneside Council in each of the two years. This funding was built into forecasts in 2018/19 and reported pressure in January was £0.604m. The provisional outturn however has worsened to £0.920m (including the carried forward balance from 2017/18) mainly due to additional costs within out of borough education placements of £0.252m and additionally resourced provisions and special school places of £0.064m. Cabinet should note that the High Needs block forms part of the Dedicated Schools Grant (DSG) which is ringfenced and does not form part of the General Fund.
- 5.21 This 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 21 below;

5.22 Table 21: Breakdown of High Needs Pressures at March 2019

Provision	Budget £m	Provisional Outturn Variance £m	Comment
Special schools and PRU	10.746	0.218	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder
ARPs/Top ups	3.145	0.296	Pressures in pre 16 top ups e.g. Norham ARP
Out of Borough	0.997	0.402	Additional costs of our most complex children currently not able to be supported in the Borough
Commissioned services	3.977	0.000	
Additional Funding announced in December 2018	0.000	(0.426)	
Subtotal	18.865	0.490	
2017/18 b/fwd balance		0.430	
Cumulative Outturn		0.920	

5.23 Transfers have been made to the High Needs Block from the Schools Block in previous years. Department for Education guidelines state that Schools Forum can approve a transfer of up to 0.5% of the School Block. The Authority requested and was granted approval for a transfer of 0.25% of the block value amounting to £0.302m at the Schools Forum meeting on 14 January 2019.

Managing the High Needs Block

5.24 Work continues to manage expenditure within the High Needs Block. A review of Additionally Resourced Places (ARPs) and commissioned services is in progress with initial findings reported in April and May 2019 respectively. The Authority is working through the findings and recommendations with stakeholders to agree the next steps to delivering improvements and identifying efficiencies.

5.25 Sufficiency planning is being strengthened to better align the availability of special school places in North Tyneside with needs, in light of the increase in children with Social Emotional and Mental Health (SEMH) needs, Autism Spectrum Disorder (ASD) and Profound and Multiple Learning Difficulties (PMLD) and to reduce the requirement for more expensive out of borough placements.

5.26 A comprehensive special educational needs review is also underway which is examining all processes associated with Education Health and Care Plans

(EHCPs). This has resulted in action to increase efficiency, strengthen gatekeeping and improve partnership working across education, health and social care. The review is looking at the statutory assessment process, quality assurance arrangements, decision making panels and tribunal outcomes.

Early Years Block

- 5.27 The Early Years Block has ended the year with a cumulative surplus of £0.881m. This included a brought forward deficit of £0.020m from 2017/18. An adjustment to funding takes place each May/June when the DfE reviews funding estimates based on the January pupil census prior to the financial year in relation to the numbers of pupils actually taking places. The Authority is anticipating a clawback of funding as a result of this review.

SECTION 6 - HOUSING REVENUE ACCOUNT

Outturn Position

- 6.1 The HRA is showing an underspend of £3.191m against budget in-year, with a further £1.443m improvement against budgeted brought forward balances. The overall position is shown in table 22 below and shows a position that has improved steadily throughout the year. Rental income showed continued improvement against budget as the number of empty homes continues to out-perform business plan assumptions (£0.668m). In addition income from temporary dispersed accommodation came in above budget as anticipated all year (£0.080m); whilst service charge income, including furniture packs also maintained the positive trend to year-end coming in well above budget (£0.431m) with garage rents coming in slightly better than budget (£0.005m).
- 6.2 There is a significant forecast underspend of £1.817m in the position for HRA Management Costs, which is down to a number of factors a significant one being the progress of the Construction Options Project (COP), which saw the TUPE transfer of the majority of staff involved in the Kier North Tyneside (Kier NT) Joint Venture back to the Council from 1 April 2019 (£0.946m). The savings in the COP budget related to the following principal areas:
- £0.399m for materials, the majority of this budget was created to fund the purchase of the stock held by Kier NT at point of transfer or to purchase new materials;
 - £0.300m due to savings against assumed interest costs for vehicle purchases no longer required as a result of the Steering Group's decision to purchase the new fleet using a contribution from the North Tyneside Living PFI reserve surplus; and
 - £0.244m savings in training, staffing, equipment and consultancy costs due to timings around appointments and development of the project requirements.
- The remaining HRA Management Cost underspend reflects a number of other variations; vacancy savings (£0.168m), increased Water Rate Commission and a surplus on the water rates reconciliation (£0.359m), reduced costs relating to utilities in the sheltered PFI schemes (£0.117m), reduced pension strain on the fund costs (£0.075m), reduced Empty Homes Council Tax payments linked to reducing numbers of Empty Homes (£0.129m) and prior year credits, plus a range of other smaller variations resulting in total savings of £0.023m.
- 6.3 The increasing rate of take-up of Universal Credit has seen an increasing impact on the in-year bad debt provision requirement and despite previously predicting an underspend the outturn position was an overspend (£0.124m). In addition, the HRA general contingency provision will not be required resulting in a saving of £0.150m and the Transitional Protection fund used to maintain PFI tenants rents at pre PFI levels continued to trend under budget resulting in a saving of £0.017m.
- 6.4 All of the £0.858m of savings identified in the 2018/19 budget approved by Cabinet were delivered in full.

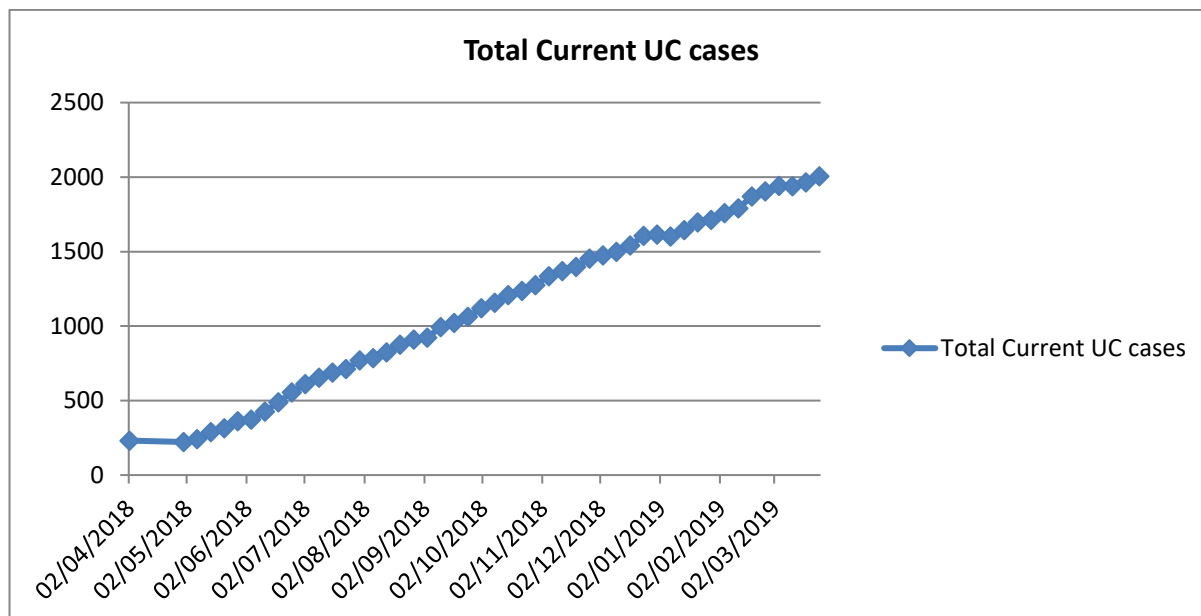
6.5 **Table 22: Forecast Variance Housing Revenue Account**

	FULL YEAR - 2018/19			Jan 2019 Variance £m
	Full Year Budget £m	Outturn		
		Actual £m	Outturn Variance £m	
INCOME				
Rental Income	(58.960)	(60.145)	(1.185)	(1.238)
Other Rental Income - Shops & Offices etc.	(0.260)	(0.353)	(0.093)	(0.025)
Interest on Balances	(0.030)	(0.054)	(0.024)	(0.020)
PFI Credits	(7.693)	(7.693)	0.000	0.000
	(66.943)	(68.245)	(1.302)	(1.283)
EXPENDITURE				
Capital Charges - Net Effect	12.093	12.066	(0.027)	(0.018)
HRA Management Costs	12.338	10.521	(1.817)	(1.098)
PFI Contract Costs	9.597	9.597	0.000	0.000
Repairs	11.478	11.476	(0.002)	(0.010)
Revenue Support to Capital Programme	9.570	9.053	(0.517)	0.000
Contribution to Major Repairs Reserve – Depreciation	11.972	12.489	0.517	0.000
Contingencies, Bad debt Provision & Transitional Protection Payments	1.010	0.967	(0.043)	(0.104)
Pension Fund Deficit Funding	0.855	0.855	0.000	0.000
	68.913	67.024	(1.889)	(1.230)
	1.970	(1.221)	(3.191)	(2.513)
BALANCES BROUGHT FORWARD	(4.640)	(6.083)	(1.443)	(1.443)
BALANCES TO CARRY FORWARD	(2.670)	(7.304)	(4.634)	(3.956)

Universal Credit

6.6 Universal Credit (UC) 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 personalised budget support to help residents manage their household finances. A team is working proactively with tenants to minimise arrears, and this was closely monitored as the year progressed to identify any adverse impacts on the budget position. For the first time in the last 15 years there was a pressure on the Bad Debt Provision in 2018/19, which is an indication of the impact this change is having on levels of arrears. There are currently around 40 tenants per week moving onto UC. At the 1 April 2018 there were 232 North Tyneside Homes tenants on UC with arrears totalling £121,599, by the 31 March 2019 this number had increased to 2,005 with related arrears of £1,163,093. Chart 11 below illustrates the change in numbers of UC cases during the last year.

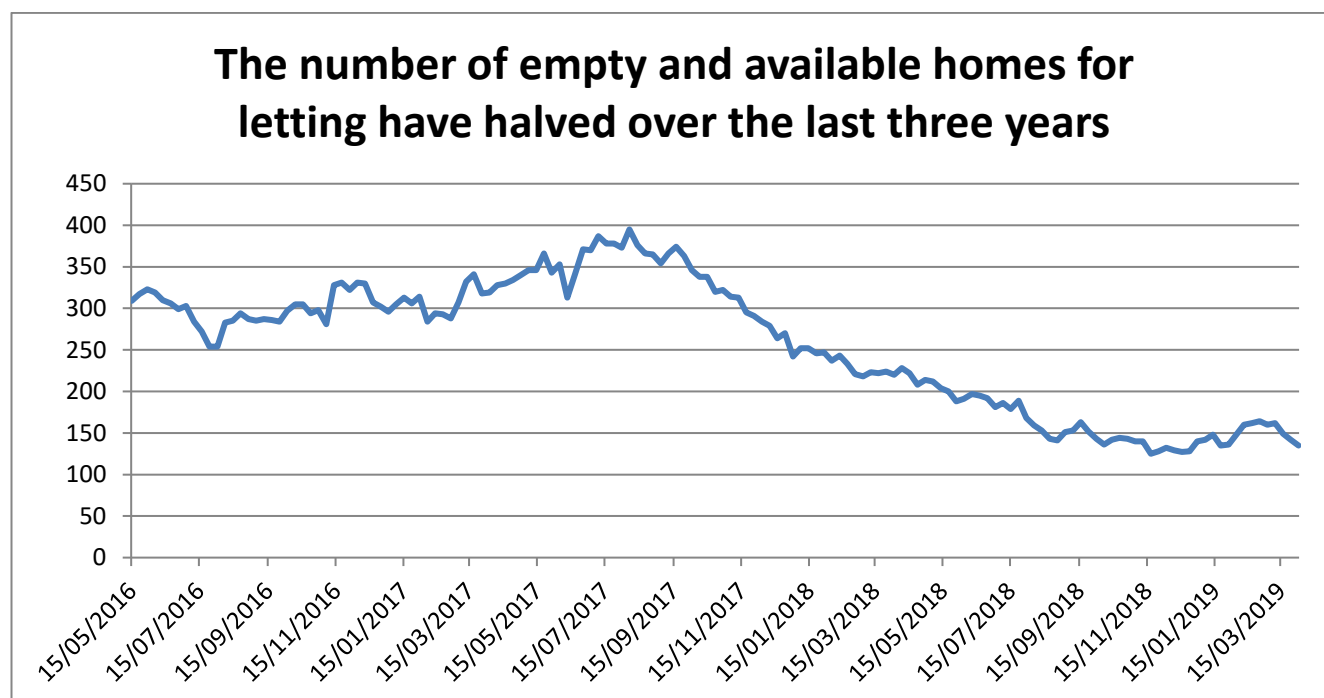
Chart 11: Universal Credit Cases



Empty Homes

6.7 In terms of the impact of empty homes on the financial picture to date, rates during 2018/19 continued to trend below 2017/18 levels and this positive performance continues the trend over the last couple of years following the completion of the North Tyneside Living Schemes. As a result, income forecasts again exceeded budget projections, as there was a positive impact on both rental income and service charges attached to the increased level of occupancy. Chart 12 below illustrates the movement in levels of empty homes over the last three years from 2017/18 through to the end of 2018/19.

6.8 Chart 12: Number of Empty Homes vacant and available for letting



Right to Buy (RTB) Trends

6.9 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 (£22,000) which had remained static as property values had increased, making RTB less financially attractive to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £75,000 and then subsequently annual inflation was added to the maximum. Table 23 below shows the trend in RTB sales since that time, and the financial impact this has had on income for the HRA.

6.10 **Table 23: RTB Trends and Financial Impact**

	Sales assumed by self-financing	Actual RTB Sales	Additional RTB Sales above Budget assumptions	Estimated lost rent per annum (£m)	Capital Receipts (£m)
2012-13	40	85	45	0.315	3.477
2013-14	47	122	75	0.457	4.957
2014-15	53	100	47	0.397	3.938
2015-16	55	135	80	0.577	5.548
2016-17	55	136	81	0.557	5.632
2017-18	56	158	102	0.630	7.758
2018-19	56	135	79	0.538	6.533
	362	871	509	3.471	37.843

- 6.11 In the period (2012-2019), the Authority has built over 130 new homes through the HRA, which has helped mitigate a portion of the revenue loss from the 871 sales in the same period. However, the cumulative impact on HRA annual rental income from RTB over this period is in excess of £3m.

SECTION 7 - INVESTMENT PLAN

- 7.1 The Investment Plan represents the Authority's capital investment programme in projects across all service areas, including General Fund and HRA activities.
- 7.2 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 objectives.

2018/19 Capital Expenditure

- 7.3 The initial 2018/19 Investment Plan budget was £84.059m (£56.145m General Fund and £27.914m 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 £77.962m* (£47.760m General Fund and £30.202m Housing). Table 24 below summarises these changes.

* Please note the budget figure shown in the 2018/19 Financial Management report to 31 January 2019 and annex showed an incorrect figure for the 2018/19 (£78.102m) plan the correct figure (£77.962m) was shown in the appendix to the report.

Table 24: 2017/18 Investment Plan – Summary of changes to budget

	£m
Investment Plan approved by full Council – 15 February 18	84.059
Reprogramming from 2017/18	8.500
Reprogramming to 2019/20 and future years	(27.339)
Other variations (net)	12.742
Revised Investment Plan approved by Cabinet – 1 April 2019 *	77.962

- 7.4 Actual capital expenditure in 2018/19 totalled £69.359m (£76.687m in 2017/18), comprising General Fund expenditure of £41.708m and £27.651m on Housing Schemes.
- 7.5 Not all of the expenditure relates to the creation or improvement of fixed assets for the Authority. £6.139m relates to spend on other items, with £2.179m for share capital, £1.784m on loans, £1.285m spent on Disabled Facilities Grants and £0.844m grants for Clean Bus technology.
- 7.6 Table 25 below compares the actual capital expenditure with the revised budget for the year, as well as the actual spend for 2017/18.

Table 25: Comparison of Capital Expenditure to Revised budget for 2018/19

Actual Capital Expenditure 2017/18 £m		Revised Capital budget 2018/19 £m	Actual Capital Expenditure 2018/19 £m	Variation from budget over / (under) £m
53.156	General Fund	47.760	41.708	(6.052)
23.531	Housing	30.202	27.651	(2.551)
76.687	Total	77.962	69.359	(8.603)

7.7 Included within the appendices is further information on the Investment Plan and activities in the year. **Appendix B** shows the final expenditure, and how that expenditure was financed, with **Appendix C** showing a comparison of expenditure against budget for each individual project. The reasons for these variations have been analysed as reprogramming and other variations.

7.8 Across all capital projects, further reprogramming of £8.484m has been identified and it is requested that Cabinet approve the carry forward of this amount into the 2019/20 Investment Plan. A detailed breakdown of this amount is included in **Appendix C**.

7.9 The major achievements delivered as part of the capital investment programme in 2018/19 include:

(a) Completion of projects including the Spanish City Dome, Lower Central Promenade reconstruction, the new Backworth Park Primary School, highway improvement works including A1058 Coast Road phase 3 (Norham Road bridge), Forest Hall regeneration, junction improvements to the North Bank of the Tyne employment corridor, energy efficient LED Streetlighting installed in over 7 thousand columns, various works to housing stock (kitchen and bathroom replacements, heating upgrades, roof replacements, replacement windows and doors), various projects as part of the Asset Planned Maintenance programme (refurbishment of war memorials across the borough, lighting works at Waves, The Parks and the Riverside Centre etc), improvement works to the schools estate (DDA improvements, roof replacements, window renewals, heating improvements, electrical rewires etc.), environmental improvements at Lockey Park, replacement of refuse collection, gritters and grounds maintenance vehicles, surface water management schemes, ICT refresh, purchase of 13 affordable homes, completion of 12 homes for sale at Wallington Court by North Tyneside Trading Company; and

(b) In addition there are a number of projects underway including the Centre for Innovation (CFI) phase 2 at the former Swan Hunter site, operational depot accommodation review, highways works including the A189 Haddricks Mill to West Moor scheme, Cycling routes including the Coast Road cycle route.

Further details can be found in the Investment Programme Board end of year report which will be presented to this Cabinet and is included as a background paper to this report.

Capital Financing

- 7.10 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.
- 7.11 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 Tax payers. 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 consider whether the investment Plan is affordable, sustainable and prudent.
- 7.12 When determining how to finance the Authority-funded element of the Investment Plan, the Authority's MRP Policy is used to maximise the effectiveness of borrowing in relation to individual schemes in the Investment Plan. Those schemes with longer asset lives (e.g. major building works) are financed using prudential borrowing, thereby spreading the MRP charges over a longer period, whilst those with shorter asset lives (e.g. equipment) are financed using capital receipts where receipts are available.
- 7.13 The total capital expenditure of £69.359m has been financed as shown in table 26 below.

Table 26: 2018/19 Capital Financing

	2018/19 Capital Financing £m
<u>Council Contribution</u>	
Prudential (Unsupported) Borrowing – General Fund	20.365
Capital Receipts -General Fund	0
Capital Receipts – HRA	1.737
Direct Revenue Funding - General Fund	0.151
Direct Revenue Funding – HRA	13.425
Major Repairs Allowance	12.489
	48.167
<u>External funding</u>	
Specific Government Grants	12.556
Capital Grants and Contributions	8.636
	21.192
	69.359

- 7.14 Total Prudential borrowing for the General Fund was £20.365m.
- 7.15 During the year £1.434m of General Fund capital receipts were generated. £0.334m have been used to repay loans and £1.001m will be carried forward for future years.

7.16 For Housing, capital receipts of £6.782m were received during 2018/19, of which £1.874m were pooled and paid across to central government leaving a balance of £4.908m available for financing. This balance plus the brought forward receipts of £7.013m gave an available balance of £11.921m. Of this £1.737m was used to finance 2018/19 capital spend and £2.934m was set aside to repay debt leaving a balance of £7.251m to be carried forward into 2019/20.

7.17 Table 27 below shows the movement in capital receipts during 2018/19 including receipts received during 2018/19 (identified in paragraphs 6.15 and 6.16 above), receipts brought forward at 1 April 2018, receipts used to finance the 2018/19 Investment Plan, receipts set aside to repay debt and loans, and receipts carried forward at 31 March 2019.

Table 27: Movement in Capital Receipts during 2018/19

	Receipts brought forward 1 April 2018 £m	Net Useable Receipts received £m	Receipts used for financing £m	Receipts set aside for repayment of debt £m	Receipts set aside for repayment of loans £m	Receipts carried forward 31 March 2019 £m
General Fund	0	1.434	0	0	(0.334)	1.100
Housing	7.013	4.909	(1.737)	(2.934)	0	7.251
Total	7.013	6.343	(1.737)	(2.934)	(0.334)	8.351

7.18 The Authority also received £12.556m of funding through specific Government grants. These grants included:

- £3.512m Schools Standards Fund grants;
- £3.829m Local Transport Plan (including Incentive Fund and Potholes grant);
- £0.645m Devolved Formula Capital
- £1.433m Better Care Fund (including Disabled Facilities Grant);
- £1.330m Department for Transport National Productivity Fund (A189 Improvements Haddricks Mill to West Moor); and
- £0.845m Clean Bus Technology Fund.

7.19 Capital Grants and Contributions of £8.636m used in the year included:

- £3.193m North East Local Enterprise Partnership (NELEP) Growth Deal;
- £4.698m Section 106 contributions; and
- £0.605m Heritage Lottery Fund.

7.20 As required, under self-financing for Housing, there is a Major Repairs Allowance calculated and 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 26 above.

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

International Financial Reporting Standards (IFRS) adjustments to Capital Expenditure in 2018/19

7.22 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.

7.23 During 2018/19 spend of £0.360m was incurred under the street lighting PFI contract.

SECTION 8 – ANNUAL TREASURY MANAGEMENT REVIEW AND PRUDENTIAL INDICATORS

- 8.1.1 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 2018/19. 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).
- 8.1.2 During 2018/19 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 15 February 2018);
 - a mid-year (minimum) treasury update report (Cabinet 26 November 2018); and
 - an annual review following the end of the year describing the activity compared to the strategy (this report).
- 8.1.3 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.
- 8.1.4 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 was undertaken during the year on 11 March 2019 in order to support members' scrutiny role.
- 8.2 Capital Expenditure and Financing**
- 8.2.1 The Council 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 Council'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.
- 8.2.2 The actual capital expenditure forms one of the required prudential indicators. Table 28 below shows the actual capital expenditure and how this was financed. Further details of this are shown in table 26 in section 6 of this report.

Table 28: Actual Capital Expenditure and its Financing

	2017/18 Actual £m	2018/19 Estimate £m	2018/19 Actual £m
General Fund	53.156	52.428	41.708
HRA	23.531	30.202	27.651
Total Capital Expenditure	76.687	82.630	69.359
Financed in-year (grants, contributions and capital receipts)	51.042	59.399	48.994
Unfinanced Capital Expenditure (Prudential borrowing)	25.645	23.231	20.365

8.3 The Council's Overall Borrowing Need

8.3.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

8.3.2 **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 Council 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 (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. Table 29 below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Table 29: Gross Borrowing against CFR

	2017/18 Actual £m	2018/19 Estimate £m	2018/19 Actual £m
CFR General Fund	317.942	326.176	323.907
CFR HRA	335.173	331.604	328.669
Total CFR	653.115	657.780	652.576
Gross borrowing position	582.936	610.971	568.221
Under/over funding	70.179	46.809	84.355

8.3.3 **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 Council does

not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.

8.3.4 **The operational boundary** – the operational boundary is the expected borrowing position of the Council 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.

8.3.5 **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.

	2018/19 £m
Authorised limit	1,280.000
Maximum gross borrowing position during the year	582.936
Operational boundary	700.000
Average gross borrowing position	570.883
Financing costs as a proportion of net revenue stream	14.98%

8.4 Treasury Position as at 31 March 2019

8.4.1 The Authority's treasury position (excluding borrowing by PFI and finance leases) at 31 March 2018 and 31 March 2019 is shown in table 30 below:

Table 30: Treasury Position as at 31 March

Borrowing Position	31 March 2019 Principal £m	Rate/Return %	31 March 2018 Principal £m	Rate/Return %
Fixed Rate Funding:				
-*PWLB long - term	231.250	4.12	195.250	4.58
(HRA-Self Financing)	128.193	3.49	128.193	3.49
-Market ** (LOBO's)	20.000	4.35	20.000	4.35
-Temporary	70.703	0.80	117.712	0.72
Total External Debt	450.146	3.43	461.155	3.28
CFR	534.283		531.303	
Over (Under) borrowing	(84.137)		(70.148)	

*Public Works Loan Board **Lender Option Borrower Option

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

	31 March 2019 Actual £m	31 March 2018 Actual £m
Under 12 months	76.703	142.712
12 months and within 24 months	11.000	6.000
24 months and within 5 years	19.000	16.000
5 years and within 10 years	21.575	20.575
10 years and within 20 years	74.100	59.100
20 years and within 30 years	73.575	78.575
30 years and within 40 years	115.000	115.000
40 years and within 50 years	48.193	23.193
50 years and within 51 years	11.000	10.000

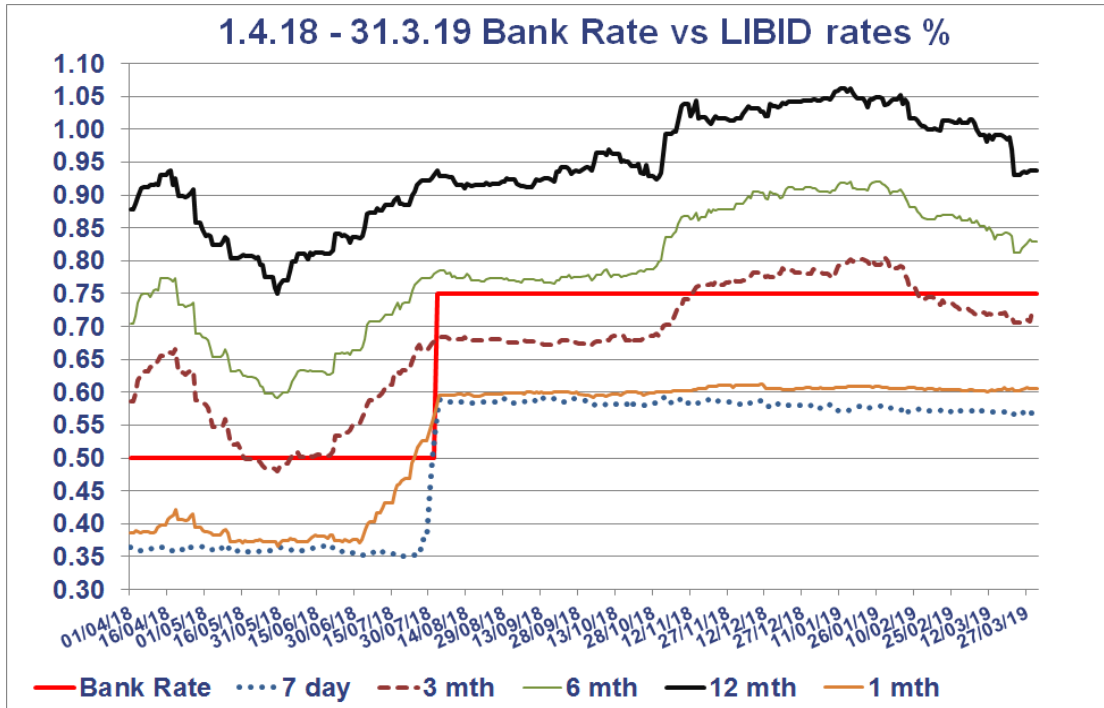
8.5 Investment Portfolio

Treasury investments	Actual 31.3.19 £m	Actual 31.3.18 £m
DMADF (H M Treasury)	12.300	16.400

Non Treasury investments	Actual 31.3.19 £m	Actual 31.3.18 £m
Joint venture Companies	2.650 1.869	1.873 1.029
TOTAL NON TREASURY INVESTMENTS	4.519	2.902

- 8.5.1 Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018/19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018.
- 8.5.2 It was not expected that the MPC would raise the Bank Rate again during 2018/19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019.
- 8.5.3 Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.
- 8.5.4 The Authority is not carrying sufficient cash balances to be able to place longer term deposits to earn higher rates. However, when Bank Rate went up in August, its investment returns also improved.
- 8.5.5 Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

Chart 13 Investment strategy and control of interest rate risk



8.6 Borrowing strategy and control of interest rate risk

- 8.6.1 During 2018/19, 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 low and minimising counterparty risk on placing investments also needed to be considered.
- 8.6.2 A cost of carry remained 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.
- 8.6.3 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was 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.
- 8.6.4 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Head of Resources therefore 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; and,
 - 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.
- 8.6.5 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Chart 14: Interest Rate View

Link Asset Services Interest Rate View 2.1.18													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

8.6.6 Since PWLB rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December, and, (apart from the 1 year rate), reached lows for the year at the end of March. There was a significant level of correlation between movements in US Treasury yields and UK gilt yields -which determine PWLB rates. The Fed in America increased the Fed Rate four times in 2018, making nine increases in all in this cycle, to reach 2.25% – 2.50% in December. However, it had been giving forward guidance that rates could go up to nearly 3.50%. These rate increases and guidance caused Treasury yields to also move up. However financial markets considered by December 2018, that the Fed had gone too far, and discounted its expectations of further increases. Since then, the Fed has also come round to the view that there are probably going to be no more increases in this cycle. The issue now is how many cuts in the Fed Rate there will be and how soon, in order to support economic growth in the US. But weak growth now also looks to be the outlook for China and the EU so this will mean that world growth as a whole will be weak. Treasury yields have therefore fallen sharply during 2019 and gilt yields / PWLB rates have also fallen.

8.7 Borrowing Outturn for 2017/18

8.7.1 Long-term borrowing was undertaken during the year for the General Fund to fund capital expenditure and maturing debt was £51.000m and is detailed in table 31 below:

Table 31 - Replacement PWLB Loans 2018/19

Principal £m	Interest Rate %	Start Date	Maturity Date
5.000	1.77	15 March 2019	15 September 2025
5.000	2.19	15 March 2019	15 September 2031
5.000	2.25	15 March 2019	15 September 2032
5.000	2.40	15 March 2019	15 September 2035
10.000	2.41	15 March 2019	15 September 2068
11.000	2.41	15 March 2019	15 September 2069
5.000	2.38	21 March 2019	21 March 2066
5.000	2.38	21 March 2019	21 March 2067

This compares with a budget assumption of borrowing at an interest rate of 3% which was set in line with projections from our treasury management advisors.

8.7.2 Internal borrowing and low rate short term borrowing was also undertaken during the year. General Fund short term borrowing outstanding at 31 March 2019 was

£50.000m. The HRA also took advantage of low rate short term borrowing with a balance of £20.486 million outstanding at 31 March 2019.

8.7.3 Maturing long – term loans of £15.000m were repaid in 2018/19 as detailed in Table 31 below:

Table 32 - Maturing Long Term Loans repaid during 2018/19

Principal £m	Interest Rate %	Date Repaid
5.000	10.375	4 August 2018
10.000	2.72	14 December 2018

8.7.4 Short term savings were achieved during the year by internally financing new capital expenditure by running down existing cash balances and replacing maturing debt by taking advantage of borrowing low rate loans from PWLB as detailed in Table 31 above. Lower cash balances also meant lower counterparty risk on the investment portfolio.

8.7.5 No rescheduling of debt was carried out during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

8.7.6 Borrowing in advance of need

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

8.7.7 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.

8.7.8 Summary of debt transactions

Management of the debt portfolio resulted in £3.412m in interest savings.

8.8 Investment Outturn

8.8.1 **Investment Policy** – the Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by full Council on 15 February 2018. 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.).

8.8.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

8.8.3 **Resources** – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources	31 March 2018 £m	31 March 2019 £m
Balances	10.160	8.403
Earmarked reserves	76.778	68.656
Provisions	3.833	4.374
Usable capital receipts	7.013	8.351
Total	97.784	89.784

8.8.4 Investments held by the Council

- The Council maintained an average balance of £17.842m of internally managed funds invested with the Debt Management Office (DMO);
- The internally managed funds earned an average rate of return of 0.49%; and,
- Total investment income was £0.091m compared to a budget of £0.023m.

8.9 A full list of the Prudential and Treasury Indicators is shown in Appendix D.

Reserve	Purpose of Reserve	Opening Balance	Cont To	Cont From	Closing Balance
General					
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	(7,018,781.57)	(326,716.24)	47,919.00	(7,297,578.81)
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	(7,488.00)	(127,450.00)		(134,938.00)
Private Landlord Lease to Let Scheme	Reserve set aside to modernise private landlord properties for future lettings	(134,080.93)	(25,723.00)	338.00	(159,465.93)
Minimum Revenue Provision (MRP) Reserve	Minimum Revenue Provision (MRP) Reserve	(2,000,000.00)		2,000,000.00	0.00
Street Lighting	Set up to equalise cash flows relating to the Council's street lighting PFI scheme	(3,715,412.68)	0.00	365,392.38	(3,350,020.30)
Lettings Agents Transparency & Redress Scheme	Grant to support the monitoring of lettings agents in the Lettings Agents Transparency & Redress Scheme	(4,770.68)			(4,770.68)
Music Service	Development of music education hub	(105,177.24)	(107,780.90)	105,177.24	(107,780.90)
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	(6,480.00)	(4,067.00)		(10,547.00)
Riverside Way/ Elm House	The Children's Social Care Innovation Programme and Partners in Practice support the development, testing and spreading of more effective ways of supporting children and families who need help from children's social care services.	(262,945.13)	(90,662.26)	262,945.13	(90,662.26)
Partners in Practice Programme	Reserve established following receipt of S31 income to improve children's services. Commitments exist in 2019/20.	(375,352.00)	(151,406.38)	375,352.00	(151,406.38)
Construction & Maintenance Reserve	Options Post Kier 2019	(250,000.00)			(250,000.00)
Tynemouth Pool Restoration	A grant from Ministry of Housing, Communities and Local Government to provide planning application support for Tynemouth Pool Restoration	0.00	(46,800.00)		(46,800.00)
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	(7,746.00)		1,318.00	(6,428.00)
Reinvestment in Leisure Service	Reinvestment in Leisure Service	(500,000.00)			(500,000.00)
Alternate Weekly Waste Collection Reserve	Alternate Weekly Waste Collection Reserve	(200,000.00)			(200,000.00)
Redundancy & Remuneration Reserve	Reserve to meet the expected cost of redundancies arising from the Change Programme	(2,195,125.68)	(1,469,510.17)	814,399.70	(2,850,236.15)
Support for Change Programme	Reserve to support the implementation of the Change Programme	(4,019,000.00)	(1,031,136.00)	156,000.00	(4,894,136.00)
Community Infrastructure Levy	To be used on the costs associated with the Community Infrastructure Levy	(60,000.00)		17,118.00	(42,882.00)
Affordable Homes	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	(87,334.32)	(4,024.00)		(91,358.32)
Capacity Funding	This is a grant received in 2014/15 from the Ministry of Housing, Communities & Local Government (MHCLG) for Capacity Funding towards the feasibility of the redevelopment of Murton Gap for Housing, with spend commencing in 2015/16	(7,192.72)			(7,192.72)
Adopt North East	Adopt North East (ANE) is the new regional adoption agency, which combines local authority adoption services from North Tyneside, Gateshead, Newcastle, Northumberland and South Tyneside, that went live on 1st December and is hosted in North Tyneside Council. It was agreed that the service is to be funded from each of the five local authorities. The reserve is a ring-fenced account and will be used to offset any future pressures ANE may encounter.	0.00	(214,853.25)		(214,853.25)
Lead Local Flood Authority	Funding to support the Council's programme of flooding work in its role as Lead Local Flooding Authority	0.00	(5,686.00)		(5,686.00)
MHCLG - New Burdens Funding	Planning applications for Brownfield sites	(7,636.81)		3,537.00	(4,099.81)
MHCLG - Self Build	Works associated with the self build and custom build register	(40,998.79)	(27,682.54)		(68,681.33)
Local Plan Reserve	This reserve has been established (along with a provision) for a Trading Standards Legal Case	(18,852.20)	18,852.20		0.00
CAPITA NTC Managed Budget Reserve	The reserve has been established to hold any surplus balance generated by the Capita NTC Managed Budget. Funds held in this reserve will be ring-fenced to help support any potential future in-year pressures that the Managed Budget might experience.	0.00	(133,709.00)		(133,709.00)
Training Reserve	This reserve will be available to supplement and support the delivery of the Corporate Training Plan	(100,000.00)			(100,000.00)
Welfare Reform	Grant funding from central government to meet the on-going cost of implementing welfare reform	(109,519.57)	(63,317.96)	109,519.57	(63,317.96)
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	(2,024,054.26)		696,192.22	(1,327,862.04)
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	0.00	(21,163.00)		(21,163.00)
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	(149,372.14)		42,376.00	(106,996.14)
Feasibility Study Reserve	Set up to fund feasibility studies of potential capital schemes	(480,043.19)			(480,043.19)

Reserve	Purpose of Reserve	Opening Balance	Cont To	Cont From	Closing Balance
Strategic Reserve	Established to address future potential significant external pressures on the Council's budget	(14,472,516.01)	(124,880.42)		(14,597,396.43)
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	(1,136,654.00)	(64,517.35)		(1,201,171.35)
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	(2,705,146.86)	(267,164.00)	106,437.96	(2,865,872.90)
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	(39,935.00)			(39,935.00)
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	(289,272.72)			(289,272.72)
Smokehouses Fish Quay Sinking Fund	Sinking Fund re Smokehouses - North Shields Fish Quay	(2,500.00)			(2,500.00)
Dockmasters Fish Quay Sinking Fund	Sinking Fund re Dockmasters - North Shields Fish Quay	(2,000.00)			(2,000.00)
Union Quay/Working Above Shops Sinking Fund	Sinking Fund re Union Quay - North Shields Fish Quay	(7,000.00)			(7,000.00)
Vita House Fish Quay Sinking Fund	Sinking Fund re Vita House	(2,500.00)			(2,500.00)
Barracks Building Fish Quay Sinking Fund	Sinking Fund re Barracks Building	(2,000.00)			(2,000.00)
North Shields Business Centre Sinking Fund	Sinking Fund re Business Centre	(4,000.00)			(4,000.00)
Salisbury House North Shields Sinking Fund	Sinking Fund re Salisbury House	(9,400.00)			(9,400.00)
Salisbury House N Shields Ringfence	Salisbury House Reserve	0.00	(14,694.42)		(14,694.42)
Saville Exchange N Shields Ringfence	Saville Exchange Reserve	0.00	(15,419.04)		(15,419.04)
131 Bedford Street	North Shields Reserve - 131 Bedford Street.	(106,228.01)		3,714.20	(102,513.81)
Stag Line Building	North Shields Reserve - Stag Line Building.	0.00	(8.30)		(8.30)
Smokehouses Reserve	Fish Quay Reserve - Smokehouses	(60,009.17)	(7,549.67)		(67,558.84)
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	(245,565.59)	(473,885.00)	6,569.85	(712,880.74)
Waste Procurement Reserve	A reserve established to manage the future costs of waste provision	(734,012.73)			(734,012.73)
Pow Dene Reserve	Fish Quay Reserve - Pow Dene	(169,127.99)	(30,671.59)		(199,799.58)
Dockmasters Reserve	Fish Quay Reserve - Dockmasters	(11,127.18)	(5,091.65)		(16,218.83)
Working Above The Shops	Fish Quay Reserve - Union Quay Reserve	(9,841.12)	(22,731.76)		(32,572.88)
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	(58,641.30)	(26,440.71)	33,348.60	(51,733.41)
Vita House Reserve	Fish Quay Reserve - Vita House reserve	(36,207.54)	(7,122.89)		(43,330.43)
Ballards Smoke House Reserve	Fish Quay Reserve - Ballards Smoke House	(789.00)	(27.64)		(816.64)
Barracks Building Reserve	Fish Quay Reserve - Barracks Building	(39,805.30)		2,795.81	(37,009.49)
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	(691,755.15)	(60,622.38)		(752,377.53)
Coast Road Improvement Works	Lynn Road bus lane income (PCNs) set aside for capital financing	(103,000.00)		103,000.00	0.00
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	(212,798.05)			(212,798.05)
Apprenticeships	To support the further development of the Council's apprenticeship and training programme, with a particular focus on working with the business partners ENGIE and Capita Symonds	(70,000.00)			(70,000.00)
Major Repairs Reserve (MRR)	Reserve that is used for new capital investment in Housing Revenue Account assets	(2,231,494.77)			(2,231,494.77)
Internal Refurbishment Reserve	A furniture reserve to fund a rolling programme of refurbishments to the Direct Access Units and Dispersed Units	(97,881.62)		48,140.12	(49,741.50)
HRA Solar PV Green Fund	To support the provision of energy efficiency measures on council dwellings	(540,537.19)	(111,757.56)	13,862.36	(638,432.39)
HRA Solar PV Risk Fund	This reserve is used to provide compensation payments due to the removal of Solar Panels on Right to Buy properties	(24,123.16)		24,123.16	0.00
Older Peoples Homes for the Future PFI Reserve	Set up to equalise cash flows relating to the Council's North Tyneside Living PFI scheme	(14,116,313.73)	(595,688.00)	2,490,841.25	(12,221,160.48)
New Build	Established to support the provision of New Build Council Housing	(4,508,582.93)		1,881,170.50	(2,627,412.43)
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	(3,011,365.53)	(719,270.64)		(3,730,636.17)
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.	(414,841.00)	(57,835.00)		(472,676.00)
HRA Solar PV Maintenance	Maintenance of solar PV systems on new build council dwellings	(7,168.84)	(4,294.30)		(11,463.14)
Repairs Options Post 2019	To assist with Repairs Offer Options post 2019	(100,000.00)			(100,000.00)

Reserve	Purpose of Reserve	Opening Balance	Cont To	Cont From	Closing Balance
	Sub Total - General Reserves	(70,161,505.40)	(6,442,507.82)	9,711,588.05	(66,892,425.17)
Grants					
SEND Reform Grant	Grant towards SEND (special educational needs and or disabilities) reforms	(118,225.00)		118,225.00	0.00
Air Quality Monitoring Grant	Grant to fund support on measures to improve air quality in the local authority area	(25,700.00)	(30,319.00)		(56,019.00)
Heat Network Delivery Grant	Used to cover/support the local authority to identify and evaluate opportunities to develop new heating & cooling networks as per the Dept. of Energy and Climate Change funding	(27,186.51)		27,186.51	0.00
Step up to Social Work Grant	A programme to provide accelerated entry route into social work for high achieving graduates and career changers	(39,000.00)	(78,463.62)	54,233.34	(63,230.28)
Rogue Landlords Grant Reserve	To provide improved reporting systems to assist in tackling rogue landlords in North Tyneside	0.00	(4,368.00)		(4,368.00)
Tobacco Burdens Grant	To cover any additional costs incurred as a direct result of the implementation new tobacco legislation	0.00	(3,480.58)		(3,480.58)
Public Health Grant	Department of Health ring-fenced grant made available to local authorities to allow them to discharge their new public health responsibilities	(218,934.97)	(809,161.29)	218,934.97	(809,161.29)
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	(194,412.05)	(268,973.85)	194,412.05	(268,973.85)
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	(189,342.55)		74,524.00	(114,818.55)
Tackling Troubled Families	Grant reserve to support the delivery of outcomes for families with complex and multiple needs	(378,000.00)	(142,500.00)	378,000.00	(142,500.00)
Fraud & Error Reduction Grant	Provides financial incentives to Local Authorities who reduce fraud and error in their housing benefit cases	0.00			0.00
Assessed & Supported Year in Employment	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	(13,087.96)			(13,087.96)
North East Social Work Alliance	Development of a North East Social Work Alliance website providing a comprehensive one stop resource for everything to do with social work education within the region	(15,000.00)			(15,000.00)
Flexible Homelessness Support Grant	Grant to allow councils greater flexibility to prioritise homelessness prevention through new ways of working	(97,752.00)	(159,036.50)		(256,788.50)
Homeless Veterans Grant Reserve	Grant to assist any Veterans who present themselves as being homeless in the borough	0.00	(90,909.00)		(90,909.00)
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	0.00	(104,984.00)		(104,984.00)
Homeless Reduction Act Grant	Grant to support the introduction of the Homeless Reduction Act from 1 st April 2018	(51,425.00)	(9,950.50)		(61,375.50)
Grant Reserves under £100k	Safer North Tyneside (53,777.04);Heritage Events (1,606.50);Local Authority Parks Improvement Funding (35,659.00);National Community Clean-Up Campaign (35,844.00) ; Adoption Support Fund (167,638.18);Moving on Tyne and Wear (14,551.98);Universal Credit (31,176.10);Domestic Abuse (14,634.00); Reducing Parental Conflict (40,100.00)	(403,135.52)	(278,546.12)	286,694.84	(394,986.80)
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.	(51,200.27)	(8,640.00)	19,874.44	(39,965.83)
Skills Funding Agency Grant	Designed to help people of different ages and backgrounds to get a new skill, reconnect with learning, follow a new interest.	(179,896.99)		179,896.99	0.00
Parks - Heritage Lottery Fund Grant	Ring-fenced grant for the future maintenance and managements costs associated with Wallsend Parks and Northumberland Parks	(561,106.36)			(561,106.36)
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	(119,955.72)	(745,941.54)	119,955.72	(745,941.54)
Preventing Repossession Fund	To offer assistance to individuals to avoid repossession of their property	(35,450.00)		33,043.00	(2,407.00)
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	(43,633.00)			(43,633.00)
LAA Performance Grant	To support local authorities in England towards expenditure lawfully incurred	(2,098.59)			(2,098.59)
	Sub Total of Grant Reserves	(2,764,542.49)	(2,735,274.00)	1,704,980.86	(3,794,835.63)
	Total all Reserves	(72,926,047.89)	(9,177,781.82)	11,416,568.91	(70,687,260.80)
General Fund Balances		(6,804,821.42)			(6,804,821.42)
School Balances		(3,355,826.46)		1,756,618.81	(1,599,207.65)
Housing Revenue Account		(6,082,777.10)	(1,221,093.93)		(7,303,871.03)
Sub-total		(16,243,424.98)	(1,221,093.93)	1,756,618.81	(15,707,900.10)
Total Reserves and Balances		(89,169,472.87)	(10,398,875.75)	13,173,187.72	(86,395,160.90)

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	Actual Gross Expenditure £000	Financing					Total Financing £000
		Unsupported Borrowing £000	Capital Receipts £000	Government Grants £000	Grants & Contributions £000	Revenue Funding £000	
General Fund	41,708	-20,365	0	-12,556	-8,635	-152	-41,708
Housing (HRA)	27,651	0	-1,737	0	0	-25,914	-27,651
Total	69,359	-20,365	-1,737	-12,556	-8,635	-25,066	-69,359

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		Gross Expenditure	Budget	Variance	(Under)/Overspend	Funding adjustments	Reprogramming
		£000	£000	£000	(-)/+ £000	£000	£000
GENERAL FUND							
BS026	Asset Planned Maintenance Programme	1,604	1,626	-22	0	-0	-22
CO064	Social Care Information System	287	385	-98	0	1	-100
CO067	Weekly Collection Support Grant	25	25	-0	0	-0	-0
CO075	Skate/BMX Park - The Parks Sports Centre	55	55	-0	0	-0	-0
CO076	Lockey Park Environmental Improvements	48	49	-1	0	-1	0
CO078	Coastal Revival Fund	0	0	0	0	0	0
DV054	The Dome (Including Pre 18/19 Coastal Regeneration)	3,574	3,619	-45	0	0	-45
DV058	Swan Hunter Redevelopment	2,317	490	1,827	0	1,900	-73
DV060	Rosehill Regeneration	24	24	0	0	0	0
DV062	St Mary's Lighthouse and Visitor Centre	0	0	0	0	0	0
DV064	Council Property Investment	105	108	-3	0	0	-3
DV065	North Shields Fisherman's Heritage Project	48	44	4	0	4	0
DV066	Investment in North Tyneside Trading Company	3,019	2,897	122	0	0	122
DV067	Northern Promenade	193	571	-378	0	0	-378
DV068	Southern Promenade	0	0	0	0	0	0
DV069	High Point Development	944	1,008	-64	0	-64	0
DV070	Forest Hall Regeneration	669	706	-37	0	0	-37
DV071	Section 106 Contributions to set up Health Facilities	0	90	-90	0	0	-90
ED075	Devolved Formula Capital	712	1,304	-592	0	44	-636
ED116	30Hrs Grant	0	75	-75	0	0	-75
ED120	Basic Need	252	253	-1	0	-1	-0
ED137	LEA Formula Capital Maintenance Programme	3,552	3,803	-251	0	5	-256
ED186	Backworth Park Primary	2,137	2,146	-9	0	-9	-0
ED187	Healthy Pupils Capital Fund	253	253	0	0	0	-0
ED188	Special Educational Needs and Disabilities	0	0	0	0	0	0
EV034	Local Transport Plan	3,829	3,942	-113	0	81	-194
EV054	Central Promenade Reconstruction Scheme	846	846	0	0	0	-0
EV055	Surface Water Management	749	1,082	-333	0	-333	0
EV056	Additional Highways Maintenance	2,125	2,297	-172	0	0	-172
EV069	Transport Review	1,691	2,029	-338	0	0	-338
EV073	A1058 Coast Road Improvements to Junctions	1,115	1,185	-70	0	-70	-0
EV076	Operational Depot Accommodation Review	3,012	5,660	-2,648	0	0	-2,648
EV077	A1056/A189 Weetslade Junction Imps	32	101	-69	-69	0	0
EV078	A19 Employment Corridor Access Imps	249	39	210	0	210	0
EV079	A191 Coach Lane & Tyne Park Junction Imps	63	78	-15	0	-15	0
EV080	Coast Road Cycle Route	0	231	-231	0	0	-231
EV081	Cobalt Cycle Route	0	0	0	0	0	0
EV082	North Bank of Tyne Infrastructure	2,241	3,422	-1,181	0	34	-1,214
EV083	Street Lighting LED	498	531	-33	0	-33	-0
EV084	A189 Improvements Haddricks Mill to West Moor	1,587	1,000	587	0	0	587
EV085	England Coast Path (St Mary's)	25	25	0	0	0	0
EV086	Clean Bus Technology Fund	844	1,206	-362	0	-4	-357
EV087	Air Quality Early Measures Fund	0	350	-350	0	0	-350
GEN12	Local Infrastructure Projects (General Fund)	162	252	-90	0	0	-90
HS004	Disabled Facility Grants	1,433	1,442	-9	0	1	-10
HS036	NT Warm Zones	46	72	-26	0	-26	-0
HS051	Private Sector Empty Homes Programme	47	47	0	0	0	0
HS052	Killingworth Moor Infrastructure	0	0	0	0	0	0

		Gross Expenditure	Budget	Variance	(Under)/Overspend	Funding adjustments	Reprogramming
		£000	£000	£000	(-)/+ £000	£000	£000
IT020	ICT Strategy	791	1,025	-234	0	0	-234
IT025	BDUK (Broadband)	76	76	0	0	0	0
IT026	ICT Citizen Interaction and Self Serve	322	263	59	0	59	0
		41,603	46,733	-5,130	-70	1,784	-6,844
GEN03	Contingency Provision	105	1,027	-922	0	-1,832	910
	TOTAL GENERAL FUND	41,708	47,760	-6,052	-70	-48	-5,934
							0
HOUSING							
HS015	Refurbishment / Decent Homes Improvements	20,252	20,443	-191	-1	0	-190
HS017	Disabled Adaptations	1,030	1,030	0	0	0	0
HS039	Integrated Housing Computer System	108	112	-4	0	0	-4
HS041	Housing PFI	216	470	-254	0	0	-254
HS044	HRA New Build	2,895	3,697	-802	0	0	-802
HS050	Construction Options Project	3,150	4,450	-1,300	0	0	-1,300
	TOTAL HOUSING	27,651	30,202	-2,551	-1	0	-2,550
	TOTAL	69,359	77,962	-8,603	-71	-48	-8,484
							-0
							0

Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2017/18	2018/19	2018/19
	actual	revised	actual
	£m	£m	£m
Capital Expenditure			
Non – HRA (General Fund)	£53.156	£52.978	£41.708
HRA	£23.531	£30.202	£27.651
TOTAL	£76.687	£83.180	£69.359
Ratio of financing costs to net revenue stream			
Non – HRA (General Fund)	6.94%	15.32%	14.98%
HRA	30.50%	27.77%	27.51%
Ratio of financing costs for Prudential Borrowing to net revenue stream			
Non – HRA (General Fund)	8.12%	9.18%	9.07%
HRA	7.22%	3.44%	7.94%
Gross borrowing requirement General Fund (CFR excluding PFI)			
brought forward 1 April	£247.659	£271.772	£271.772
carried forward 31 March	£271.772	£280.211	£279.553
in year borrowing requirement	£24.113	£8.439	£7.781
Gross borrowing requirement HRA (CFR excluding PFI)			
brought forward 1 April	£266.877	£259.531	£259.531
carried forward 31 March	£259.531	£257.116	£254.731
in year borrowing requirement	(£7.346)	(£2.415)	(£4.800)
Gross debt (excluding PFI)	£449.929	£490.519	£461.155
CFR			
Non – HRA	£317.912	£326.176	£323.907
HRA	£335.173	£331.604	£328.669
TOTAL	£653.085	£657.780	£652.576
Annual change in Capital Financing Requirement			
Non – HRA	£22.186	£8.261	£5.995
HRA (applies only to housing authorities)	(£8.954)	(£3.569)	(£6.504)
TOTAL	(£13.232)	£4.692	(£0.509)

2. TREASURY MANAGEMENT INDICATORS	2017/18	2018/19	2018/19
	actual	revised	actual
	£'000	£'000	£'000
Authorised Limit for external debt -			
borrowing	£1,200.000	£1,200.000	£1,200.00
other long term liabilities	£160.000	£160.000	£160.000
TOTAL	£1,280.000	£1,280.000	£1,280.000
Operational Boundary for external debt -			
borrowing	£560.000	£560.000	£560.000
other long term liabilities	£140.000	£140.000	£140.000
TOTAL	£700.000	£700.000	£700.000
Actual external debt	£449.929	£496.519	£461.155

Maturity structure of fixed rate borrowing during 2018/19	upper limit	lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	25%
20 years and within 30 years	100%	25%
30 years and within 40 years	100%	25%
40 years and within 50 years	100%	25%

North Tyneside Council Report to Cabinet Date: 28 May 2019

ITEM 5(b)

Title: We Listen and We Care - NTC Customer Service Programme

Portfolio: Community Safety and Engagement	Cabinet Member: Councillor Carole Burdis
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Responsible Officer: Jacqueline Laughton, Head of Corporate Strategy and Customer Service	Tel: (0191) 643 5724
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Wards affected: All

PART 1

1.1 Executive Summary:

A key theme running through the Our North Tyneside Plan is to listen to our residents and to focus on ensuring that the Authority works better for residents.

The motto on the Authority's crest is "we serve" and this should be firmly at the core of how the Authority delivers the Our North Tyneside Plan – a promise to serve the people, communities, businesses and visitors across the whole of the Borough.

The total efficiency savings that the Authority has had to find due to cuts in funding from central government now stands at just over £120m. A number of these savings have resulted in changes to the way the Authority is organised and how it delivers services.

As a result of this change, the Elected Mayor, Cabinet and the officer team are seeking to review and improve the customer service experience delivered by the Authority and its partners and to really demonstrate that we listen and we care. This report sets out how this will be done.

To help to shape these plans, the Authority has looked at what its customers are saying is important to them through the annual Residents Survey. The Authority has also been out and about across the borough in the Big Community Conversation 2018 to test with over 500 residents and visitors they would want their experience of Authority services to be.

In addition, internally the Authority has also asked its partners through the State of the Area event in October 2018 and tested out ideas with staff from across all parts of the Authority and with delivery partners Engie and Capita.

Through the insourcing of the repairs and maintenance service project the Authority has worked closely with council tenants to help to shape how the new housing repairs service will be from April 2019. The Authority has also worked in the past with its social care, culture and leisure customers to design its services with them.

The Authority has also looked at any key themes from other forms of feedback from its customers including: members enquiries, complaints, social media, Mayor's Listening events to see how this might help to shape how to improve things from a customer service perspective.

The Authority also listens to young people and responds to their concerns. The Young Mayor and Cabinet are developing their 10-year plan for the borough looking at what they see are the key issues to address in North Tyneside to make it a place where they would like to bring up their own children. Working with the Elected Mayor, Cabinet and Officers they will develop their ideas on how this is done.

The Elected Mayor, Cabinet and the Officer team have then spent time working through what this evidence was telling the Authority in terms of:

- What is good customer service?
- What is bad customer service?
- What type of customer service does the Authority want to offer, how does the Authority achieve that and what needs to change?

The Customer Service programme set out in this report spells out the scope of what the Authority will aim to achieve with its delivery partners for its customers.

1.2 Recommendations:

It is recommended that Cabinet agree:

- (1) the Customer Service Programme as set out in this report;
- (2) the proposals to engage;
- (3) that the delivery of the programme will be overseen by a Steering Group comprising the Chief Executive, lead officers, delivery partner representatives, the Deputy Mayor and the Cabinet Member for Community Engagement and Community Safety and progress reported regularly to Cabinet.

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 1 March 2019.

1.4 Council Plan and Policy Framework:

This report is directly concerned with the Our People theme in the Our North Tyneside Plan.

1.5 Information:

Background:

- 1.5.1 The Authority works continuously to improve its service to customers and largely speaking, as the evidence set out below in more detail shows, it does a good job. The Authority's staff are very well motivated and focussed on providing excellent services to customers. However, there is still huge scope for improvement to ensure that the

Authority improves on overall levels of satisfaction amongst its customers but also to keep pace with changing customer expectation as well as the need to continue to manage demand in line with reducing resources.

1.5.2 The Authority's Efficiency Statement and Budget for 2019/20 includes the following proposals which will be core components to the successful delivery of this customer service programme:

- **social care customer experience** (getting the right person to do the right thing correctly the first time, making best use of the new My Care portal)
- **post-2019 construction delivery** (the return of services for delivery construction back into the Authority from the Kier North Tyneside joint venture with a re-modelled approach to service delivery including customer service)

These proposals for 2019/20 are in addition to the following existing projects which aim to improve customer service and experience as well as contribute towards annual budget savings

- **community hubs** (providing on the doorstep, comfortable locations for customers to access the services they need with integrated teams – each one tailored to meet the needs in each of the four localities across the borough)
- **customer journey programme** (developing and delivering new technology to increase self-service and mobile working to enable better access to services at a local level)

Scope and approach

1.5.3 The Authority's customer base is of course extremely wide ranging in scope - including residents, service clients, housing tenants, visitors, businesses, schools and others in the education sector, community and voluntary sector organisations. In addition, the Authority's service offer is equally wide ranging with hundreds of different services delivered both directly by the Authority and indirectly through partners, contractors or sub-contractors. As this network of service providers has expanded, the type and level of customer service and experience has become more and more disjointed with inconsistency with respect to the core set of standards to be delivered.

1.5.4 North Tyneside has over 204,000 residents and over 6.6 million visits to the borough. The Authority delivers thousands and thousands of transactions each year e.g. the customer service team answered over 293,000 calls and dealt with over 60,000 visits in the last year.

1.5.5 To address the above issues the scope of this Plan will include the full range of Authority services – those delivered directly by the Authority and those delivered by our strategic partners, Engie and Capita.

1.5.6 The scope of the Plan will include any relevant elements of existing projects as set out in paragraph 1.5.3 above as well as new projects to be established as set out in the rest of this report.

Current customer service

- 1.5.7 The Residents' Survey shows that 66% of people who had been in touch with the Authority were satisfied with the helpfulness of staff; 57% were satisfied with the final outcome of their enquiry and 56% with the contact experience overall. In addition 60% of residents feel that they are kept informed about the services which the Authority provides. Overall, this holds up well in comparison with other similar local authorities. However, there is some variation in the levels of satisfaction, which is dependent upon factors such as the reason for contact and the way that people contacted the Authority that demonstrates there is room for improvement.
- 1.5.8 Through the annual Big Community Conversation activity over the summer of 2018, the Authority attempted to gain a greater understanding of what people felt about the customer service provided. Residents described the key factors in delivering a good service as:
- the overall outcome: when the customer service was good, residents talked about being happy with examples such as "I got an appointment" and "(they) did what I asked".
 - the speed at which action was taken: residents provided examples such as "swift response - out the same day for a repair" and "tree work was done really quickly"
 - staff attitude and approach: residents described the way that they were treated as a positive, examples including "staff were great, really helpful and dealt with you as an individual" and "the lady was very friendly and made the work a priority"
- 1.5.9 People with a negative view of their experience reflected the same issues, but in a negative way. For example, one resident described the reason why their experience was negative as the service not being delivered "after being told that they would be collected in 48 hours. They didn't do what they said they'd do".
- 1.5.10 There were 4,894 members enquiries in the last financial year. The most frequent were; parking, roads, footpaths and street cleaning. In addition, the latest annual report for the complaints service highlights the low numbers of complaints, compared to the number and variety of interactions that the Authority has with its residents and service users.
- 1.5.11 The Authority's Corporate Equality Objectives, which Cabinet agreed in January 2019, include an objective to "ensure our buildings and communications are accessible'. It is expected that this objective will be delivered, in part, through additional equality actions that will be identified through the development of this programme.
- 1.5.12 The Authority also knows it often serves its customers at very difficult times in their lives. Whilst the offer at the Authority's leisure centres and parks have fun at their heart, the Authority also works with people at very difficult times in their lives, for example through the Bereavement Service and in relation to safeguarding matters such as child protection. There are therefore some constraints on the customer service linked to the work that the Authority does.

What do the Authority's staff team think?

- 1.5.13 As a part of the annual Big Team Brief activity in Autumn 2018, people across the organisation were asked what they thought was key to delivering a good customer experience so that the Authority could incorporate this into the design of this Customer Service Programme.

The three key elements that were fed back had a clear correlation with the feedback from residents in the Big Community Conversation as follows:

- listening
- efficiency
- honesty

What do the Authority's partners think?

- 1.5.14 At last year's annual State of the Area event in October 2018, workshops were run to seek views from both residents and key partners around what elements make up good customer service or experience. Again, this demonstrated a strong correlation with the feedback from residents and staff in earlier engagement activities as outlined above.

- 1.5.15 In terms of the key elements of good customer service the feedback from the workshop was the following:

- efficiency
- knowledgeable staff
- keeping promises
- feeling valued and that people care

- 1.5.16 Conversely, the key elements of bad customer service were felt to be:

- failure to keep promises
- unknowledgeable staff
- feeling not listened to or ignored

- 1.5.17 The rest of this report explains in more detail the Elected Mayor and Cabinet's aims to improve how the Authority does things from a customer point of view and to therefore provide a more consistent and improved customer service.

- 1.5.18 Based on the above evidence it is proposed that the Authority chooses to define the optimum customer service as one where people feel valued and listened to, where the Authority does what it said it would do; and, where people are dealt with efficiently and effectively. The Authority's activities and performance management will therefore aim to deliver this experience as well as possible and as consistently as possible.

A Programme to Improve Customer Service

- 1.5.19 It is proposed to establish a programme across the Authority that aims to improve customer service and to demonstrate that "we listen and we care".

1.5.20 This programme will have the following four parts

- Customer promise
- Brilliant basics
- Customer focussed services
- Better never stops – a continuous improvement culture

1.5.21 The key activities for each of these parts are set out below

1. Customer Promise

What the Authority will do

The Authority will use the evidence that it has gathered from staff, customers and partners to shape a single set of customer service standards that will seek to improve consistency across all Authority services (regardless of who delivers them) as well as contribute to an improved customer experience. The Authority will use its residents and staff panels to test out the standards before they are implemented to ensure that they reflect what people expect to see.

This will also include how the Authority ensures these standards are achieved through its staff.

How will the Authority do it

The Authority will implement these standards across all Authority services and publicise them so that customers know what level of service they can expect to receive

Through its training programmes, the Authority will ensure that all team members are trained in the level of customer service standards that are set out in the customer promise. The Authority's core competencies for all of its staff will be reviewed to ensure that they reflect the customer service standards that the Authority expects and these will be assessed on an individual basis each year through the individual performance review process.

2. Brilliant Basics

What the Authority will do

Often there can be inconsistency in how the Authority communicates with customers. Simple errors and missing attention to detail can result in a poor customer experience where people must come back more than once to have their query dealt with. This workstream will look at improving basics and getting the little, and often important, things right.

It is also important that everything the Authority does is clearly and easily recognised as being the responsibility of the Authority so that customers and others will know that they can expect the customer service standards that will apply.

How will the Authority do it

This work stream will improve the clarity, quality and consistency of the hundreds of small, but vital, impressions the Authority makes through:

- letters, e-mails and written acknowledgements: including the use of plain English, correct spelling; signatures; language; and grammar
- phone handling including pick-up times; how they are handled in someone's absence; and the way the Authority follow-up phone calls which require responses or input from across several different services
- contact directory and signposts: looking at how the Authority can direct both staff and customers to where they need to be - quickly and accurately
- consistent branding of all activities including on the Authority's buildings, vehicles, corporate workwear, communication products or channels and regeneration projects

3. Customer Focussed Services

What will the Authority do

Building on the previous work of the Customer Journey programme, the Authority aims to continue to change how services are delivered to make things easier and more joined-up for the customer and to be as efficient as possible.

How will the Authority do it

The Authority will achieve this by two programmes of work. The first will be a systematic analysis of all customer transactions, prioritised by volume, where the Authority will look to understand the right customer experience and streamline accordingly. For example, allowing more dates to be made available for direct debit payments.

The second will be a programme of internal service reviews, prioritised by customer impact and feedback.

Following these analysis and review programmes, the Authority will aim to deliver change through:

- increased self-service through online and digital applications designed around the customer including improving the Authority's website, including the possible development of a customer account to be used to access our online services where appropriate
- delivering more joined up services through community hubs
- social care customer experience project (getting the right person to do the right thing correctly the first time and increasing use of the MyCare portal, as contained in the budget proposals)
- post-2019 construction delivery project (including a remodelled approach to service delivery)

- this workstream will also include how the Authority can improve the accessibility of services in line with the corporate equality policy and objectives.

4. Better Never Stops – Continuous Improvement Culture

What will the Authority do

This will look at all the ways the Authority has to collect queries, feedback and complaints; the quality and consistency of the Authority's response and how the Authority uses the feedback gathered to inform ongoing service delivery.

The Authority will also develop the way its employees act as the eyes and ears of the organisation to ensure that the quality of service provided is up to the standard that the Authority has set itself. Building on some successes in safeguarding, the Authority will make sure that all of the employee team are encouraged to spot things that are not up to standard and have an easy way to report them to be improved.

This part of the programme will also look to improve how great customer service is recognised and celebrated.

How will the Authority do it

Complaints: ensuring that the Authority has the best structure and systems to ensure that complaints are dealt with effectively, sensitively, and in a timely manner. This will include making sure that the Authority improves quality and ensures that even the most technical material is explained in plain English.

Members' Enquiries: ensuring that the Authority is accurate, clear and consistent in the way it answers Members' Enquiries, and meeting Members' expectations in relation to quality, including the use of plain English to explain even the most technical matters.

Engagement programme: refreshing the Authority's annual programme of engagement and how the Authority will use the residents' panel to ensure regular feedback on what the Authority does.

Real time feedback: exploring the options to seek more real time feedback via the Authority's various communication channels.

Recognising good customer service : the Authority has used the Institute of Customer Service and National Customer Service week to do this in the past but needs to do more. Working across the Authority, ENGIE and Capita work will be undertaken to systematically recognise, reward and celebrate great customer service. These examples will be used and shared as best practice as part of a culture of an organisation that seeks to continuously improve its levels of customer service.

How the programme will be managed

- 1.5.22 The Customer Service Programme will be led and co-ordinated by a Steering Group comprising the Chief Executive and Senior Leadership Team, Young Mayor/Cabinet,

lead officers, delivery partner representatives, the Deputy Mayor and the Cabinet Member for Community Engagement and Community Safety.

Measuring success

- 1.5.23 A set of performance measures will be agreed to test delivery of the customer experience. As far as possible these will be measured in real time. But a critical measure will be the Residents Survey due in 2020 when the Authority can expect the impact of the programme to show results. There may also be some impact of early changes made in the next Survey due in 2019.

Next steps

- 1.5.24 The next steps are:

- Establishing the Steering Group to oversee delivery of the programme
- Agree a programme delivery plan through the steering group

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Agree the programme, the approach to engagement and the management of delivery.

Option 2

Ask for further work and a revised programme to be submitted to Cabinet in due course.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Following reflection on engagement undertaken, it reflects the Elected Mayor and Cabinet's priorities for the delivery of the Our North Tyneside Plan.

1.8 Appendices:

None.

1.9 Contact officers:

Jacqueline Laughton, Head of Corporate Strategy and Customer Service.

Tel: (0191) 643 5724

Gary Forster, Commercial and Business Redesign Manager.

Tel: (0191) 643 6670

1.10 Background information:

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

(1) [Our North Tyneside Plan 2018-2021](#)

(2) [State of the Area 2018](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Any costs incurred from the initial development and implementation of the Customer Service Programme will be met through existing budgets. As the programme continues to embed and evolve, if any new proposals are developed that have a financial impact, approval to proceed with these proposals will be sought through the normal approval process.

The impact that the Customer Service Programme has on the savings proposals outlined in section 1.5.3 will be reported to Cabinet through the existing budget monitoring process.

2.2 Legal

There are no direct legal implications arising from this report. As projects and plans come forward individual consideration of the legal implications of these plans and projects will be undertaken as required.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The report is based on discussions with the Elected Mayor and Cabinet Members as well as detailed technical discussions across the Senior Leadership Team and incorporates results of engagement with staff at the Big Team Brief sessions.

2.3.2 External Consultation/Engagement

The report is based on extensive Borough-wide consultation; The Annual Big Community Conversation; Budget Engagement, State of the Area and Youth Council consultation. Further engagement will take place on the Customer Promise – the set of customer service standards to be developed – as set out in the report.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

Equality Impact Assessments will be undertaken to inform the planning of each project delivered through the plan.

2.6 Risk management

Specific projects will have their own risk management arrangements in line with the agreed corporate approach.

2.7 Crime and disorder

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

2.8 Environment and sustainability

The contents of the plan aim to support sustainable development.

PART 3 - SIGN OFF

- Chief Executive
- Head of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy and Customer Service

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North Tyneside Council
Report to Cabinet
Date: 28 May 2019

**Title: Officer Authorisations
– Hackney Carriage and
Private Hire Vehicle and
Driver inspections**

Portfolio:	Community Safety and Engagement	Cabinet Member:	Councillor Carole Burdis
Report from Service Area:	Environment, Housing and Leisure		
Responsible Officer:	Phil Scott Head of Environment, Housing and Leisure	Tel: (0191) 643 7295	
Wards affected:	All		

PART 1

1.1 Executive Summary:

The Authority is the licensing authority for hackney carriages (taxis) and private hire vehicles (PHVs), their drivers and their operators, for the borough. The overall aim of the Statutory licensing scheme is to ensure the safety of the travelling public.

Inspections during the term of the licence are carried out to ensure that the licensed vehicle and driver continue to meet the statutory standards. If the vehicle and driver work predominately in another borough it is recommended that steps are put in place to allow officers from that Authority to be authorised to carry out inspections.

This report requests Cabinet to agree to the Authority entering into a Memorandum of Understanding with other North East licensing authorities, namely, Middlesbrough, Stockton on Tees, Redcar & Cleveland, Darlington, Hartlepool, Durham, South Tyneside, Northumberland, Newcastle and Gateshead (“the participating authorities”), so that officers from the participating authorities can be placed at the disposal of the Authority and those officers authorised to carry out inspections of North Tyneside licensed vehicles and drivers when operating in the participating authority areas and if necessary issue notices on behalf of the Authority.

1.2 Recommendations:

It is recommended that Cabinet:

1. agrees to the Authority entering into a Memorandum of Understanding with the participating authorities pursuant to section 113 of the Local Government Act 1972 (a draft is attached at Appendix 1 of this report) in relation to the placing of officers from the participating authorities at the disposal of the Authority for the purposes of hackney carriage and private hire vehicle and driver licensing regulation and enforcement;

2. authorises the Head of Environment Housing and Leisure in consultation with the Head of Law and Governance and the Cabinet Member for Community Safety and Engagement to make any minor amendments, if necessary, to the draft Memorandum of Understanding prior to its completion; and
3. authorises the Head of Environment, Housing and Leisure to undertake any ancillary requirements to give effect to the above recommendations in consultation the Head of Law and Governance and the Cabinet Member for Community Safety and Engagement.

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 29 March 2019.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2018-2020 Our North Tyneside Plan.

Our Places will:

- provide a clean, green, healthy, attractive, safe and sustainable environment

Our People will:

- be healthy and well

Our Economy will:

- grow by supporting new businesses and building on our strengths

1.5 Information:

1.5.1 Background

The Authority is the licensing authority for hackney carriages (taxis) and private hire vehicles (PHVs), their drivers and their operators, for the borough. The overall aim of the statutory licensing scheme is to ensure the safety of the travelling public. This is done through the standards adopted that must be met to be licensed and then through enforcement activity to ensure that the licence holder continues to meet these standards.

1.5.2 The Authority licenses around 183 taxis, 924 PHVs, 1214 drivers and 23 operators in the borough. These licenses have been granted in accordance with national legislation and having regard to the North Tyneside Hackney Carriage and Private Hire Licensing Policy.

1.5.3 The Deregulation Act 2015 came into force in October 2015 and allowed Operators to sub-contract work between offices inside and outside the area that licensed them. This means that a person booking a licensed vehicle could be sent a vehicle and driver licensed by a neighbouring authority that has different standards to those of the home licensing authority. Indeed, in recent months enforcement activity has established that it has become more and more common for the licensed trade to provide hackney carriage and private hire vehicles and drivers not licensed by the Authority to fulfil bookings made in North Tyneside, and vice versa. For example, vehicles that are licensed by this Authority may carry out work in Newcastle or Northumberland rather than solely in North Tyneside.

1.5.4 Regional Collaboration

1.5.5 Without authorisations in place the officers of other boroughs would not be permitted to inspect North Tyneside licensed vehicles and drivers in their area. It has been recognised regionally that a formalised approach needs to be introduced to allow enforcement activity to be carried out when vehicles and their drivers work in an area wider than the borough where they are licensed.

1.5.6 To achieve this, a draft Memorandum of Understanding (MoU) has been developed between the participating authorities and is attached at Appendix 1 to this report. This draft MoU provides for authorisations to be put in place, as required, to permit licensing officers from the participating authorities to be given authority to inspect North Tyneside licensed vehicles and their drivers working in the participating authority areas and to take appropriate enforcement action if necessary. This gives officers from other authorities power to act as officers from this Authority and undertake the appropriate checks and enforcement activity within their borough.

1.5.7 Legal Power to Collaborate

1.5.8 Such authorisations can be given using the provisions of section 113 of the Local Government Act 1972. This provision enables this Authority to have an officer from a participating authority placed at its disposal and for that officer for all intents and purposes to be treated as an officer of the Authority for the purposes of undertaking the exercise of certain specified functions when in their local authority area.

1.5.9 How Powers Will Be Used

1.5.10 It is expected that each participating authority will carry out at least 2 enforcement exercises during a six month trial period following the Memorandum of Understanding being entered into with a participating authority and authorisations have been given to its officers.

1.5.11 Review of Arrangements

1.5.12 Any enforcement activity undertaken by a participating authority on behalf of the Authority will be notified the next working day. This will enable any follow up action to be swiftly undertaken by the Authority's Licensing Team.

1.5.13 It is expected that North Tyneside Council officers will be authorised to inspect vehicles licensed by other local authorities working within the boundaries of North Tyneside and indeed authorisation has been given to North Tyneside Officers by some of the participating authorities.

1.5.14 This activity and any authorisations given to officers from other Authorities will be reviewed after a 6 month trial period. A report will be taken to the Cabinet member for Community Safety and Engagement at that time to inform that member of the number of enforcement inspections undertaken by this Authority's officers and participating authority officers using the reciprocal authorisation of officer arrangement outlined in this report.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Agree to the Authority entering into a Memorandum of Understanding with the participating authorities pursuant to section 113 of the Local Government Act 1972 and to appropriate authorisations being given to the participating authority officers by the Head of Environment, Housing and Leisure.

Option 2

Not agreeing to the Authority entering into a Memorandum of Understanding with the participating authorities pursuant to section 113 of the Local Government Act 1972.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

By entering into a Memorandum of Understanding with the participating authorities, officers from those authorities will be permitted to inspect North Tyneside licensed vehicles when operating in those areas. At present, officers from the Authority have to travel outside the borough to inspect vehicles that are operating in areas such as Newcastle or Cramlington.

1.8 Appendices:

Appendix 1: Memorandum of Understanding

1.9 Contact officers:

Colin MacDonald, Senior Manager Technical & Regulatory Services, (0191) 643 6620
Joanne Lee, Public Protection Manager, (0191) 643 6901
Alan Burnett, Trading Standards and Licensing Group Leader, (0191) 643 6621
John Barton, Lawyer, (0191) 643 5354
David G Dunford, Acting Senior Business Partner, (0191) 643 7027

1.10 Background information:

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

(1) Section 113 Local Government Act 1972
<http://www.legislation.gov.uk/ukpga/1972/70/section/113>

(2) North Tyneside Council Hackney Carriage and Private Hire Licensing Policy
<https://my.northtyneside.gov.uk/category/931/hackney-carriage-and-private-hire-licensing-policy>

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial implications directly arising from the report.

2.2 Legal

By virtue of section 113 of the Local Government Act 1972 a Local Authority may enter into an agreement with another Local Authority placing its officers at the disposal the other Authority. Officers placed at the disposal of this Authority by another Local Authority using section 113 are for all intents and purposes treated as officers of this Authority. Those officers therefore need to be given the necessary authorisation by the Head of Housing, Environment and Leisure to operate in their respective Authority areas as taxi licensing enforcement officers for the purposes of inspecting North Tyneside Council licensed vehicles and drivers on behalf of this Authority.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Internal consultation has taken place with the Head of Environment, Housing and Leisure.

2.3.2 External Consultation/Engagement

External consultation has taken place with the North East Strategic Licensing Group.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

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

2.6 Risk management

There are no risk management implications directly arising from this report. Risks associated with delivery of the Authority's Public Protection function are monitored via the Technical Services Partnership risk arrangements included within the strategic partnership governance framework.

2.7 Crime and disorder

If a licensed vehicle or driver is not operating in accordance with the legislation they may be liable for prosecution and/or disciplinary action taken as a result of that non-compliance.

2.8 Environment and sustainability

There are no direct implications for environment and sustainability arising from this report.

PART 3 - SIGN OFF

- Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy and Customer Service X

Memorandum of Understanding

Between

The local authorities of Middlesbrough, Stockton on Tees, Redcar & Cleveland, Darlington, Hartlepool, Durham, North Tyneside, South Tyneside, Northumberland and Newcastle and Gateshead

For the purpose of

A Cross Border Hackney Carriage and Private Hire Vehicle Authorisation Scheme

1.0 Definitions.

1.1 **'Taxis'** refers to both hackney carriages and private hire vehicles

1.2. **'Participating enforcement local authorities'**. These are the local authorities of Middlesbrough, Stockton on Tees, Redcar & Cleveland, Darlington, Hartlepool, Durham, North Tyneside, South Tyneside, Northumberland, Newcastle and Gateshead

1.3. **'Cross Border Taxi and Private Hire Vehicle Authorisation Scheme'** is 'The Authorisation Scheme' subject to the principles set out in this Memo of Understanding which permits a participating enforcement local authority to inspect taxis licensed by another participating enforcement local authority but only within the geographic area of the home licensing local authority.

1.4. **'Home licensing local authority'**. Is the local authority responsible for licensing the taxi or driver.

1.5. **'Designated contact address'**. Is the email address that each local authority has designated to receive communications about drivers, vehicles, inspections and interviews.

1.6. **'Lead Officer and Deputy'**. Are the named officers designated by each participating local authority to be the lead contact and deputy for communications about the operation of the scheme.

1.7. **'The Next Working Day'** means the next day that the home local authority licensing office is open for business, or the day after that, if circumstances prevent a more speedy communication.

1.8. **'Working Group'** is the group attended by the lead officer or deputy from each participating local authority to oversee the scheme

1.9 **'Delegated Power'** means the discharge of a function under the Local Government Act 1972, the Local Government (Misc Provisions) Act 1976 and the Town Police Clauses Act 1847 and any related legislation for the purpose of carrying out enforcement on Hackney Carriages and Private Hire Vehicles, Drivers and Operators licensed by a participating local authority within the terms of this Memo of Understanding.

- 2.0 The primary purpose of The Authorisation Scheme is to focus on immediate public safety risks and potentially significant offences. Inspections and interviews will be guided by the primary purpose.
- 3.0 Enforcement officers will deal with taxis, interviews and inspections for vehicles and drivers who are licensed by another participating enforcement local authority in the same way they would deal with taxis and drivers licensed by their home licensing local authority
- 4.0 Each participating enforcement local authority is responsible for identifying competent enforcement officers to be authorised by other participating enforcement local authorities. The home licensing local authority which employs the enforcement officers and related officers will retain responsible for their conduct, behaviour and employment terms and conditions.
- 5.0 The Authorisation Scheme places no obligation on a participating enforcement local authority to inspect taxis or interview drivers licensed by other participating enforcement local authorities. The decision to inspect is voluntary. Financial payments between participating enforcement local authorities are not required
- 6.0 In all cases, enforcement officers are only permitted to inspect taxis within the boundary of their own home licensing local authority.
- 7.0 Interventions resulting from a vehicle inspection or interview should be notified to the home licensing local authority the next working day by email to include; time, date, registration number, driver name and identification; evidence gathered, action taken and why and enforcement officer name and contact details.
- 8.0 Details of individual inspections and interviews involving no action or minimal action should still be notified to the home licensing local authority for evidence gathering.
- 9.0 Each participating enforcement local authority must collate evidence of inspections and communications to be considered by the Working Group.
- 10.0 The scheme will be reviewed by the Working Group overseeing the Scheme after 6 months from the commencement date.
- 11.0 Each participating enforcement local authority will designate a gcsx email address for communications about interviews and inspections.
- 12.0 Each participating enforcement local authority will designate a Lead Officer and Deputy for communication about the scheme
- 13.0 Enforcement officers are permitted to issue suspension notices for immediate public safety risks provided that the enforcement officer would normally have issued a suspension notice for a taxi licensed by their own home licensing local authority under the same circumstances. Indicative examples of when a suspension notice would be appropriate are; one of more bald / illegal tyres, less than 2 functioning headlights, less than 2 functioning brake lights and dangerous bodywork (i.e. jagged or sharp edges which in the opinion of the enforcement officer pose an immediate public safety risk)

- 14.0 Enforcement officers are permitted to withdraw a suspension notice they have issued if circumstances require this.
- 15.0 Normally, the home licensing local authority for a licensed driver or licensed vehicle is responsible for ensuring remedial action is monitored or completed.
- 16.0 If a taxi driver has no badge or a defective badge, the driver should be advised that it is an offence not to display a badge, to cease trading and that the details will be reported to the home licensing local authority.
- 17.0 In the event of obstruction or conflict between a driver and an enforcement officer, the home licensing local authority should be provided with as much information as possible the next working day to allow a decision to be made.
- 18.0 Safeguarding concerns should be reported to the police immediately and the home licensing local authority should be notified as soon as practicable.
- 19.0 Certificates of Authorisation will be issued by each participating enforcement local authority to the designated enforcement officers in the other participating enforcement local authorities in an agreed format.
- 20.0 Each participating enforcement local authority will establish their own schemes of delegation and what procedural steps are required to validly authorise enforcement activities undertaken by other participating enforcement local authorities.
- 21.0 Each participating local authority will undertake to carry out at least 2 enforcement exercise during the six month trial.
- 22.0 The delegated powers within the provisions of this Memo of Understanding will come into force on the agreed commencement date.
- 23.0 Notwithstanding the terms and conditions in this Memo of Understanding, this does not prejudice the right of any participating enforcement local authority to withdraw from the delegated power scheme with 14 days notice given to all other participating enforcement local authorities. Each participating enforcement authority undertakes not to withdraw their delegated powers prior to the Review which is due 6 months after the commencement date, unless it considers there is good reason to do so. The delegated power is not to be unreasonably withdrawn.

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North Tyneside Council Report to Cabinet Date: 28 May 2019

ITEM 5(d)

Title: **Delivering
Affordable Homes**

Portfolio(s): **Housing and Transport**

Cabinet Member(s): **Councillor Steve
Cox**

Report from Service Area: **Environment, Housing and Leisure**

Responsible Officer: **Phil Scott, Head of Environment,
Housing and Leisure** (Tel: **(0191) 643
7295**)

Wards affected: **All**

PART 1

1.1 Executive Summary:

At its meeting on 14 October 2013, Cabinet confirmed its commitment to delivering 3,000 affordable homes over the next 10 years. Further, Cabinet agreed at its meeting on 10 March 2014 to receive an annual report for information purposes detailing the progress and delivery of the Affordable Homes Programme.

The purpose of this report is to provide Cabinet with an update for the year 2018/19 on the progress made against the Affordable Homes Programme, in delivering 250 new affordable homes. This Report also provides an update on the anticipated delivery for 2019/20 together with the indicative affordable homes delivery programme through to 2024.

This report also seeks the grant of delegated authority to the Head of Environment, Housing and Leisure, in consultation with Cabinet Member for Housing, Head of Resources and Head of Law and Governance to approve a number of Housing Revenue Account owned sites to be brought forward to be used to deliver affordable homes. This will continue to provide a pipeline of directly delivered affordable homes by the Authority.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) in relation to the Affordable Homes Programme, notes the progress to date of the Affordable Homes Programme.
- (2) in relation to the development of the Housing Revenue Account sites:
 - (a) approves the development by the Authority of the Housing Revenue Account sites identified within section 1.5.4 of this report and;

- (b) authorises the Head of Environment, Housing and Leisure in consultation with the Cabinet Member for Housing, Head of Resources and Head of Law and Governance to undertake all necessary work to bring forward the development of the sites as identified in section 1.5.4.

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 10 May 2019.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the Our North Tyneside Plan:
Our Places will:

- Be great places to live by focusing on what is important to local people, such as by tackling the derelict properties that are blighting some of our neighbourhoods.
- Offer a good choice of quality housing appropriate to need, including affordable homes that will be available to buy or rent.

1.5 Information:

1.5.1 Background

The Mayor and Cabinet clearly stated their policy intention in the *Our North Tyneside Plan* that the Authority will deliver “more quality affordable homes.”

The need for more affordable housing is clear. The Strategic Housing Market Assessment (SHMA) 2014 provides a robust evidence base on the level of housing need within the Borough, including the need for affordable housing. In addition, the Affordable Housing Needs Assessment tool brings together a range of information (e.g. SHMA, Census data, Market Position Statement, demand from our housing register) and is used to assess the type and size of affordable housing needed in different parts of the Borough.

In the 10 years to 2013, a total of 789 new affordable homes were delivered within the Borough. At its meeting on 14 October 2013, Cabinet agreed an ambitious programme to increase the pace and scale of the affordable homes delivery within North Tyneside through the delivery of 3,000 affordable homes over a period of 10 years from 2013/14. A full programme of delivery is included as Appendix 3.

To date 1,380 new affordable homes have now been delivered within 5 years through the Affordable Homes Programme, exceeding the total number delivered in the previous 10 years by 75%.

The new homes have been directly delivered by the Authority and by our partners through the Authority's strategic and enabling housing role. This includes working with Homes England (HE), Registered Providers (RPs) and developers to meet a range of housing needs, including the needs of vulnerable groups. The Authority continues to target long-term empty properties that cause blight, and brings them back into use as affordable housing.

North Tyneside Trading Company (Development) Ltd has continued to invest in affordable housing using Section 106 funding the Authority has available. The Company

has followed its Purchasing Strategy during 2018/19, purchasing homes in-line with housing need from the open market, to let at an affordable rent. This strategy has been successful with 13 homes purchased across the Borough during 2018/19 with plans for securing further homes during 2019/20.

1.5.2 Progress on Affordable Housing Delivery in 2018/19

Overview

Significant progress has been made in 2018/19 with 250 new affordable homes being delivered by 31 March 2019. Plans have also been developed for future years within the programme with a number of schemes starting on site to work towards delivering a further 200 homes in 2019/20. A full delivery schedule for 2018/19 is provided in Appendix 1 attached to this report.

The 250 new homes have been delivered through the following workstreams:

(a) HRA Housing Delivery

At its meeting on 14 March 2016, Cabinet approved an indicative 4-year Housing Growth Delivery Programme 2016-2020 to deliver new homes. The Authority, through the Housing Revenue Account, has built 20 new build homes and converted a former office into 6 flats in 2018/19. Details of the work this year include:

Dudley & Weetslade Social Club (Weetslade Ward) - 20 general needs homes on the site of the former Dudley & Weetslade Social Club.

The development consists of two 3 bed houses, eight 2 bedroom houses, five 1 bedroom apartments and five 2 bedroom apartments.

Perth Gardens, Howdon (Former Care Call Office Accommodation) - Conversion of the former Care Call Office at Perth Gardens into 6 flats for young people.

(b) Bringing back Empty Properties into use as affordable housing

In-line with the Authority's Housing Strategy, the Authority continues to work with owners, private landlords, landlord groups and our communities to focus on bringing empty homes back into use, where possible as affordable homes, through the Repair and Manage Scheme which is supported by Homes England.

In 2018/19, 4 long-term empty properties were returned to use as affordable homes. Three of the homes were delivered in partnership with a local charity and supported housing provider, Changing Lives, with the Authority directly delivering the fourth.

A new grant funding contract has been agreed with Homes England to support the delivery of additional affordable homes from April 2019.

(c) Working with Registered Providers (RPs)

The Authority continues to work closely with RPs in a strategic role to identify opportunities to meet housing need in the Borough.

RPs will have delivered 10 new affordable homes across North Tyneside within the financial year 2018/19. These include 6 affordable rented properties and 4 Rent-to-Buy

homes designed to help people onto the property ladder. A list of schemes delivered by the RPs can be found in Appendix 1 of this report.

(d) Planning Obligations

Delivering affordable housing through planning obligations is central to meeting the need for affordable housing in the Borough. Through contributions secured pursuant to Section 106 of the Town and Country Planning Act 1991, the Authority secures 25% affordable housing on relevant sites (developments with 11 or more units). In 2018/19 a total of 197 new homes have been delivered across North Tyneside by developers through this route.

(e) North Tyneside Trading Company (Development) Limited ('Company')

In 2017/18, the Company adopted a purchasing strategy to increase the pace of affordable homes delivery. In 2018/19, the Company successfully acquired 13 new homes from the open market to be let at an intermediate affordable rent and has an offer accepted on a further home that is due to complete in May 2019.

The homes owned by the Company are spread across the Borough in line with the Affordable Housing Needs Assessment to ensure that they are providing homes in areas of high demand.

1.5.3 Plans for 2019/20

Overview

The delivery programme for 2019/20 indicates that 200 new affordable homes will be delivered in North Tyneside, a breakdown of these is provided in Appendix 2. This will bring the total number of homes delivered in the first 6 years of the programme to 1,580.

(a) Housing Revenue Account Housing Delivery

The Housing Revenue Account (HRA) is currently forecasting to deliver 22 new homes in 2019/20. This includes:

Beadnell Court - Work on the development of 9 homes will be completed in April 2019 on the site of the former Beadnell Court sheltered scheme. The scheme will comprise of 3 two bed bungalows and 6 one bed flats. The homes will be utilised as supported living accommodation for young adults leaving care services in preparation for independent living.

Bonchester Court - Development at the site of the former sheltered scheme at Bonchester Court will be completed in May 2019. 13 affordable homes, comprising 5 two bed bungalows and 8 one bed flats, are being provided as supported living accommodation for adults who have a learning or physical disability.

(b) Working with Registered Providers (RPs)

The Homes England Affordable Homes Programme 2015-2018 grant funding to support the development of affordable homes in the Borough will see our partner RP, Home Group, deliver 13 homes for people with learning difficulties in 2019/20. Details of this scheme can be seen in Appendix 2.

(c) Bringing back empty properties into use as affordable housing

The Authority will continue to focus on tackling empty homes and where possible bringing them back into use as affordable dwellings. A number of approaches to tackling empty homes will be considered including providing advice and assistance to homeowners and working in partnership with the National Landlord Association.

In 2019/20, the Repair and Manage programme will continue to refurbish long-term empty homes and take ownership of them until all costs have been repaid. This approach is predicted to deliver 10 affordable homes in 2019/20.

(d) Planning Obligations

There are a further 540 affordable homes with planning approval in place. The housing market shows North Tyneside remains a popular place to live and housing providers are continuing to bring further sites forward. In 2019/20 it is predicted that 126 affordable homes will be delivered through contributions secured pursuant to Section 106 of the Town and Country Planning Act 1991 on sites where work has already started.

Additional affordable homes will continue to be secured through Section 106 requirements as further planning applications are submitted by developers. This delivery is supported by the recently adopted Local Plan (Policy DM4.7) that establishes the Authority will seek to secure an allocation of 25% affordable homes on all sites with more than 10 dwellings. The strategic allocations of Murton Gap and Killingworth Moor, and the adoption of the associated Masterplans in December 2017 will guide their delivery and provide a major opportunity for affordable housing delivery in future years. The Killingworth Moor site has the potential to support 500 affordable homes with a further 750 potentially being realised at Murton Gap.

(e) North Tyneside Trading Company (Development) Limited

It is anticipated that the Company will acquire a minimum of 15 homes in 2019/20 bringing their asset base to at least 50 homes. At this level, the Company will generate surpluses to purchase further homes. The Company will continue to explore a range of options to further increase their asset base to support the Affordable Homes Programme. Rental income will continue to be received from the properties owned by the Company and reinvested back into the stock or used to further increase the number of affordable homes.

(f) Specialist Housing

The Authority's Specialist Housing Group was formed to ensure the delivery of housing across the Borough, as identified in the Specialist Housing Market Position Statement. This Group updates an opportunities log to monitor potential specialist provision. There are 15 potential schemes currently on the opportunities log including Extra Care Schemes for the elderly, supported housing for young people and new build for people with complex needs such as learning difficulties and autism. Within the Affordable Homes Programme, it is expected that there will be a further 269 specialist homes built by 2024.

In 2019/20 there are 16 specialist housing units projected to be brought forward with the Specialist Housing Group continuing to work with a range of external providers to explore bringing forward schemes which may see this number increase in year.

1.5.4 Developing a pipeline of opportunities for the HRA

The first 5 years of the Affordable Homes Programme has seen the Authority directly build 151 new affordable homes and 363 sheltered homes as part of the North Tyneside Living project.

A number of opportunities for further development using land held within the Authority's Housing Revenue Account have been identified. Cabinet is requested to approve the development by the Authority of the Housing Revenue Account sites identified below and authorise the Head of Environment, Housing and Leisure in consultation with the Cabinet Member for Housing, Head of Resources and Head of Law and Governance to undertake all necessary work to bring forward the development of the sites as identified. This may include, in relation to each site:

- Site feasibility
- Development and approval of a business case];
- Setting up a project team to manage the proposed developments;
- Procure and appoint Design Team;
- Securing of Planning Permission; and
- Procure and appoint a developer.

The sites and the proposed nature of the developments are detailed below:

Land at Murton West – This site is within the strategic site at Murton Gap and has the potential to deliver circa 100 new affordable homes including extra care provision and supported bungalows. It is anticipated that the delivery of these homes will begin in 2022.

The Cedars, Collingwood Ward – This site formerly housed the Cedars sheltered scheme that was decommissioned as surplus in 2016. The building on the site was demolished in 2017 and planning approval has been secured for 12 new general needs homes. It is expected that this scheme will be begin on site in early 2020.

Bawtry Court, Battle Hill - This is a cleared site following the demolition of the former Bawtry Court sheltered scheme in April 2016. It is estimated that the site would accommodate circa 11 new, general needs affordable homes and could begin on site in 2020.

Edwin Grove, Howdon – This is the site of Edwin House which is a decommissioned building previously used as supported housing. Subject to approval the existing building would be demolished with circa 3 new affordable homes being built in its place. It is expected that this scheme will begin on site in 2020.

Wellington Avenue, Wellfield – This scheme would see the Council complete a Compulsory Purchase Order (CPO) on the long-term empty properties on this street and convert the properties into 2 affordable homes. Subject to the CPO being completed, it is expected that work would begin in 2021.

1.6 Decision options:

The following decision options are available for consideration by Cabinet.

Option 1

- (a) To receive and note the update on the progress of delivering the Affordable Homes Programme detailed at 1.2(1) of this report; and
- (b) agree the recommendations detailed at paragraph 1.2(2) of this report.

Option 2

- (a) Receive and note the update on the progress of delivering the Affordable Homes Programme detailed at 1.2(1) of this report; and
- (b) reject the recommendations detailed at paragraph 1.2(2) of this report.

Option 1 is the recommended option

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

- It will support progress on delivering the Elected Mayor and Cabinet's commitment to deliver more quality affordable homes. Cabinet are requested to note the report.

1.8 Appendices:

Appendix 1: Detailed Delivery Programme for 2018/19

Appendix 2: Delivery Programme for 2019/20

Appendix 3: Indicative Affordable Homes Delivery Programme 2014-2024

1.9 Contact officers:

Roy Marston, Senior Manager Strategy and Support Services, tel. (0191) 643 7500

Richard Brook, Housing Growth Manager, tel. 07540 182 225

Darrell Campbell, Senior Business Partner, tel. (0191) 643 7052

1.10 Background information:

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

- (1) [Cabinet Paper April 9 2018 ITEM title: "Delivering the Affordable Homes Programme"](#)
- (2) [Cabinet Paper March 13 2017 ITEM title: "Delivering the Affordable Homes Programme"](#)
- (3) [Cabinet Paper September 14 2015 ITEM title: "Delivering Affordable Homes - Update"](#)
- (4) [Cabinet Paper March 9 2015 ITEM title: "Delivering Affordable Homes - Update"](#)
- (5) [Cabinet Paper March 10 2014 ITEM title: "Delivering Affordable Homes - Update"](#)
- (6) [Cabinet Paper October 14 2013 ITEM title: "Delivering Affordable Homes"](#)

- (7) [Cabinet Paper February 10 2014 ITEM Title: Empty Homes “Lease to Let Scheme”](#)
- (8) [Core Strategy Preferred Options 2010](#)
- (9) [Local Plan 2015-2030](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

HRA

The HRA Investment Plan for 2019/20 as approved by Cabinet on 15 January 2019 included £3.433m of new build funding, which assumed £2.000m of re-programming from 2018/19. Initial indications from the closedown of the accounts for 2018/19 is that the re-programming from 2018/19 will be £2.803m. The delivery programme for 2019/20 will include the completion of the Bonchester and Beadnell sites. Other costs associated with potential sites included within this report will be considered as part of future delegated reports.

Housing General Fund – bringing empty properties back into use

A fundamental review of the various budgets that formerly existed for empty properties work was undertaken in order to realign the funding available to improve outcomes in the private sector. The approved budget for 2019/20 contains £0.728m identified for Private Sector empty homes work. This budget will allow the continuation of a programme bringing empty properties from the private sector back into use as affordable homes. This will deliver at least 15 units between 2019 and 2021.

North Tyneside Trading Company (Development) Limited

The affordable homes work undertaken by the subsidiary of the Authority’s trading company is currently funded through the Section 106 Town and Country Planning Act 1990 commuted sums available for affordable housing and also rental income received from properties.

2.2 Legal

All of the sites identified in 1.5.4 of this Report (with the exception of the Wellington Avenue site, for which a CPO application has been submitted) are within the ownership of the Authority, under the Housing Revenue Account. Development of the sites for the purpose of affordable homes can therefore be financed from the Authority’s Housing Revenue Account.

The properties when completed will form part of the HRA and will be subject where applicable to Right to Buy. Within the first 15 years of the property being built a tenant exercising their right to buy would not be able to acquire the property for less than the initial build cost.

If Cabinet agree to the recommendation 2b above, further delegated officer decision(s) will need to be taken by the Head of Head of Environment, Housing and Leisure in

consultation with the Cabinet Member for Housing, Head of Resources and Head of Law and Governance. Twenty eight days' notice on the Forward Plan of the delegated officer decision must be given and a record of the decision taken together with the report to the officer making the decision will be produced and published on the Authority's website (unless the matter for decision involves exempt or confidential information in accordance with Part 1 of Schedule 12A to the Local Government Act 1972).

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Our North Tyneside Plan was agreed by Cabinet in February 2018.

The preparation of the Local Plan was supported by multiple stages of engagement internally with senior officers and members. The overall progress of the Local Plan to adoption was overseen by a Local Plan Steering Group comprised of senior officers, the Deputy Mayor, Cabinet Member for Housing and Transport and the Cabinet Member for Finance. The Local Plan was recommended for adoption by Cabinet and agreed at Full Council in July 2017 with the Masterplans for the strategic sites adopted by Cabinet in December 2017.

Comprehensive governance arrangements have been put in place for the Affordable Homes Programme. Members and key officers are consulted through the Strategic Property Group comprised of the Elected Mayor, Deputy Mayor and the Cabinet Members for Housing and Finance, Chief Executive, and Heads of Commissioning and Asset Management and Finance; they receive a monthly update on the Affordable Homes Programme and make recommendations for key decisions.

In addition our Investment Programme Board comprised of the Deputy Mayor, Cabinet Member for Finance and Resources, Chief Executive, and Heads of Environment, Housing and Leisure, Commissioning and Asset Management and Finance receive update reports on the delivery of our Affordable Homes Programme. The Authority's Housing Strategy was agreed in January 2017.

Consultation continues to be held with Members for wards where sites, subject to Cabinet approval, have been identified to be used to deliver affordable homes.

2.3.2 External Consultation/Engagement

Registered Providers undertake consultation with existing residents on their future proposals for these sites prior to submission for planning approval and an officer from the Housing Strategy Team attends. There are also detailed planning requirements in terms of the consultation to be undertaken as part of the formal planning approval process.

Pre-planning consultations are held with Ward Members, local residents and businesses for all HRA development sites. In addition there are regular press releases to ensure the local communities are kept up to date with progress and the key milestones on our developments. The Local Plan has also involved extensive consultation around housing, which has included engagement with Developers and members of the public.

2.4 Human rights

There are no human rights issues directly arising from this report.

2.5 Equalities and diversity

An increase in mixed tenure homes would help to meet local need as set out in the Strategic Housing Market Assessment and would increase the overall affordable housing supply, including helping to reduce some of the potential pressure for 1-2 bedroom properties.

The Affordable Homes Delivery Programme also includes some purpose built housing for specific client groups which will help to promote equality for groups with specific characteristics.

2.6 Risk management

There is multiple risk registers associated with all Council new build schemes and the delivery of the programme. These are monitored on a regular basis as part of their respective governance arrangements. A project risk register has been collated for the Affordable Homes Programme, however at this stage it is considered that there are no specific risks that need to be added to the Directorate Risk Register.

2.7 Crime and disorder

Any sites being brought forward for development by either the Authority, its partners or by a private developer must address crime and disorder issues as part of the normal planning process.

When building new homes the Authority's Design Standards are followed ensuring that Secure by Design Principals are followed.

2.8 Environment and sustainability

Environment and sustainability issues will be considered as part of the normal planning process on any sites brought forward for development by the Authority, RP or a private developer.

The Authority's goal is to create buildings with minimal environmental impact and will continue to explore a range of appropriate renewable energy sources on current and future developments of suitable size and scale to make them affordable.

In line with the Authority's Design Standards, we will continue to exceed the changing Building Regulation standards and other national standards as these are being used as the mechanism to ensure the Authority delivers greener homes.

PART 3 - SIGN OFF

- Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy and Customer Service X

Appendix 1

Delivery Programme 2018/19

DEVELOPMENT	DELIVERY METHOD	Ward	HOMES
Scaffold Hill	Vol. Builders	Killingworth	43
Stephenson House	Vol. Builders	Camperdown	9
Field North Of 45 Sunholme Drive	Vol. Builders	Northumberland	37
Land to west of Station Rd, Backworth	Vol. Builders	Valley	59
Darsley Park, Whitley Road	Vol. Builders	Benton	14
Land south of 81 Killingworth Avenue	Vol. Builders	Valley	35
Dudley & Weetslade Club	HRA	Weetslade	20
Perth Gardens	HRA	Howdon	6
Western Terrace	Registered Provider	Camperdown	4
Glebe Crescent	Registered Provider	Battle Hill	6
Northumbrian Way	NTTC	Riverside	1
Kilburn Gardens	NTTC	Riverside	2
West Mount	NTTC	Killingworth	1
Chelford Road	NTTC	Battle Hill	1
Worthing Close	NTTC	Northumberland	1
Praetorian Drive	NTTC	Wallsend	1
Waltham Close	NTTC	Northumberland	1
Wimslow Close	NTTC	Northumberland	1
Wallington Close	NTTC	Cullercoats	2
Caleb Drive	NTTC	Battle Hill	1
Church View	NTTC	Wallsend	1
Shafto Street	Empty Homes	Howdon	1
St John's Terrace	Empty Homes	Riverside	1
Durham Street	Empty Homes	Wallsend	1
Stadium Villas	Empty Homes	Wallsend	1
Total (homes delivered by 31 March 2019)			250

Appendix 2

Projected Delivery Programme 2019/20

DEVELOPMENT	DELIVERY METHOD	Ward	HOMES
Scaffold Hill	Vol. Builders	Killingworth	29
Field North Of 45 Sunholme Drive	Vol. Builders	Northumberland	26
Land to west of Station Rd, Backworth	Vol. Builders	Valley	8
Land south of 81 Killingworth Avenue	Vol. Builders	Valley	48
Land East of Salters Lane	Vol. Builders	Weetslade	13
Bonchester Court	HRA	Battle Hill	13
Beadnell Court	HRA	Battle Hill	9
Charlton Court	RP	Monkseaton South	13
TBA	Empty Homes		10
TBA	NTTC		15
Oswin Road	Specialist Housing	Benton	16
Total (homes due for completion by 31 March 2020)			200

Appendix 3 – Indicative Affordable Homes Delivery Programme 2014-2024

Delivery Method	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
HRA	14	99	6	6	26	22	36	35	35	35	314
Registered Provider	87	18	52	81	10	13	32	33	33	33	392
Volume Builders	55	41	77	146	197	124	181	227	209	191	1,448
Empty Homes	13	8	4	1	4	10	5	5	5	10	65
NT Living	96	72	195	0	0	0	0	0	0	0	363
NTTC	0	0	13	9	13	15	14	15	17	16	112
Specialist Housing	0	0	0	37	0	16	98	50	50	55	306
Total	265	238	347	280	250	200	366	365	349	340	3,000

North Tyneside Council Report to Cabinet Date: 28 May 2019

ITEM 5(e)

Title: North Tyneside Transport Strategy Annual Report

Portfolio: Environment and Transport

Cabinet Member:

**Councillor Carl
Johnson**

Report from Service

Area: Environment, Housing and Leisure

Responsible Officer:

**Phil Scott, Head of Environment,
Housing and Leisure**

Tel: (0191) 643 7295

Wards affected:

All

PART 1

1.1 Executive Summary:

The North Tyneside Transport Strategy, adopted by Cabinet on 8 May 2017, sets out the Authority's vision for transport in the borough. It seeks to ensure that "North Tyneside will have a safe, easy to use, healthy, affordable, accessible and integrated travel and transport infrastructure that works for residents, businesses and visitors effectively and efficiently", and sets out five principles which are key to achieving this.

The Strategy provides a commitment to report progress on delivery of it to Cabinet on an annual basis. The purpose of this report is therefore to present information to Cabinet to in order to fulfil that commitment.

1.2 Recommendation:

It is recommended that Cabinet notes the content of this report and associated supporting information contained within Appendices 1 and 2.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 25 April 2019.

1.4 Council Plan and Policy Framework

The proposals in this report relate to a number of priorities in Our North Tyneside Plan 2018-2020, in particular:

- Our people will:
 - Be ready for school
 - Be ready for work and life

- Our places will:
 - Have an effective transport and physical infrastructure

1.5 Information:

1.5.1 Background

The Authority is committed to improving environmental sustainability and helping to tackle climate change. Our transport system is a critical element in progressing towards these aims. Achieving this includes recognising where good progress is being made, such as growth in sustainable transport at schools which have taken part in our Go Smarter programme, and improvements to our cycling network and increases in everyday cycling. Equally it involves coming to terms with emerging challenges, such as the need to play our part in improving air quality for everyone, and enabling people to make the switch away from petrol and diesel to electric vehicles.

The North Tyneside Transport Strategy was adopted by Cabinet on 8 May 2017 and sets out the Authority's vision for transport in the borough. It seeks to ensure that "North Tyneside will have a safe, easy to use, healthy, affordable, accessible and integrated travel and transport infrastructure that works for residents, businesses and visitors effectively and efficiently". It sets out five principles which are key to achieving this. In order to provide regular information about transport in North Tyneside the Transport Strategy contains a commitment to provide an annual information report to Cabinet.

Since the adoption of the Transport Strategy, the following policies and strategies relating to transport in North Tyneside have been revised, most recently the Network Management Plan in October 2018; this has ensured that the Authority's policies and strategies which are specific to transport are aligned with the Transport Strategy:

- Supplementary Planning Document – Transport and Highways (LDD12) – adopted May 2017
- North Tyneside Parking Strategy – adopted February 2018
- Highway Asset Management Plan (HAMP) – adopted September 2017
- North Tyneside Cycling Strategy – adopted March 2018
- North Tyneside Travel Safety Strategy – adopted March 2018
- North Tyneside Network Management Plan – adopted October 2018

The purpose of the annual information report, included as Appendix 1, is to demonstrate progress against delivery of the Transport Strategy.

1.5.2 Performance in 2018/19

The annual information report is attached as Appendix 1. A Transport Strategy Data Factsheet summarising the key performance data for 2018/19 is included as Appendix 2.

The five principles of the Transport Strategy guide our actions and act as a framework for measuring performance. The annual information report summarises our performance against each of the principles below:

- Principle 1 – Improve safety, health and well-being outcomes and sustainability; in relation to people, communities and the environment;

- Principle 2 – Support economic growth; through effective movement for people, businesses and goods and to support the regional aim of “more and better jobs”;
- Principle 3 – Improve connectivity; with all parts of the borough, the region, the rest of the country and the world;
- Principle 4 – Enable smart choices for all; help people, businesses and visitors find out how to get to where they need to; and
- Principle 5 – Manage demand; on transport networks and assets and address current and future transport challenges.

1.5.3 Summary of Performance Against the Strategic Principles

- **Principle 1 – Improve safety, health and well-being outcomes and sustainability; in relation to people, communities and the environment**

The number of road collisions in North Tyneside continues to show a decreasing trend. The number of collision cluster sites has also fallen from nine to seven, which provides an indication that the Authority’s highway investment programme has helped to improve conditions at junctions where collisions were concentrated. The growth in cycling in North Tyneside is welcome, however in order to help address the number of collisions involving cyclists there is a continued need to invest in high standard cycling infrastructure, e.g. the major scheme currently under construction at A189 Killingworth Road, which includes a 2.5km protected cycleway. Equally, it remains important to participate in campaigns which promote and support road safety.

The annual data from cycle counters indicates growth in cycling trips ahead of our target, and the Authority is supporting increased participation in everyday cycling, e.g. by delivering Bikeability training in schools across the borough.

- **Principle 2 – Support economic growth; through effective movement for people, businesses and goods and to support the regional aim of “more and better jobs”**

The recent substantial completion of the Highways England major project to convert A19-A1058 Silverlink junction to a fully grade separated interchange is already having positive results on the local road network, with adjacent routes to the A19 becoming less congested as traffic reverts back to this strategic route. When combined with future proposals for the Tyne Tunnel toll payment system under which more vehicles could pay the toll on a free-flow basis, the journey experience along the A19 within North Tyneside will be greatly improved, supporting our Local Plan aspirations along this corridor.

Our programme of investment has seen substantial improvements in road safety, the level of provision for sustainable travel, and application of advanced traffic control technology. Whilst it has not been possible to undertake the comprehensive post-scheme monitoring for many of the recent major schemes in time for this annual report, this will be carried out following the removal of Newcastle City Council’s closure of the A189 Killingworth Road in their area.

One of the biggest challenges for North Tyneside relates to appealing to our non-working age population to consider when and how they travel. A 10% shift in behaviour onto sustainable alternatives or simply outside of peak times would result in large improvements to the network operation bringing with it improvements in local air quality

as well as improved journey times for all road users. National trends are showing that commuting trips are continuing to reduce as a proportion of total employment and that those whom do still commute are doing so more sustainably than in recent years.

- **Principle 3 – Improve connectivity; with all parts of the borough, the region, the rest of the country and the world**

Improvements to junctions in the North Bank of the Tyne corridor as part of the Authority's highway investment programme have helped to improve access to the Port of Tyne international ferry terminal. The ongoing modernisation of the Metro network helps to ensure that Metro continues to serve both local journeys and gateways for longer-distance travel such as Central Station and Newcastle Airport.

The Authority has worked with bus operators on arrangements to assist the operation of bus services during the delivery of improvements to the highway network. In addition, the Authority has commenced the process of updating the North Tyneside Hackney Carriage and Private Hire Licensing Policy earlier than previously indicated, to ensure that it continues to reflect emerging Government policy and legislation.

Improvements to cycling infrastructure have been delivered as part of the highway investment programme and the 'tube map' of Strategic Cycle Routes which forms part of the adopted Cycling Strategy helps to ensure that future developments will include high quality cycling provision.

- **Principle 4 – Enable smart choices for all; help people, businesses and visitors find out how to get to where they need to**

Schools remain an opportunity to secure increased travel behaviour change and support the national trend to increased use of alternatives to the private car by younger generations. The Authority recently worked with Sustrans to run an event under the national "School Streets" branding where the street outside a school was reserved for cycling and walking: this was well received by school pupils and the local community and has sparked interest from many other schools in the borough to do the same. Our ongoing 'Go Smarter' programme promotes the use of sustainable and active transport in schools and is achieving a shift away from car use of up to 15%, which helps to support air quality and health objectives.

- **Principle 5 – Manage demand; on transport networks and assets and address current and future transport challenges**

Over the past 18 months the Authority has been working with neighbouring authorities to address challenges around air quality on several key roads in the region. The options arising from this work have been subject to a public consultation, scheduled to close on 17 May 2019. Both of the options being considered would involve applying a charge to certain cars, buses, taxis, and/or freight vehicles for driving on certain roads in Newcastle. As numerous trips are made in both directions between North Tyneside and Newcastle it remains important for the Authority to encourage the use of more sustainable modes of transport, which can substitute for car journeys and assist in meeting air quality and health objectives.

North Tyneside is the only local authority in the region to operate a permit system for streetworks carried out by utilities: this is helping the Authority to proactively manage works on the highway network generally, and particularly to restrict non-emergency utility

works on affected sections of the network when construction work is being carried out for major schemes.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may note the content of the Transport Strategy Annual Information Report for 2018-19.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

No alternative options have been outlined as no further direct decisions by Cabinet are sought in relation to the Transport Strategy Annual Information Report for 2018/19.

1.8 Appendices:

Appendix 1 – Transport Strategy Annual Information Report

Appendix 2 – Transport Strategy Data Factsheet

1.9 Contact officers:

Colin MacDonald, Senior Manager Technical and Regulatory Services, 0191 643 6620

Nicholas Bryan, Highway Network Manager, 0191 643 6622

Andrew Flynn, Integrated Transport Manager, 0191 643 6083

John Cram, Integrated Transport Officer, 0191 643 6122

Cathy Davison, Principal Accountant Investment (Capital) and Revenue, 0191 643 5727

1.10 Background information:

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

- (1) [North Tyneside Transport Strategy](#) (approved by Cabinet on 8 May 2017)
- (2) [Tyne and Wear third Local Transport Plan \(LTP3\)](#)
- (3) [North East Transport Manifesto](#)
- (4) [Supplementary Planning Document LDD12 – Transport and Highways](#)
- (5) [North Tyneside Travel Safety Strategy](#)
- (6) [North Tyneside Cycling Strategy](#)
- (7) [North Tyneside Parking Strategy](#)
- (8) [North Tyneside Highway Asset Management Plan \(HAMP\)](#)
- (9) [North Tyneside Network Management Plan](#)

- (10) [North Tyneside Joint Health and Wellbeing Strategy 2013-2023](#)
- (11) [Cabinet report 25 February 2019](#) 'Air Quality Feasibility Study Outline Business Case'
- (12) [Cabinet report 1 April 2019](#) 'Review of the North Tyneside Hackney Carriage and Private Hire Licensing Policy'

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial and resource implications directly arising from this report. This report provides the Annual Information Report relating to the North Tyneside Transport Strategy.

It is envisaged that all actions within the Transport Strategy itself can be delivered within existing budgets (the Local Transport Plan capital budget and Technical Services Partnership managed budget) or using specific external grant funding, where applicable. Any expenditure which cannot be contained within existing budgets will be reported to Council / Cabinet, as appropriate for a decision before any expenditure is incurred or committed.

2.2 Legal

There are no legal implications arising directly from this report.

The Authority is responsible for undertaking a number of transport-related functions and statutory duties under relevant legislation. For example, under the Highways Act 1980 the Authority has a statutory duty to maintain the adopted highway network; under the Road Traffic Act 1988 it has a duty to promote road safety; the Traffic Management Act 2004 places a duty on the Authority to secure the expeditious movement of traffic (including walking and cycling); and under the Education Act 1996, to promote the use of sustainable travel and transport for access to education. These obligations are discharged via specific policies, plans and programmes which are approved by the relevant decision-making forum.

The statutory North East Joint Transport Committee (JTC) is a joint committee of the North of Tyne Combined Authority and the North East Combined Authority. The Authority works with the JTC on a range of transport-related matters.

By virtue of section 9D of the Local Government Act 2000 any function of the Authority is the responsibility of the Executive unless there is a contrary intention expressed in legislation. There is nothing in the Acts referred to in this section or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 that indicate that the Transport Strategy is not to be a matter for Cabinet.

2.3 Consultation/community engagement

There are no consultation or community engagement implications directly arising from this report.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

There are no equalities and diversity issues directly arising from this report. An Equality Impact Assessment was undertaken at the time of the approval of the Transport Strategy.

2.6 Risk management

There are no risk management implications arising directly from this report. Strategic and operational risks associated with transport matters are assessed via the established corporate process.

2.7 Crime and disorder

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

2.8 Environment and sustainability

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

PART 3 - SIGN OFF

- Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy and Customer Service

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North Tyneside Transport Strategy Annual Information Report 2018/19



North Tyneside

Transport Strategy Annual Information Report 2018/19

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1. Introduction

The North Tyneside Transport Strategy was adopted by Cabinet on 8 May 2017 and sets out the Authority's vision for transport in the borough. It seeks to ensure that "North Tyneside will have a safe, easy to use, healthy, affordable, accessible and integrated travel and transport infrastructure that works for residents, businesses and visitors effectively and efficiently". It sets out five principles which are key to achieving this. In order to provide regular information about transport in North Tyneside the Transport Strategy contains a commitment to provide an annual information report to Cabinet.

Strategic policies that feed into the Transport Strategy are the:

- Our North Tyneside Plan 2018 - 2020;
- Local Plan 2017 - 2032;
- Health and Wellbeing Strategy 2013 - 2023; and
- NECA Transport Manifesto and Plan.

The Authority's policies and strategies specific to transport matters, which are aligned with the Transport Strategy, are the:

- Local Development Document LDD12 – Transport and Highways;
- North Tyneside Cycling Strategy;
- North Tyneside Travel Safety Strategy;
- North Tyneside Parking Strategy;
- North Tyneside Highway Asset Management Plan (HAMP); and
- North Tyneside Network Management Plan.

2. The Transport Strategy Annual Information Report

The purpose of the annual information report is to demonstrate progress against delivery of the Transport Strategy. Following adoption of the Network Management Plan in October 2018, all supporting policies and strategies have now been refreshed and updated, with the exception of the North Tyneside Hackney Carriage and Private Hire Licensing Policy, which is scheduled to be updated in 2019/20. This ensures the Authority's policies and strategies which are specific to transport are aligned with the Transport Strategy. A summary of the changes to these policies is provided below:-

North Tyneside Local Development Document 12 (LDD12) Supplementary Planning Document (SDP) - adopted May 2017

The revised document sets out in detail the policies and procedures adopted by the Authority with regards to the traffic and transport impacts of new development. The document has been re-focussed on the need to ensure sustainability in all new development and improved connectivity to local centres, schools and employment sites through new and enhanced infrastructure.

The document supports the housing and jobs growth requirements of the Local Plan whilst challenging development to; limit car based travel to 50% of trips, support an increase in public transport to 25% of trips, and sets a minimum target of 10% for walking and cycling trips.

The Travel Plan requirements for new development have been made more rigorous to encourage developers to deliver on the robust targets outlined above and ensure the opportunity for sustainability travel is maximised from the outset.

The revised LDD12 was adopted by Cabinet in May 2017 and directly supports all of the principles set out in the Transport Strategy.

North Tyneside Parking Strategy – adopted February 2018

On average, 96% of the lifetime of a car is spent parked and parking management is an ongoing challenge. The revised strategy enabled the Authority to review charging levels with a consistent charge rate now applicable along the entire foreshore area with the added flexibility to pay for an all-day ticket that is transferrable for use along the coast.

The North Tyneside Parking Strategy also sets out a transparent and fair assessment procedure for considering requests for restrictions and permits. The new procedure aims to reduce the assessment time and allow prompt decisions to be taken with clear next steps shared with an applicant.

Parking forms an integral part of the Authority's transport strategy for the borough. It is essential that parking controls are transparent and consistently applied. This will become even more important as the regeneration of the borough brings new challenges and opportunities.

The new approach applies a "Solutions Tool" to any request that identifies the source of the problem and seeks to resolve inconsiderate parking through engagement first before resorting to restriction measures. When inconsiderate parking is causing an acute road

safety or access restriction for services these requests will be expedited. If engagement is unsuccessful at reducing the scale of the problem then requests would still result in restrictions being considered.

In relation to the design and provision of new car parking relating to developments brought forward through the planning process, our approach is set out in LDD12. The revised Parking Strategy was adopted by Cabinet in February 2018 and directly supports the principles set out in the Transport Strategy.

Highway Asset Management Plan (HAMP) – adopted in September 2017

The local highway network is the responsibility of local highway authorities. The local highway network is the largest, most valuable and most visible infrastructure asset for which the Authority is responsible. Well maintained and accessible highway infrastructure is vital and fundamental to the economic, social and environmental wellbeing of the communities of North Tyneside. The aim to maintain a good highway network is complementary to the Our North Tyneside Council Plan and our commitment to making North Tyneside a great place to live, work and visit.

Resident surveys and other feedback show that a well-maintained highway network is a high priority.

The HAMP sets out the Authority' strategic approach to highway and infrastructure maintenance. In order to provide regular information about the highway and infrastructure the HAMP contains a commitment to provide an annual information report to Cabinet. This report will be presented to Cabinet in October 2018 and will provide information on work undertaken within the last 12 months, future planned activities and other items of general interest.

The HAMP supports all of the principles set out in the Transport Strategy.

North Tyneside Cycling Strategy – adopted March 2018

Cycling is a healthy and sustainable way of making everyday journeys, which often replace motorised journeys, and supporting the demand for increased participation in cycling can boost the local economy, people's health and quality of life, helping to make North Tyneside a great place to live, work and visit.

The revised Strategy will support and encourage the growth of cycling in the borough, with a focus on securing further growth in everyday cycling, working in partnership to deliver projects which get more people cycling of all ages and in all areas. Wherever possible, improving the borough's infrastructure and information, delivering a programme of works which makes everyday cycling simple, safe direct and attractive and supports the growth in everyday cycling.

The Cycling Strategy is supported by our first Cycling Design Guide which provides design guidance to make sure that cycling is considered as part of all highway and regeneration projects and any new infrastructure is in line with best and emerging good practice.

The Cycling Strategy and supporting Design Guide were adopted by Cabinet in March 2018 and directly supports all of the principles set out in the Transport Strategy.

North Tyneside Travel Safety Strategy – adopted March 2018

The refreshed Travel Safety Strategy has broadened the previous road safety remit to consider the safety of all users of the highway including, pedestrians, cyclists, horse riders, motorists and public transport patrons (bus/metro/taxi). A key aim for both our Transport Strategy and the North Tyneside Local Plan is to provide a safer environment for road users and to continue to reduce the number of people injured on the transport network in North Tyneside.

This Strategy sets out how the Council intends to further improve road safety by reviewing and improving infrastructure, increasing awareness and education of road safety matters and working in partnership to address travel safety concerns on our transport network.

The Strategy makes a commitment to report on performance against key road safety casualty reduction targets and progress against the actions set within the strategy itself. The Travel Safety Strategy was adopted by Cabinet in March 2018 and directly supports the principles of the Transport Strategy.

North Tyneside Network Management Plan – adopted October 2018

The refreshed Network Management Plan sets out how the Authority intends to “manage the peaks” in highway operations using a corridor-based approach to manage demand on the network through better use of technology, promoting behavioural change and investing in infrastructure improvements when it is appropriate to do so.

The Plan focuses on 11 key routes identified that cater for the majority of journeys undertaken across the Borough. The corridor based approach will seek to deliver a comprehensive network of links between key origins and destinations for all modes of transport and support greater levels of investment, deliver wider local benefits, and increase the opportunity for securing developer contributions through the planning system.

The Authority will develop a service standard that each corridor should aim to operate at based on measurable attributes such as journey time reliability, level of delay, duration and scale of congestion relative to off-peak average journey times, public transport service level, cycling provision and number of cyclists.

Annex 4 of the Transport Strategy included a timescale for refreshing and updating supporting policies and strategies. Several of the strategies and policies have been recently updated as set out above and this timescale is being met. There are some policies and strategies to be updated in 2019/20 and 2020/21 and work has already commenced to review the North Tyneside Hackney Carriage and Private Hire Licensing Policy.

North Tyneside Hackney Carriage and Private Hire Licensing Policy – currently being reviewed

Hackney carriage and private hire vehicles play an important part in local transport. Local authorities are responsible for the licensing of hackney carriage and private hire vehicles in their areas and the aim of this process is to protect the public. The policy sets out how the Authority will protect consumers' interests; provide clarity for licensees with respect to the Authority's expectations and the decision-making process; promote safeguarding practices, which include child sexual exploitation awareness; and encourage high standards of service and competence in the hackney carriage and private hire trade.

Performance 2018/19

The five principles of the Transport Strategy guide our actions and act as a framework for measuring performance. The annual information report summarises our performance against each of the principles below:

- Principle 1 - Improve safety, health and well-being outcomes and sustainability; in relation to people, communities and the environment;
- Principle 2 - Support economic growth; through effective movement for people, businesses and goods and to support the regional aim of "more and better jobs";
- Principle 3 - Improve connectivity; with all parts of the borough, the region, the rest of the country and the world;
- Principle 4 - Enable smart choices for all; help people, businesses and visitors find out how to get to where they need to; and
- Principle 5 - Manage demand; on transport networks and assets and address current and future transport challenges.

A "Transport Strategy Data Factsheet" summarising the key performance data for 2018/19 has also been produced and is included in Appendix A to this report.

3. Principle 1 - Improve safety, health and well-being outcomes and sustainability; in relation to people, communities and the environment

3.1 Road Collisions

As shown in the Collisions by Year and Severity 2014-2018 graph included in the Data Factsheet in Appendix A, there continues to be a steady decline in the number of collisions occurring on the North Tyneside Highway Network.

The figures for North Tyneside, like those for all other local authorities in the region, have been affected by the change in Police reporting methods which took place in 2016. This has resulted in a change in the proportions of Serious and Slight collisions. The change in reporting has resulted in an increased number of collisions being interpreted as Serious, e.g. where casualties are detained in hospital or suffer from a fracture, concussion or burn. Serious collisions are reported within the category of KSI (those in which one or more individual is killed or seriously injured).

The standard practice is to record an authority's performance based on a rolling 3 year average, which gives a clearer picture of the underlying trend despite possible annual variation in the data.

For the three types of collision recorded:

- Collisions in which one or more individual is killed or seriously injured (KSI) – following the change in Police reporting of Serious collisions described above, the 3-year average figure for KSI for 2016-18 was 63. For comparison, the baseline average figure for 2005-09 was also 63 (note that this was before the change in Police reporting).
- There was a decrease of around 30% in collisions in which a child is killed or seriously injured (Child KSI) compared with the baseline – over the period 2016-18 there was an annual average of 9 such collisions, compared with an annual average of 13 during the baseline years 2005-09.
- Collisions classified as Slight – the 3-year average figure for 2016-18 was 310, which is 48% lower than the 2005-09 baseline average figure of 603.

During 2018, 252 collisions were recorded on roads in North Tyneside (including the A1 and A19, which are managed by Highways England, as well as roads managed by the Authority). These collisions resulted in 285 casualties, of whom 62 were either killed or seriously injured (KSI). This figure included twelve child KSIs. The collisions include 58 pedestrian casualties and 55 pedal cyclist casualties.

The positive outcomes of the analysis are that the total number of collisions on the network continues to fall with a 31% reduction compared to the previous 3 year rolling average (2015-17). The number of collisions on the network has now halved since 2010.

Further detailed analysis will be undertaken to consider the following collision characteristics and the impacts investment in these areas has had on safety:

- Child pedestrian and cyclist casualties within 250 metres of a school
- Pedestrian collisions occurring within Town Centres
- Cyclist collisions occurring along Strategic Cycle Network routes

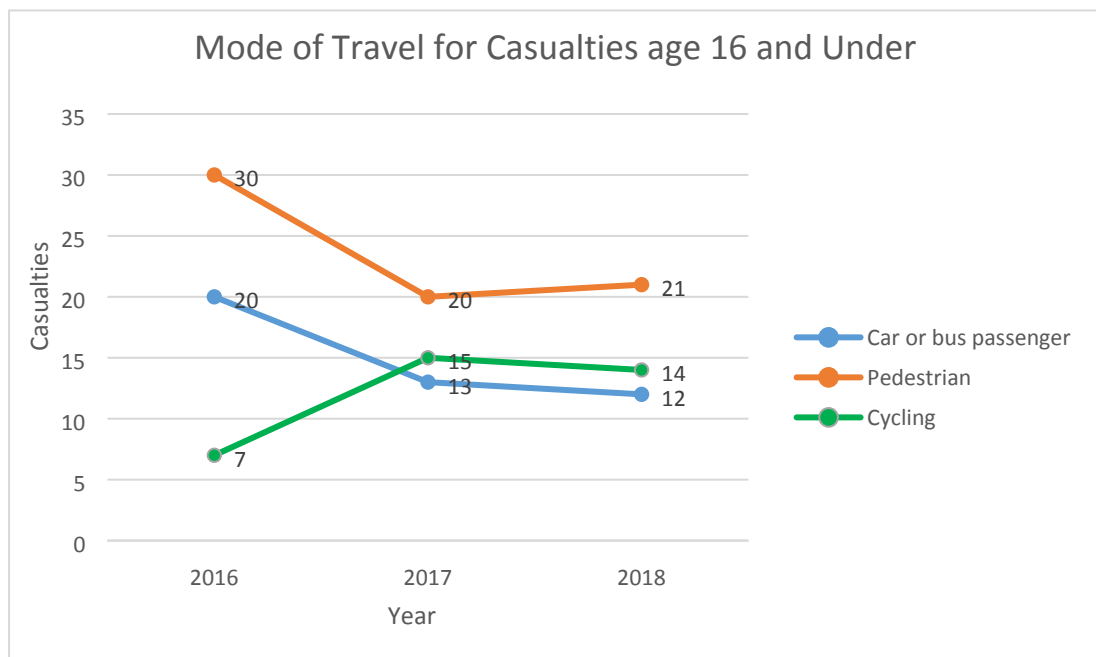
- Speed related collisions occurring within 20mph zones
- Pedestrian trips/falls on the highway
- We intend to carry out further detailed analysis on where these pedestrian related collisions occurred, with a particular focus on the borough's Town Centres but also proximity to formal crossing points.

Since the Travel Safety Strategy was adopted in March 2018 there has been limited time and data available post policy implementation to consider the effectiveness of investment to address these themes. However baseline collision data for 2017 and 2018 is included in the collected data and summarised below for reference.

3.1.1 Child casualties

The graph below shows how child casualties (16 and under) are distributed across different travel modes, specifically walking, cycling, and as a passenger (car or public transport). The data shows that approximately 74% of child casualties in 2018 are associated with walking and cycling trips.

Figure 3.1: Mode of Travel for Casualties age 16 and under



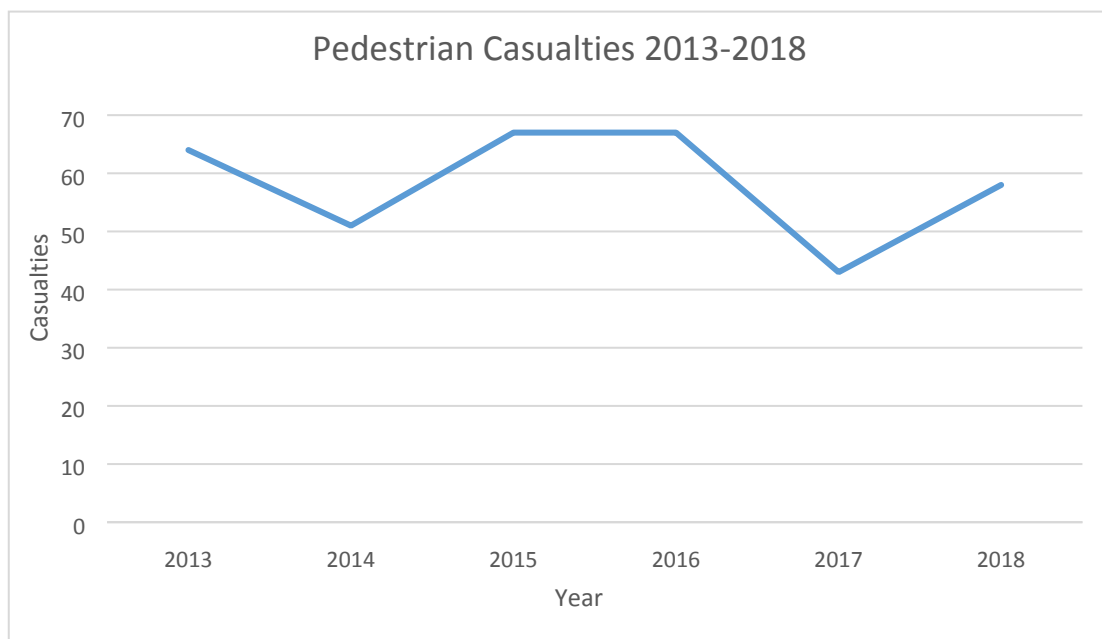
As part of the Go Smarter North Tyneside behavioural change programme we are investing in infrastructure along routes to schools to support more sustainable travel choices. Our Go Smarter work is coordinated with road safety training such that pupils are made aware of how to safely use the new and existing infrastructure and become confident in travelling by foot, scooter, or cycle. Improving the safety records outside and around schools is a key focus if parents and children are going to be encouraged to travel more sustainably. We will report on how this road safety record improves following investment and training at schools in future Annual Information Reports.

3.1.2 Pedestrian casualties

The graph below shows pedestrian casualties on the highway network in recent years. Pedestrians are the most vulnerable road users and are almost always injured when in a collision with a vehicle. The Authority continues to invest in upgrading and introducing

additional crossings across the network to support the safe interaction of pedestrians and highway traffic. In 2018, 20% of the recorded casualties were pedestrians. We intend to carry out further detailed analysis on where these pedestrian related collisions occurred, with a particular focus on the borough's Town Centres but also proximity to formal crossing points. This will provide a greater understanding of where the Authority should be investing in improved crossing provision but also support safe short walking journeys to our Town Centres.

Figure 3.2: Pedestrian Casualties



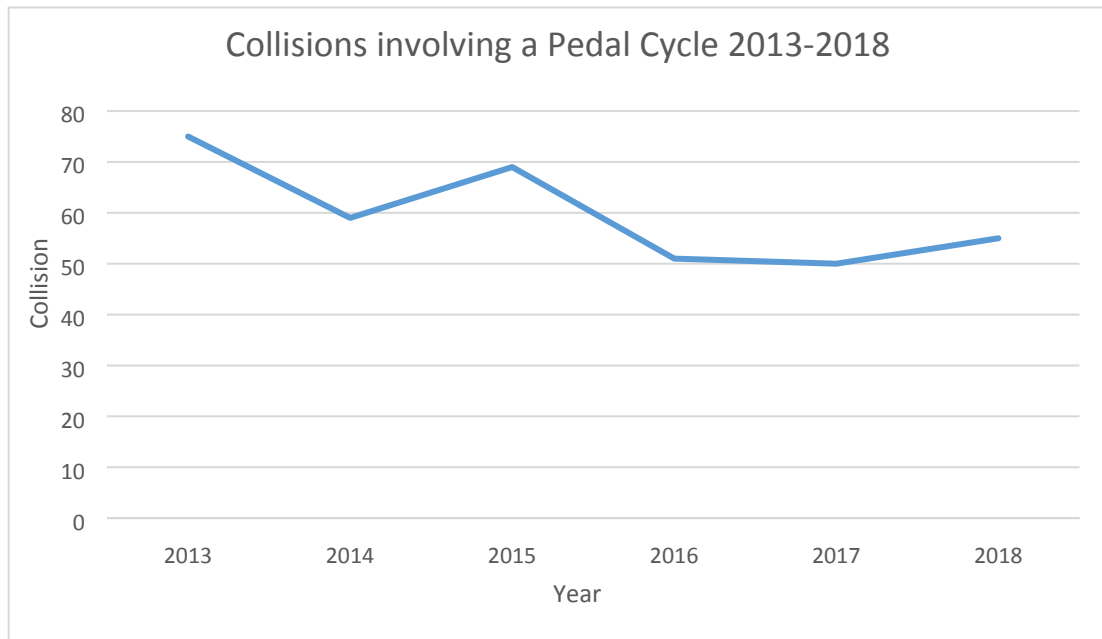
3.1.3 Collisions involving cycling

The graph below shows how the number of collisions involving cyclists reduced from 2015 to 2017 but showed an increase in 2018: note that this is against a background of increasing cycling. As identified in the North Tyneside Cycling Strategy we have ambitious growth targets for cycling of 7% per year and aim to develop a Network of Strategic Cycle Routes (“Tube Map”), see Appendix B. In support of this it is essential that safety for cyclists is improved as this has a major influence on residents’ decisions to cycle or not.

We propose to undertake further detailed analysis around reviewing the locations of these collisions to identify if they would benefit from the proposed investment in the Strategic Cycling Network. In 2018, 21% of collisions involved a cyclist. This remains a disproportionately high figure when considering the proportion of work trips undertaken by cycling was 3% according to the 2011 Census.

The Authority continues to deliver cycling training through the DfT Bikeability programme with many pupils receiving training each year. However more needs to be done to improve safety for cyclists and a major step towards this was taken in March 2018 when we adopted our first Cycling Design Guide. The Design Guide supports the delivery of appropriate infrastructure that supports increased cycling numbers and design considerations that improve safety.

Figure 3.3: Collisions involving a Pedal Cycle



3.1.4 Collisions by speed limit

The chart below splits all road traffic collisions that occurred in 2018 into the respective speed limits of the roads they occurred upon. The North Tyneside Travel Safety Strategy noted that information on speed-related collisions occurring in 20mph zones would be included in the Transport Strategy Annual Report.

The chart shows that only 6% of collisions occurred on a road subject to a 20mph limit, some of which will be outside of a residential 20mph zone. When considering that around three-quarters of the local highway network is subject to a 20mph limit this shows that the likelihood of a collision in a 20mph zone is substantially lower than anywhere else on the highway network.

This is not surprising however, as the risk of a collision occurring is more closely related to traffic volumes than traffic speeds. Traffic speeds do however have a significant bearing on the severity of a subsequent collision. The chart shows that most collisions occur on 30mph roads which only account for around 15% of the local highway network, but the vast majority of which are A and B roads where traffic volumes are substantially higher.

Figure 3.4: Breakdown of Collisions by Speed Limit 2018

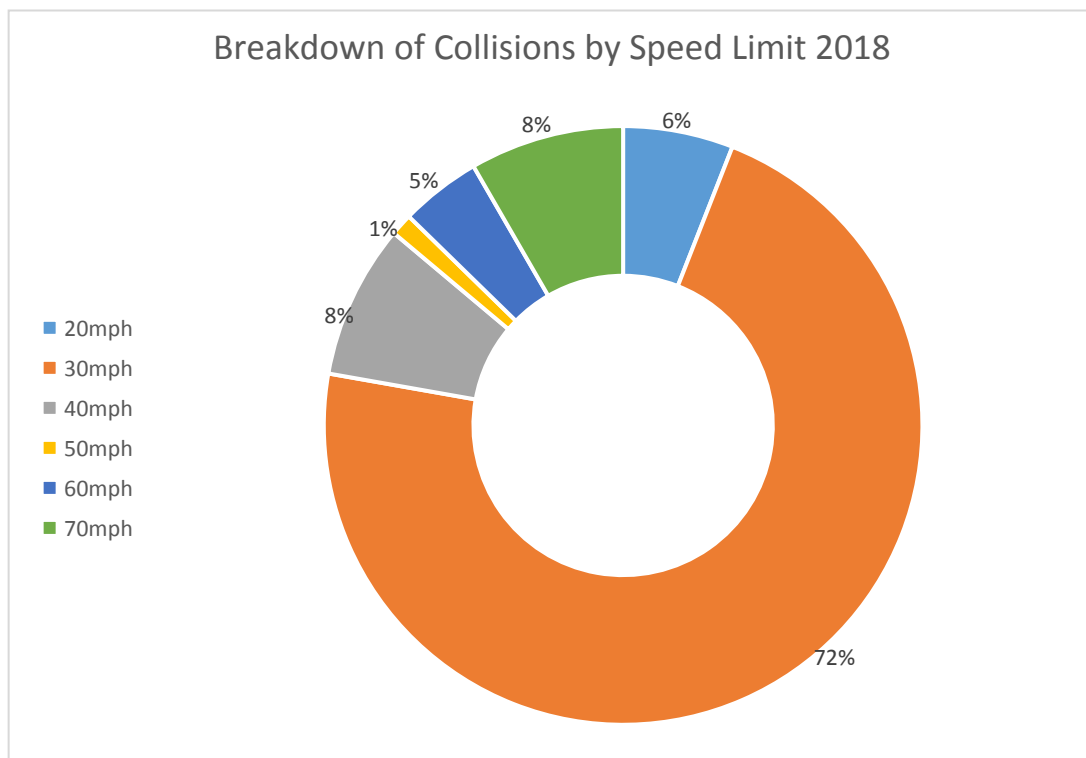
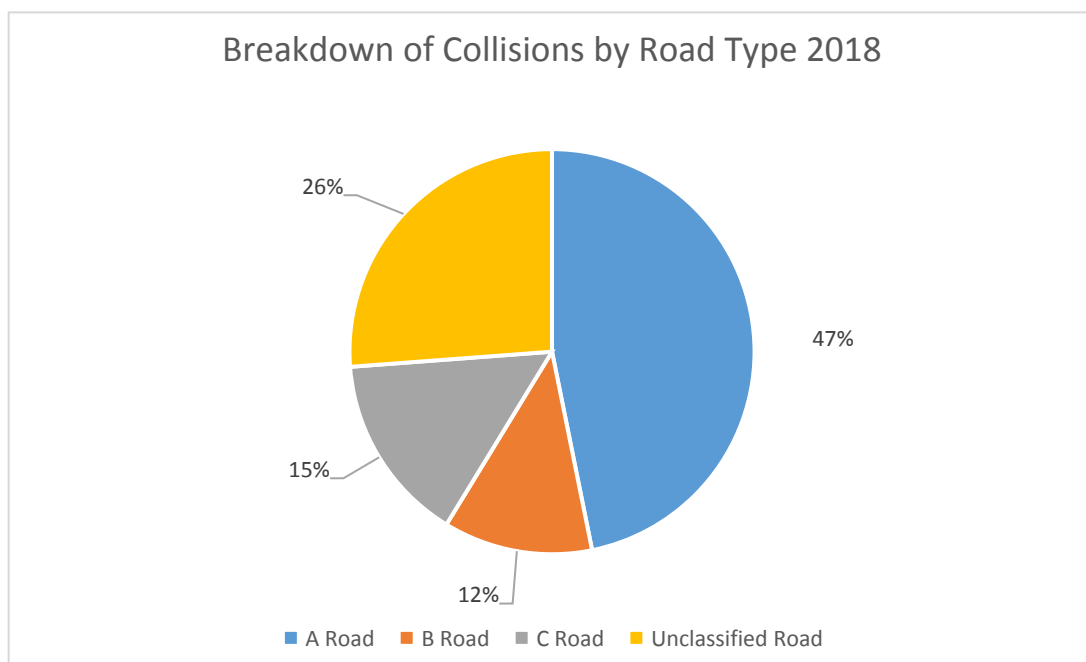


Figure 3.5: Breakdown of Collisions by Road Type 2018



The chart above shows the road classifications upon which collisions occurred in 2018. This is roughly proportionate to the volumes of traffic travelling along these types of road, however North Tyneside does have many unclassified roads that carry high traffic volumes such as Norham Road, The Silverlink North, Goathland Avenue, Northgate and Southgate in Killingworth.

The Authority is currently delivering a significant highway investment programme which started in 2014. The majority of the main highway congestion hot-spots and locations of

road safety concern have been subject to junction improvements by way of a major scheme. This has had a profound effect upon the latest collision cluster analysis which was previously dominated by these locations.

A cluster site is identified as a location where more than 5 collisions have occurred over a 3 year period within a 50m radius of a junction. The table below identifies the seven locations where these criteria were met and identifies what current and future schemes will seek to address them. This is a reduction on the nine cluster locations identified last year: four of the clusters remain from last year while three of the clusters are new. A plan of the Collision Cluster Locations is included in Appendix C.

Table 3.1: Cluster Locations within North Tyneside

Cluster Location	Cluster Rank	Slight	Serious	Fatal	Daily Traffic Volume (Est.)	Proposed Scheme or Measures
A19 Fisher Lane (Seaton Burn) roundabout	1	17	2	0	50,000	Road managed by Highways England. Potential for improvements to be considered as part of the national Road Investment Strategy.
A19 Silverlink roundabout	2	15	1	0	70,000	Road managed by Highways England. Current major scheme (completion 2019)
A186 Station Rd / Mullen Road	3	5	1	0	15,000	S.278 condition developer mitigation scheme (East Benton Rise)
A1058 Billy Mill junction	4	5	1	0	40,000	Completed Major Scheme. Collisions are from prior to major scheme completion
A193 High St W / West St junction	5	5	0	0	10,000	Potential future Local Transport Plan (LTP) project
Asda, Benton	6	3	2	0	20,000	S.278 condition developer mitigation scheme commenced, due for completion Summer 2019
A19 / A191 Holystone interchange	7	4	1	0	20,000	Two of five collisions associated with red light running. On-site mitigation has already been implemented.

In 2018/19 the Authority delivered nine small scale local road safety schemes aimed at addressing local sections of highway subject to excessive speeding and improving crossing provisions on busy roads.

One of the road safety improvement schemes was introduced on The Links in Whitley Bay. The scheme was developed in consultation with local residents following a fatal collision in May 2017, which involved excessive vehicle speeds. Prior to the fatal collision, the section of road had 10 collisions in a five-year period. The scheme involved:

- Extending the 30mph speed limit further north;
- Installing a raised table parallel crossing next to the Brierdene car park; and
- Reducing the carriageway width to one lane in both directions by introducing hatched markings along The Links and ‘build-outs’ at several locations.

3.1.5 Road safety and speed monitoring

Appendix D of this report includes a borough wide network plan that highlights those roads which are to be added to our existing annual Speed Monitoring Programme. These locations will therefore be included in our Driver Speed Feedback Sign rotation programme which includes 109 locations where speed monitoring will be undertaken quarterly. Supported by the survey data captured from the Feedback Sign programme the Authority undertakes a review of existing highways infrastructure at these identified locations and identifies additional mitigation measures that should be considered. The feedback signs themselves usually achieve a reduction of approximately 3-4mph bringing speeds into compliance with the signed speed limit and therefore provide a positive effect for local residents.

Table 3.2: Breakdown of locations for Driver Speed Feedback Sign rotation programme

Location type	Sites
School Site	41
Identified safety site	4
30mph + Zone	16
20mph Zone	48
Total	109

The Driver Speed Feedback Sign rotation programme is supplemented by permanent traffic speed survey sites across the wider network. North Tyneside is investing in additional new technology that can utilise existing highways signal equipment and passively record driver speeds, volumes, and vehicle classifications.

In addition to local on-site traffic survey data the Authority has utilised DfT Trafficmaster data which monitors up to 135,000 vehicles every 1 to 10 seconds whilst they travel across the whole of the UK road network. This dataset provides a vast volume of data against which our local observations can be used to validate actual speeds across the network every year.

Those locations where speeds have positively changed from the previous year will be identified and analysed to consider the impacts that mitigation measures such as the feedback signs have had. Those links where speeds have increased or are in excess of DfT recommended tolerances will be added to the Speed Monitoring Programme until such time as the roads return to compliance with the signed speed limit. Appendix D includes a borough wide network plan that highlights those roads which are to be added to our existing annual Speed Monitoring Programme, it also identifies which links are new (where speeding was not previously a concern) and which links have been removed from last year (where speeds are no longer a concern).

3.2 Supporting health and wellbeing and sustainability

3.2.1 Promoting sustainable, active and healthy travel

National standard 'Bikeability' cycling training is offered to schools throughout the borough and includes a range of types of training, from pedal-free 'balance bikes' for younger children, to standard Level 2 and advanced Level 3 training: in total, 1,978 training places were delivered in 2018/19. Road safety training is also offered to schools, with 7,192 training places delivered in 2018/19.

Go Smarter is a North Tyneside-specific programme (described in more detail in section 6) which promotes sustainable and active travel in schools, encouraging children to get to school on foot, by bike or scooter, by public transport or through 'park and stride' arrangements, and also encouraging staff to travel more sustainably. This has included car-free days in specific schools, when car travel has more than halved from an average of 44% to 20%.

Major employment sites in North Tyneside continue to promote sustainable and active travel to employees on site, e.g. both Cobalt and Quorum business parks run promotions to encourage the use of public transport and events such as 'Dr Bike' sessions to prompt employees to take up cycling or walking to work regularly: in the most recent survey at Cobalt, more than 15% of employees who lived within 2km walked to work.

3.2.2 Growth in cycling

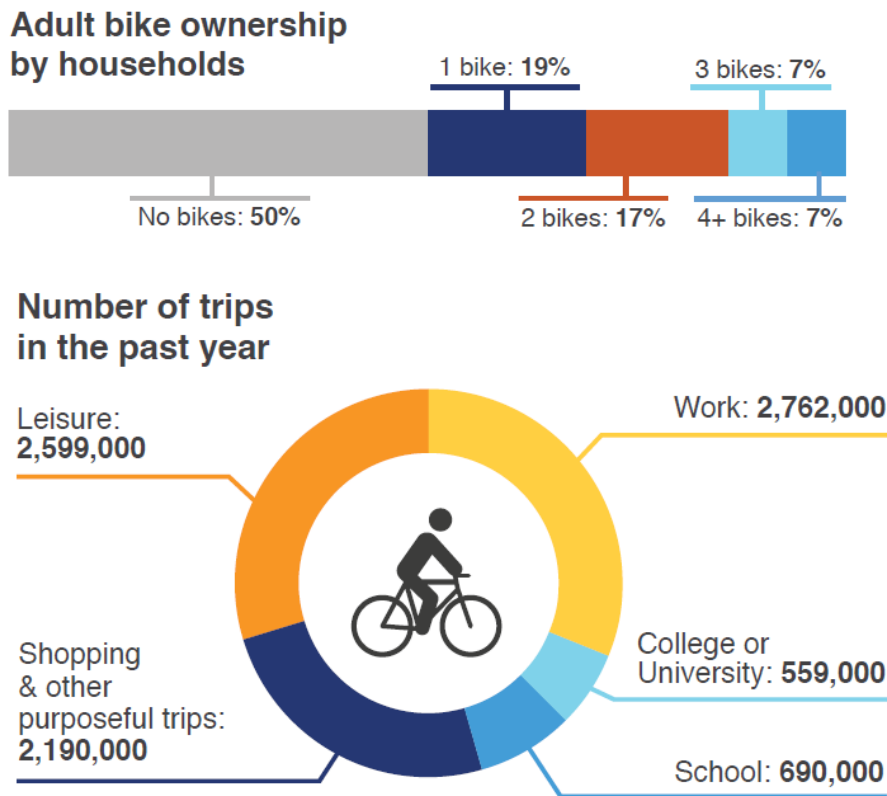
The North Tyneside Cycle Strategy was adopted in March 2018 and set a target to achieve an annual increase in cycling trips of 7%. North Tyneside currently has a limited amount of permanent cycle counting equipment across the network, but those we have are installed along the key strategic routes. The annual data from these counters indicates a 14% increase in cycling trips from 2017 to 2018. Included as part of the delivery of our programme of major schemes are additional cycle counters that will expand the coverage of our annual data collection and improve the accuracy of our growth figure.

Recent cycling surveys undertaken by Sustrans and the Freshfield Foundation research group in Newcastle as part of the Bike Life 2017 publication have highlighted many interesting facts and figures which are equally applicable to North Tyneside. The graphic below illustrates that 50% of households do not own a bike, making the first barrier to overcome to increase cycling access to a working bicycle.

The graphic also shows the split of journey purpose for those whom already cycle, with a close correlation between the level of leisure trips and those who commute by bicycle.

As leisure trips are typically over longer distances than the average commute distance in Tyne and Wear it is not surprising that those whom cycle for leisure often also commute by bicycle. This is an important consideration in particular for North Tyneside as some of our most popular cycling routes (NCN 10 and NCN 72) serve leisure users more so than commuters.

Figure 3.6: Newcastle Bike Life 2017 excerpts



North Tyneside are part of the Bike Life research study and will be included in the next publications in 2020 and 2022. We are currently in the process of gathering and providing data for the next publication.

4. Principle 2 - Support economic growth; through effective movement for people, businesses and goods and to support the regional aim of “more and better jobs”

4.1 Major schemes delivered in North Tyneside

The Authority’s highway investment programme has seen substantial junction and corridor improvements aimed at addressing longstanding road safety, congestion, and sustainable transport issues. The main objective of the majority of these schemes is to support economic growth at local employment sites and provide improved access to these locations by all transport modes.

The 11 Major Schemes that have been completed and/or are currently on site will be subject to robust post-scheme evaluation and monitoring. This monitoring will include comparisons of road safety, journey times, cycling usage, traffic volumes and speeds, and public transport journey time reliability. As this monitoring is undertaken future editions of this report will include updates from each major scheme.

Table 4.1: Major Scheme Delivery Programme in North Tyneside

Scheme	Construction start date	Construction end date	Cost
A188 Four Lane Ends Corridor	August 2014	August 2015	£3.6M
A1058 Coast Road – Phase 1 – Beach Road	January 2016	July 2016	£7.2M
A1058 Coast Road – Phase 2 – Billy Mill roundabout	July 2016	July 2017	
A1058 Coast Road – Phase 3 – Norham Road Bridge	May 2017	August 2018	
A1058 Coast Road Cycle Scheme	July 2016	July 2019 (est.)	£1.5M
A191 Tyne View Park	March 2016	June 2017	£1.7M
A1056 Weetslade Corridor	March 2016	August 2017	£4.8M
A19 Cobalt Corridor	July 2016	January 2018	£5.1M
Cobalt Cycle Scheme	January 2017	August 2017	£0.65M
North Bank of the Tyne	September 2017	March 2019	£4.7M
Silverlink junction improvement – Highways England	June 2016	May 2019 (est.)	£85M
A189 Corridor Scheme	September 2018	July 2019 (est. for phase 1)	£5.5M

4.2 Silverlink Interchange

Since June 2016 Highways England have been undertaking construction at the A19 Silverlink junction. The scheme is now nearing completion having opened to traffic in March 2019 with final works and de-mobilising due to be complete by the end of May 2019.

The purpose of the scheme is to reduce traffic congestion by increasing capacity at the junction of the A19 and the A1058 Coast Road therefore providing better journey time reliability. This has been achieved by lowering the A19 beneath the existing A1058

Coast Road and roundabout creating a triple decker junction. Cycling and pedestrian and cycling improvements have also been undertaken, with two new cycling-pedestrian bridges constructed over the A1058 slip roads on the line of the Coast Road Cycle Route, which is one of the Strategic Cycle Routes defined in the North Tyneside Cycling Strategy, and a new pedestrian/cycle route linking the A1058 with the Tyne Tunnel Trading Estate. These proposals will provide significant road safety improvements for all users while supporting economic growth in North Tyneside by general traffic journey time reductions between the Tyne Tunnel and A19 employment corridor.

4.3 The transport network

Public transport services (described in more detail in section 5) continue to serve a vital role in supporting economic development, as do initiatives to encourage the use of sustainable and active travel and the use of low emission technologies for passenger and freight vehicles. At a national level, against a background of increasing employment, there has been a decrease in peak hour commuting trips: reasons may include working from home, flexibility in working arrangements and increased levels of self-employment.

5. Principle 3 - Improve connectivity; with all parts of the borough, the region, the rest of the country and the world

5.1 Links to destinations and gateways

As part of our highway investment programme, in 2018/19 the Authority has delivered improvements to key junctions in the North Bank of the Tyne corridor, which has helped to improve access to the Port of Tyne international ferry terminal.

North Tyneside has 17 stations on the Metro network and 37% of North Tyneside is within 800m of a Metro station. Improvements delivered in 2018/19 as part of Nexus' Metro modernisation programme, including the replacement of Metro bridges at Burnside Road and Beach Road, have helped to ensure that Metro continues to provide a service offering frequent links to town centres and destinations across Tyne and Wear, and to gateways for longer-distance travel including Central Station and Newcastle Airport.

There were approximately 9.5 million km of bus journeys within North Tyneside in 2017/18 and as part of our highway investment programme the Authority has worked with bus operators on arrangements to assist the operation of bus services during the delivery of improvements to the highway network.

Taxis provide a flexible, 24-hour service: there are a total of 1,069 hackney carriages and private hire vehicles registered in North Tyneside, and the Authority has recently commenced a review of the North Tyneside Hackney Carriage and Private Hire Licensing Policy, to ensure that it continues to reflect emerging Government policy and legislation.

5.2 A connected network for cycling

North Tyneside adopted its first Cycling Design Guide in March 2018 which sets out minimum requirements for delivering safe, well designed cycling infrastructure that supports our aspirations for growth in cycling journeys. A major scheme in our investment programme is set to deliver a 2.5km high standard segregated cycle route along the A189 corridor between the Haddricks Mill junction in Newcastle and A188-A189 West Moor roundabout in North Tyneside. This will be the first major investment that applies the recently adopted design principles in the Cycle Design Guide.

Through our highway investment programme, the Authority has delivered approximately £5 million of cycling infrastructure to support growth in cycling. Across the major schemes in 2018/19, approximately 3.6km of new/upgraded/refreshed cycle path infrastructure has been delivered.

As part of the North Tyneside Cycling Strategy, a Strategic Cycle Network "Tube Map" has been produced, included in Appendix B, identifying the key corridors along which future investment should be focussed. This strategic network is expected to develop in conjunction with the development areas identified in the Local Plan but will also coordinate with strategic routes emerging from Newcastle City Council as part of their Cycle City Ambition Fund works.

6. Principle 4 - Enable smart choices for all; help people, businesses and visitors find out how to get to where they need to

In September 2017 the Authority re-launched the Go Smarter behavioural change programme with an initial focus on reducing car trips for journeys to schools. After a successful year delivering Phase 1 of the Go Smarter behavioural change programme, aimed at reducing car-based trips for school journeys, the programme entered Phase 2 in September 2018, still with an initial focus on the borough's Primary Schools. Secondary Schools are included within Phase 3 due to begin in September 2019. Employment sites and new residential developments are beginning to be added to the Go Smarter programme in conjunction with the Local Plan.

47 schools have now been offered support from the project, with 43 of those being engaged in the 2018/19 academic year to date.

For the Phase 1 schools, two years of travel data has now been collected, showing highly positive results. School-level comparisons between the rate of sustainable travel and the level of Go Smarter engagement shows a substantial correlation, indicating that the scheme is successfully affecting a shift to more sustainable modes of travel.

Travel behaviour change activity is delivered in schools and includes car-free days, site audits with pupils, assembly presentations and in-class sessions.

There is also evidence of success with newly-built infrastructure, which is designed in conjunction with schools and pupils in order to improve local road safety, remove severance issues, and enhance routes to schools. Sixteen schools received, or are due to receive, infrastructure developments during 2018/19 academic year, with many more identified and designed for the year after.

The Go Smarter programme aims to deliver significant reductions in car trips to schools with a target of 75% of trips being by sustainable travel modes by the end of the 2019/20 academic year. The latest surveys (Phase 1 and 2 schools) show that the current level is over 60% and, while that will continue to rise for those schools, the Phase 3 schools will also come into the equation, boosting that figure with their significantly higher rates (Phase 3 schools being the schools with the highest existing rates of sustainable travel).

To date in 2018/19 academic year, 7,581 pupil engagements have taken place through the Go Smarter programme, with many more receiving Bikeability cycle-proficiency training, road safety-related training and sustainable travel promotions. As the Go Smarter programme develops the aim is to engage with all schools on an annual basis, encouraging and supporting behavioural change, promoting and educating pupils in road safety, promoting healthy choices, and increasing awareness of the environmental impacts of travel choices.

In March 2019, Go Smarter worked in partnership with Sustrans to undertake a temporary road closure at Monkseaton Middle School as part of 'School Streets', a national initiative to trial temporary closures to motor vehicles of school streets so as to make it easier for pupils, staff and parents to choose active travel for their journey to school, while also improving safety, congestion and air quality. Monkseaton Middle School were one of 43 schools within the UK to close the street to motor vehicles outside the school gate on 25 March 2019, the only school in Tyne and Wear to take part. For this, Go Smarter worked collaboratively with Sustrans, the school and others to ensure the event was a success for all involved including children, teachers and parents.

7. Principle 5 - Manage demand; on transport networks and assets and address current and future transport challenges

7.1 Air Quality

On 27 July 2017 the Government issued a Direction to a number of local authorities across the country where there was predicted to be an exceedance of UK air quality thresholds. The Direction required these authorities to produce a feasibility study to identify an option which will deliver compliance with legal limits for nitrogen dioxide in their administrative area in the shortest possible time. Within North Tyneside the exceedance area is a short section of the A1058 Coast Road between the A186 Station Road and the City of Newcastle boundary. As traffic patterns across the North Tyneside Council, Newcastle City Council, and Gateshead Council areas are interlinked, the three authorities commenced work to prepare a joint Air Quality Feasibility Study covering their respective areas.

Since receiving the ministerial Direction, significant progress has been made on developing, and testing, measures that would help to improve air quality in the area. The three authorities have aimed to develop measures that seek to address exceedance locations, but to do so fairly and in a way that supports the local economy and improves public health, rather than focusing solely on certain roads, or certain groups of road users. This work has included a successful bid to the Department for Transport for funding to retrofit buses primarily travelling along the A1058 Coast Road. This funding has contributed to bringing North Tyneside into compliance within the Government's timescales.

An Outline Business Case detailing the options available to the local authorities to address the air quality exceedance in the shortest possible time has been prepared and submitted to Government. The options arising from this work are currently subject to public consultation until 17 May 2019. Both of the options being considered involve applying a charge to drivers, buses, taxis, and freight vehicles for driving on certain roads in Newcastle. Whilst there are no longer any exceedances forecast on North Tyneside roads there are more trips travelling between North Tyneside and Newcastle than any other part of the region. It is important that through our Transport Strategy we continue to support a shift away from short car trips onto more sustainable alternatives and help lower emissions associated with transport.

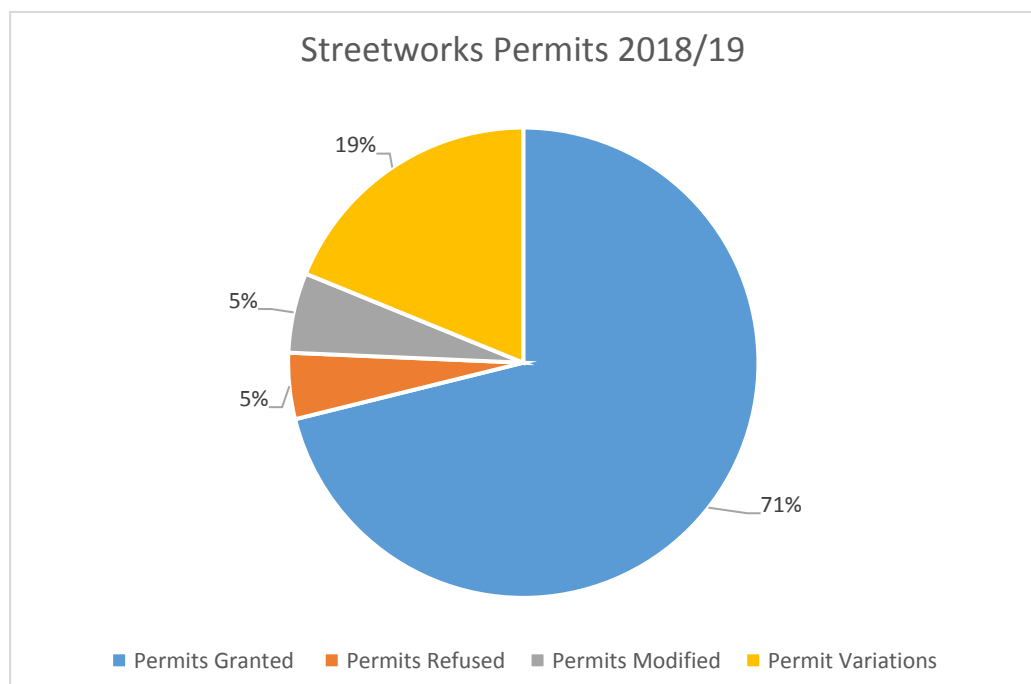
7.2 Managing streetworks

In support of effective management of the Highway Network, North Tyneside is the only local authority in the region to operate a Streetworks permitting system. This system provides greater control over when and how utility companies carry out work on the highway network. The Streetworks process requires utility companies to provide 3 months' advance notice of any major works and submit traffic management proposals to be considered. The North Tyneside Streetworks system allows the Authority to challenge the traffic management arrangements if they feel they cause significant delays on the network or if works in the vicinity are already underway. In recent years in North Tyneside there has been significant activity on the local highway network as part of the highway investment programme. During this period the Streetworks systems has proved invaluable as it has allowed the Council to restrict all non-emergency works proposed on routes directly or indirectly (diversionary) impacted by the major schemes underway at the time.

In early 2020 North Tyneside intends to introduce a Lane Rental Scheme, which is an initiative encouraged by the Department for Transport (DfT). The scheme is to focus on only the strategic routes within North Tyneside such as the A1058 Coast Road and will be a cost per day for the Streetworks Permit, instead of the current process which is a cost per permit which covers the full duration of the works. This is to encourage better planning and management of the works encouraging more works outside of peak periods or making greater use of evening or weekend working so that the highway is open to traffic at the busiest times.

The chart below shows that 29% (3,752) of the 12,999 permit requests received have been challenged or modified through the permitting process. The majority of these refusals are associated with identified conflicts in concurrent road works on the highway network. Those permit requests subject to modification or variation were associated with challenging and changing the traffic management proposals (avoiding the use of 3-way traffic signal control where possible), hours of operation (limiting works to off-peak hours only), and clarifications around specific works extents and locations.

Figure 7.1: Streetworks Permits 2018/19



7.3 Highway network management technology

To assist the Authority in managing the operation of the Highway Network more efficiently and improve the decisions we make on where to further invest in infrastructure, the Authority has identified areas where technology can support our network management. As key busy junctions on the highway network become increasingly congested at peak times there has been an increasing need implement traffic signal control. Traffic signal control allows competing traffic demands to be managed proportionately whilst also supporting improved crossing facilities for pedestrians and cyclists. It is therefore essential that traffic signals operate efficiently to ensure highway network users receive a consistent and reliable journey time during peak periods, and that delays are limited where possible.

To support this approach North Tyneside is upgrading all major signal controlled junctions across the 11 Network Management corridors to be connected to the regional UTMC (Urban Traffic Management & Control) control room. The junctions are also being provided with additional real-time traffic counter equipment that can monitor and analyse fluctuations in demand on each approach allowing timings to be further refined remotely by the UTMC team.

This technology further enhances existing operations such as UTC (Urban Traffic Control) corridor plans which remotely link and entire corridors of traffic signals to maximise throughput at peak times. In North Tyneside our first UTC corridor will be the A191 between Station Road (Forest Hall) and Four Lane Ends. The UTC system will improve the efficiency of this corridor by coordinating signal operations in response to differing peak period demands which in this location are tidal in the AM and PM peaks.

As part of a regional bid to the National Productivity Improvement Fund (NPIF) the Authority secured a substantial investment to upgrade and roll-out new traffic management technology. This includes the completion of 11 journey time corridors which will install ANPR (Automatic Number Plate Recognition) cameras at key locations allowing real-time journey time information to be gathered and shared with the public allow more informed decisions to be taken about when and which routes to travel across the borough along.

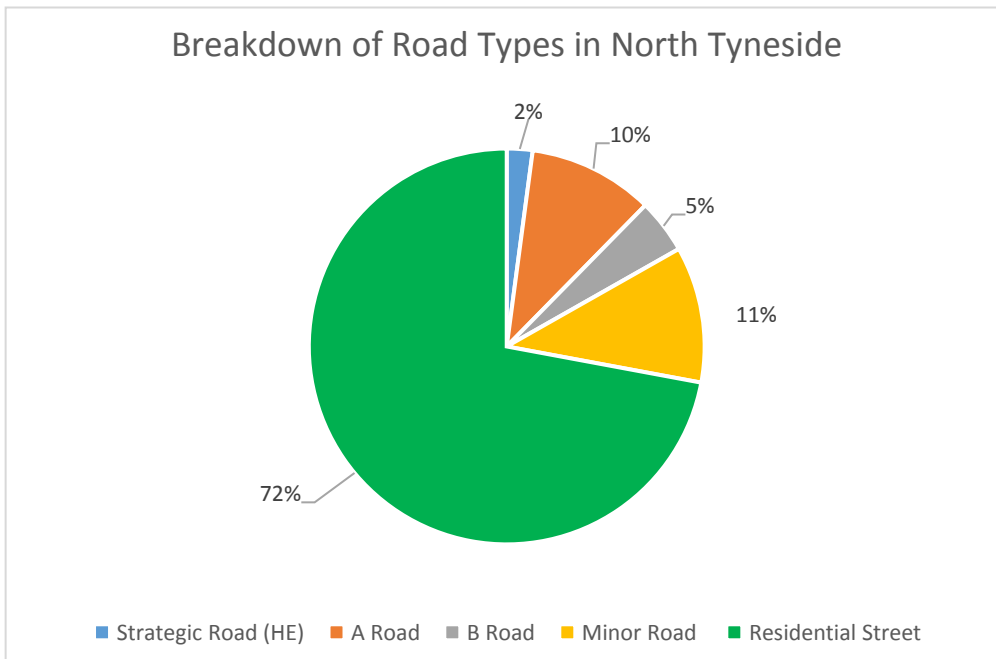
The ANPR data will also provide real-time incident monitoring capabilities allowing the regional UTMC control room to identify incidents and implement network recovery plans promptly to minimise delays and disruption caused. The data will also feed into delivering an aim of the Network Management Plan to develop a service standard for each of the 11 key corridors allowing the monitoring of journey times over time in response to traffic growth associated with our Local Plan.

Linked to this ANPR network will be several new VMS (Variable Message Signs) placed at strategic route decision making points around the highway network. These VMS displays will advise on current journey times being experienced along routes by different modes, advocate alternate routes if congestion is high, and report incidents that are likely to impact network operation.

7.4 Highway maintenance

In 2018/19 there was approximately 13.2km of carriageway resurfaced in North Tyneside. There were also 47 footway improvement schemes undertaken in 2018/19. The highway network incorporates roads of differing standard and class as shown in the graph below.

Figure 7.2: Breakdown of Road Types in North Tyneside



The North Tyneside Highway Asset Management Plan (HAMP) includes a commitment as Part 3 to provide an annual report on network performance in terms of maintenance and condition of assets. The annual HAMP report is submitted separately to Cabinet and therefore this report will not include further details of network performance in terms of maintenance and condition.

8. Summary of performance

Principle 1 - Improve safety, health and well-being outcomes and sustainability; in relation to people, communities and the environment

The number of road collisions in North Tyneside continues to show a decreasing trend. The number of collision cluster sites has also fallen from nine to seven, which provides an indication that the Authority's highway investment programme has helped to improve conditions at junctions where collisions were concentrated. The growth in cycling in North Tyneside is welcome, however in order to help address the number of collisions involving cyclists there is a continued need to invest in high standard cycling infrastructure, e.g. the major scheme currently under construction at A189 Killingworth Road, which includes a 2.5km protected cycleway. Equally, it remains important to participate in campaigns which promote and support road safety.

The annual data from cycle counters indicates growth in cycling trips ahead of our target, and the Authority is supporting increased participation in everyday cycling, e.g. by delivering Bikeability training in schools across the borough.

Principle 2 - Support economic growth; through effective movement for people, businesses and goods and to support the regional aim of "more and better jobs"

The recent substantial completion of the Highways England major project to convert A19-A1058 Silverlink junction to a fully grade separated interchange is already having positive results on the local road network, with adjacent routes to the A19 becoming less congested as traffic reverts back to this strategic route. When combined with future proposals for the Tyne Tunnel toll payment system under which more vehicles could pay the toll on a free-flow basis, the journey experience along the A19 within North Tyneside will be greatly improved, supporting our Local Plan aspirations along this corridor.

Our programme of investment has seen substantial improvements in road safety, the level of provision for sustainable travel, and application of advanced traffic control technology. Whilst it has not been possible to undertake the comprehensive post-scheme monitoring for many of the recent major schemes in time for this annual report, this will be carried out following the removal of the closure on A189 Killingworth Road in Newcastle.

One of the biggest challenges for North Tyneside is related to appealing to our non-working age population to consider when and how they travel. A 10% shift in behaviour onto sustainable alternatives or simply outside of peak times would result in large improvements to the network operation bringing with it improvements in local air quality as well as improved journey times for all road users. National trends are showing that commuting trips are continuing to reduce as a proportion of total employment and that those whom do still commute are doing so more sustainably than in recent years.

Principle 3 - Improve connectivity; with all parts of the borough, the region, the rest of the country and the world

Improvements to junctions in the North Bank of the Tyne corridor as part of the Authority's highway investment programme have helped to improve access to the Port of Tyne

international ferry terminal. The ongoing modernisation of the Metro network helps to ensure that Metro continues to serve both local journeys and gateways for longer-distance travel such as Central Station and Newcastle Airport.

The Authority has worked with bus operators on arrangements to assist the operation of bus services during the delivery of improvements to the highway network. In addition, the Authority has commenced the process of updating the North Tyneside Hackney Carriage and Private Hire Licensing Policy earlier than previously indicated, to ensure that it continues to reflect emerging Government policy and legislation.

Improvements to cycling infrastructure have been delivered as part of the highway investment programme and the 'tube map' of Strategic Cycle Routes which forms part of the adopted Cycling Strategy helps to ensure that future developments will include high quality cycling provision.

Principle 4 - Enable smart choices for all; help people, businesses and visitors find out how to get to where they need to

Schools remain an opportunity to secure increased travel behaviour change and support the national trend to increased use of alternatives to the private car by younger generations. The Authority recently worked with Sustrans to run an event under the national "School Streets" branding where the street outside a school was reserved for cycling and walking: this was well received by school pupils and the local community and has sparked interest from many other schools in the borough to do the same. Our ongoing 'GoSmarter' programme promotes the use of sustainable and active transport in schools and is achieving a shift away from car use of up to 15%, which helps to support air quality and health objectives.

Principle 5 - Manage demand; on transport networks and assets and address current and future transport challenges

Over the past 18 months the Authority has been working with neighbouring authorities to address challenges around air quality on several key roads in the region. The options arising from this work have been subject to a public consultation, scheduled to close on 17 May 2019. Both of the options being considered would involve applying a charge to certain cars, buses, taxis, and/or freight vehicles for driving on certain roads in Newcastle. As numerous trips are made in both directions between North Tyneside and Newcastle it remains important for the Authority to encourage the use of more sustainable modes of transport, which can substitute for car journeys and assist in meeting air quality and health objectives.

North Tyneside is the only local authority in the region to operate a permit system for streetworks carried out by utilities: this is helping the Authority to proactively manage works on the highway network generally, and particularly to restrict non-emergency utility works on affected sections of the network when construction work is being carried out for major schemes.

Please see attached Appendices to report:

Appendix A – Transport Strategy Data Factsheet

Appendix B – Network of Strategic Cycle Routes (“Tube Map”)

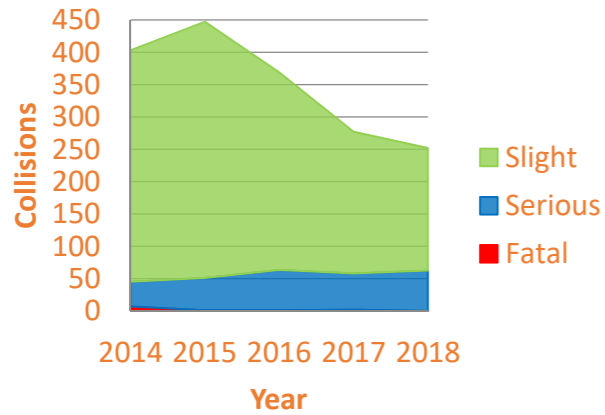
Appendix C – 2018 Collision Cluster Locations

Appendix D – 2018 Additional Speed Monitoring Programme Sites

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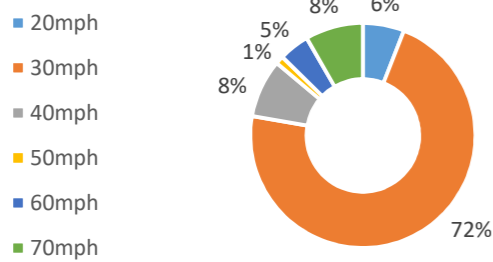
Road Safety

Collisions by Year and Severity 2014 to 2018

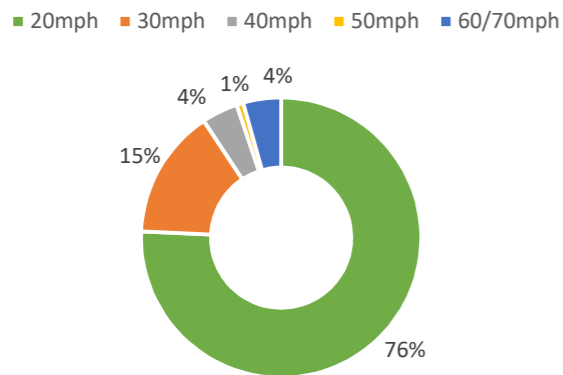


9% reduction in total collisions 2017 to 2018

Proportion of Collisions by Speed Limit 2018



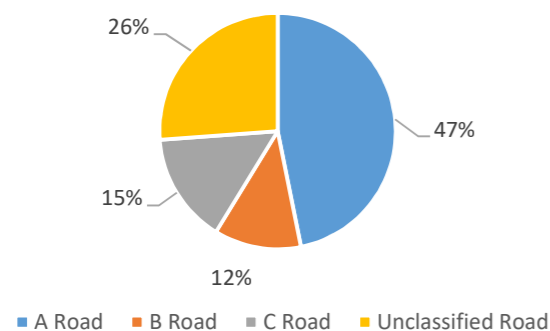
Speed Limits in North Tyneside



There are 7 Cluster Sites in North Tyneside within the 3 year period 2016 - 2018

A Cluster Site is defined by at least 5 Collisions within a 50m radius

Collisions by Road Type 2018



Transport Strategy Data Factsheet May 2018

Sustainable Travel



Go Smarter delivered to 43 schools, with 16 schools having received or due to receive walking and cycling infrastructure in the 2018/19 academic year.

Latest surveys show over 60% of trips are by sustainable modes, the future target is 75% of trips.

Training Engaged with:

- 7,581 school pupils through Go Smarter;
- 1,978 received Bikeability Training; and
- 7,192 received Road Safety Training.



Cycling

8 Schemes delivering approx. 5.1km new / upgraded infrastructure. Plus 5 Access Improvement Schemes.

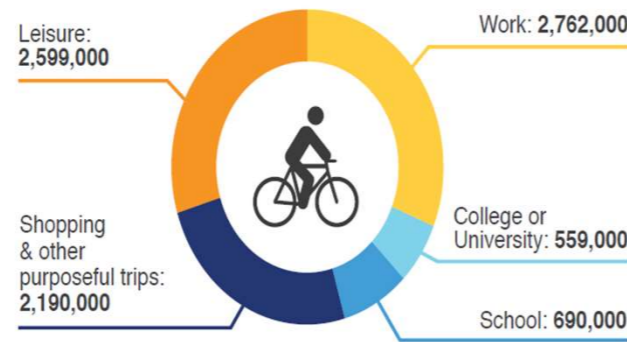
Recorded cycle growth is 14% from 2017 to 2018

Cycle figures taken from fixed counter sites within North Tyneside

NTC Adopted First Cycling Design Guide in March 2018

Sustrans Regional Cycling Behaviour Survey:

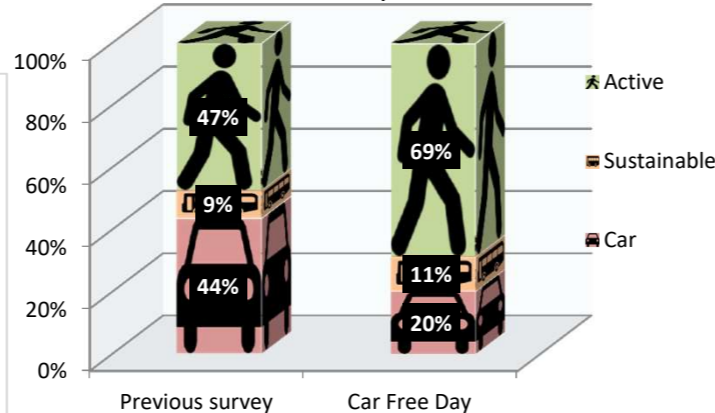
Number of trips in the past year



Adult bike ownership by households



Effect of Car-free day on travel mode

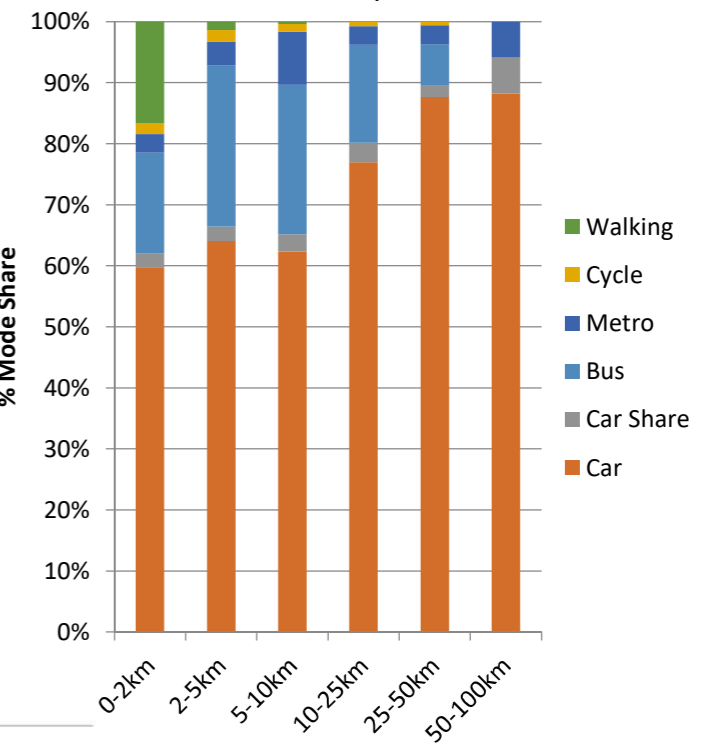


Comparison of aggregate travel modes for all schools which held car-free days in 2018/19. Active is Walk, Cycle or Scooter. Other Sustainable is public transport, car share or Park & Stride.

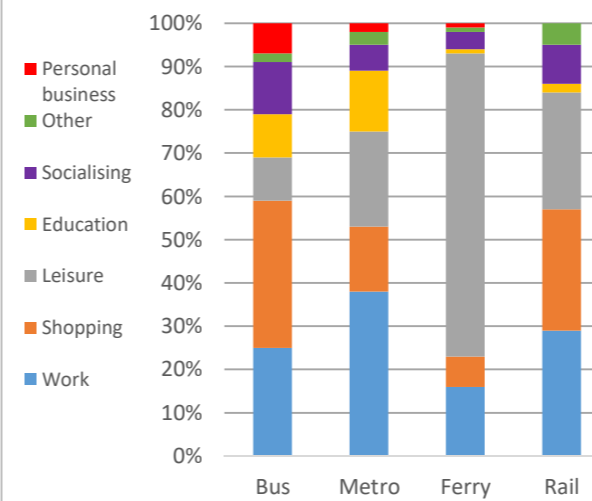


North Tyneside Travel Trends

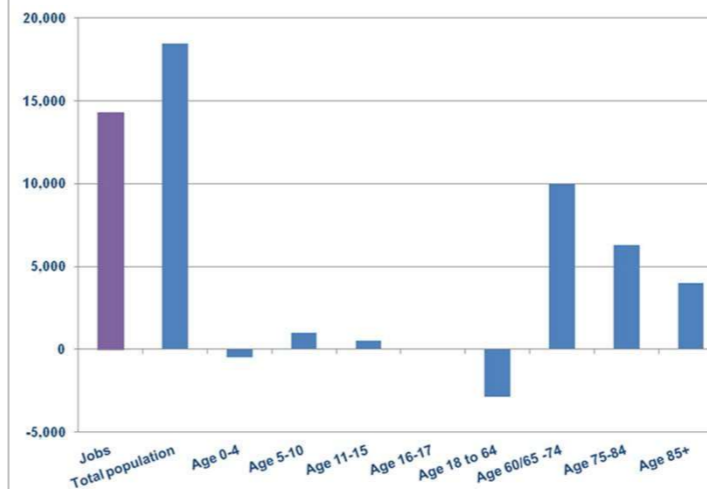
Cobalt Business Park - Main Method of Travel to Work by Distance



Journey Purpose in Tyne & Wear



Predicted growth in North Tyneside – 2011 to 2032 (NTC Local Plan)



“Whilst there continues to be a steady increase in the level of employment nationally, there has been a decline in commuting trips over the same period equating to a 15% reduction. Reasons for this include, working from home, flexibility in working arrangements both in working hours and location and increased levels of self employment.”

Investment

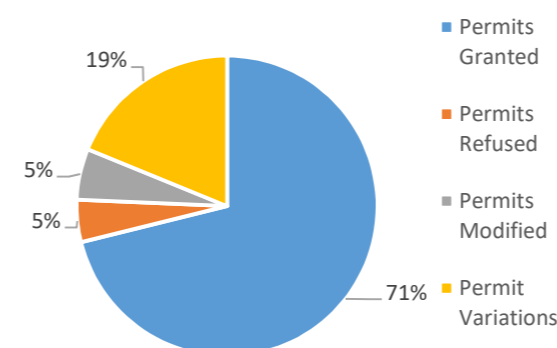
11 Major Schemes delivered up to end 2018 with 3 currently under construction including the Highways England A19 Silverlink Interchange.

In 2018/19 there were approx. 13.2km of Highways resurfaced out of a network of c.800km.

In 2018/19 there were 30 parking improvement schemes delivered (e.g. double yellow lines etc.).

Network Management

Streetworks Permits 2018/19



37% of North Tyneside is within 800m of a Metro Station

Approx. 9.5 million km of bus journeys within North Tyneside in 2017/18

There are 1,069 Taxis (hackney carriages and private hire vehicles) Registered in North Tyneside

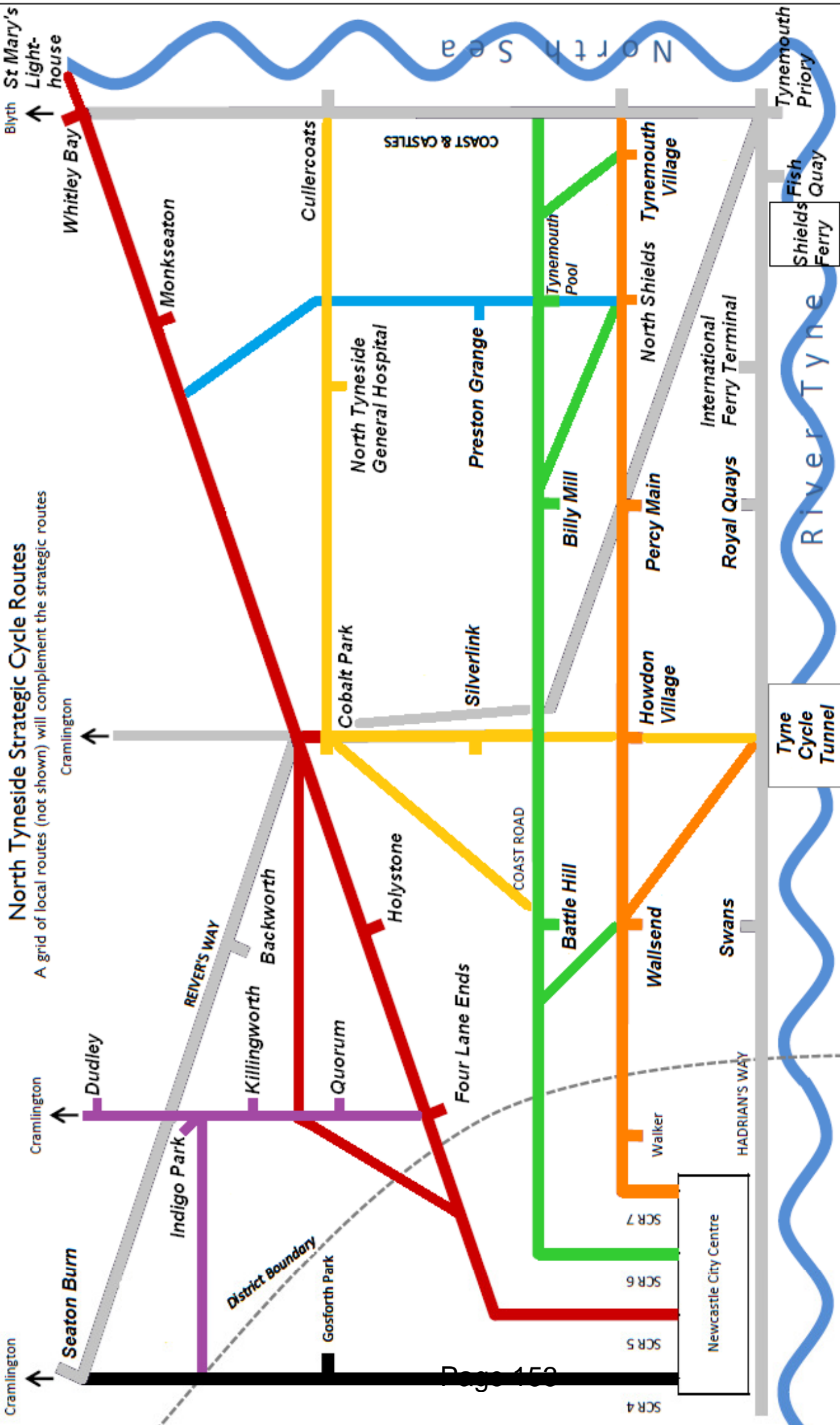
Approx. 109 locations covered by driver speed feedback sign programme.

3 journey time monitoring corridors with a further 8 to follow.

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North Tyneside Strategic Cycle Routes

A grid of local routes (not shown) will complement the strategic routes



How will we deliver this?

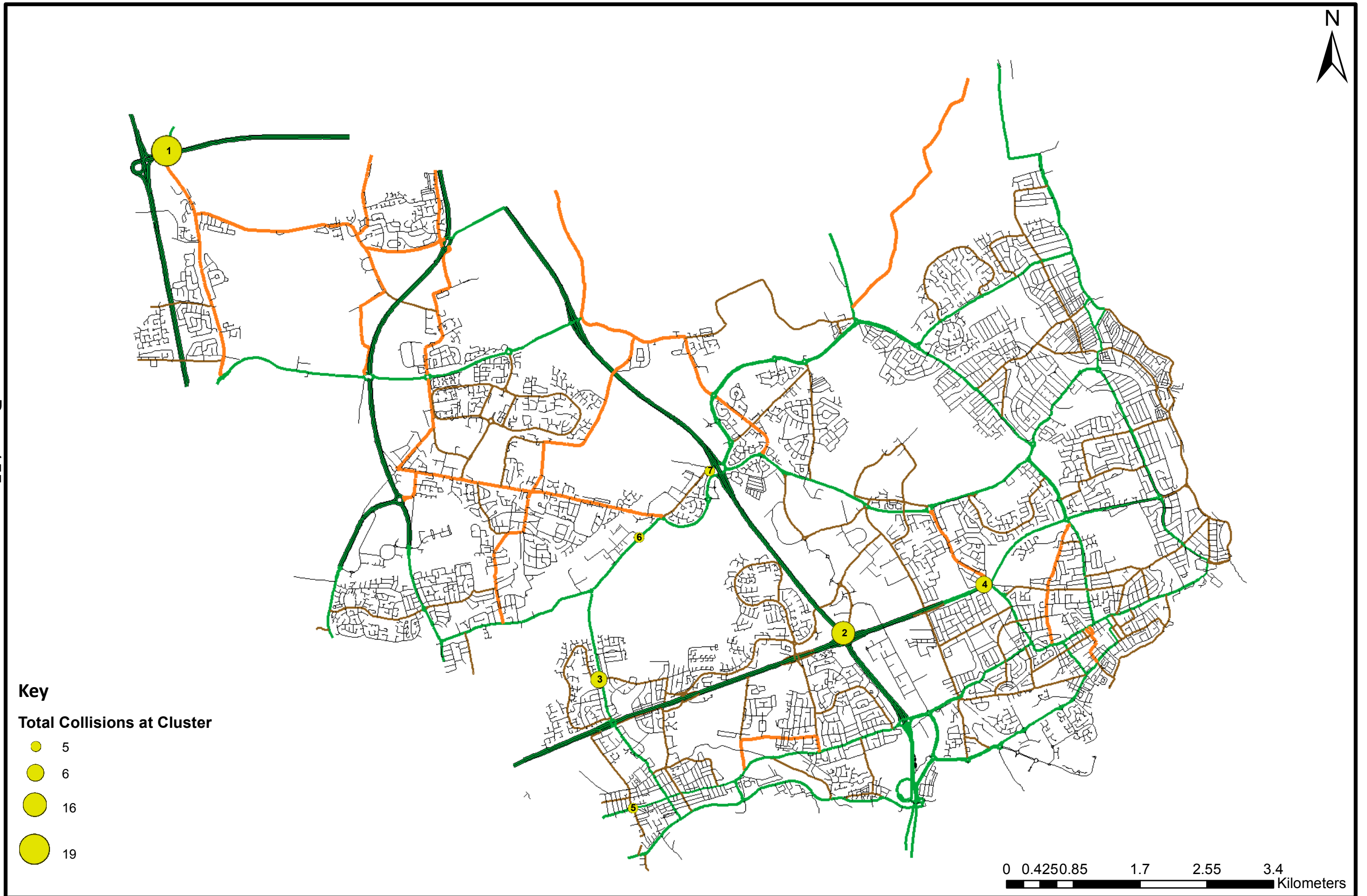
- o Bidding for external funding for sections of route
- o Through the planning process, as new developments are brought forward
- o Through the general programme of highway schemes and regeneration schemes

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Collision Cluster Locations

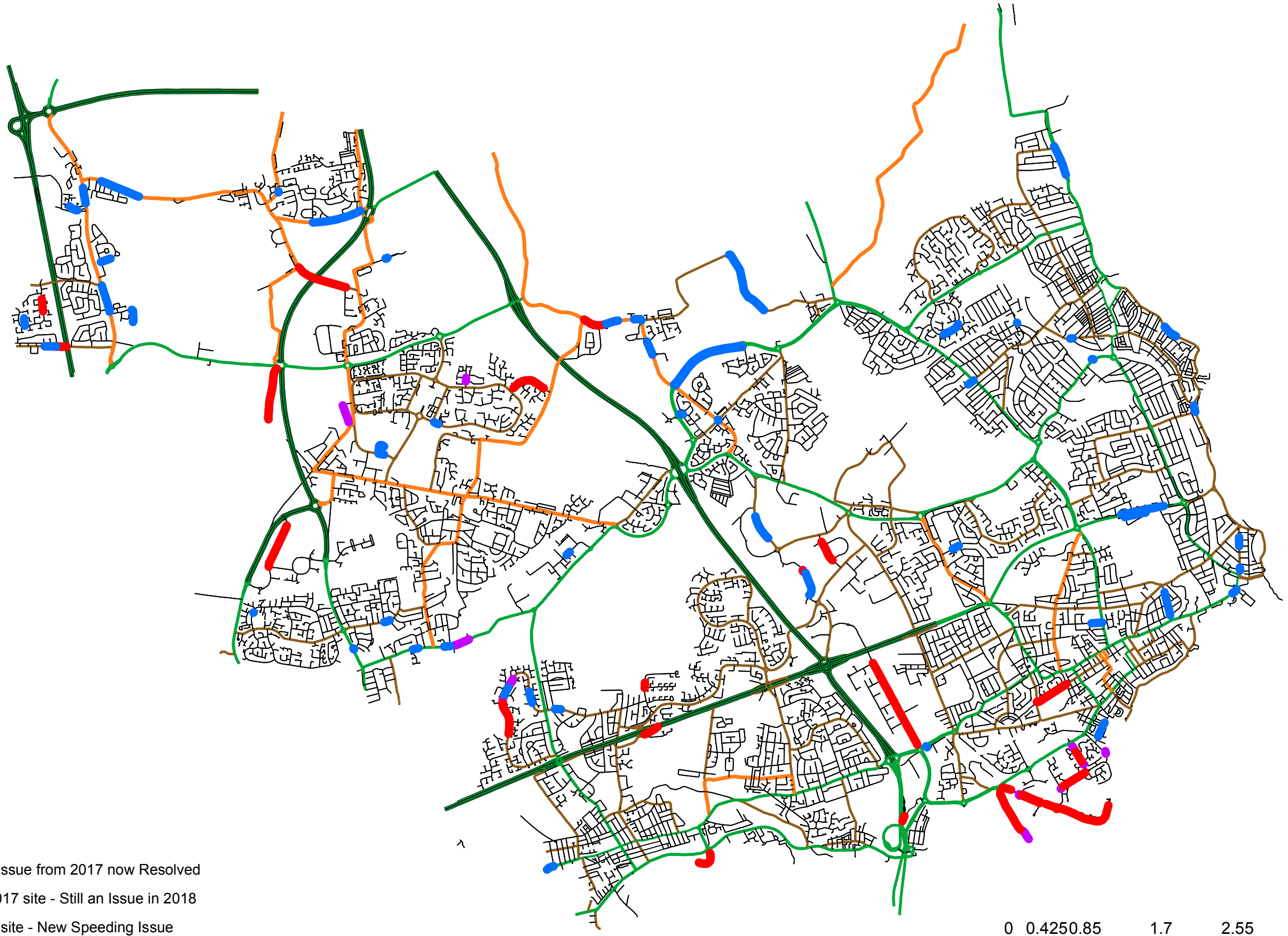
April 2019

Page 155

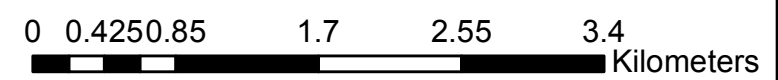


Collision Cluster Sites are for period 2016 to 2018. Clusters are ranked from 1 (more collisions) to 7 (less collisions).

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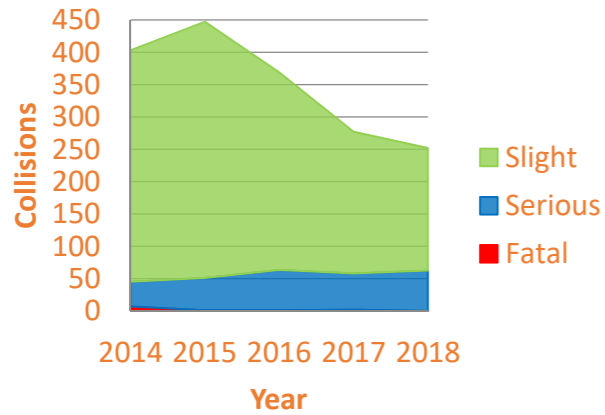
- Key**
- Speeding Issue from 2017 now Resolved
 - Existing 2017 site - Still an Issue in 2018
 - New 2018 site - New Speeding Issue



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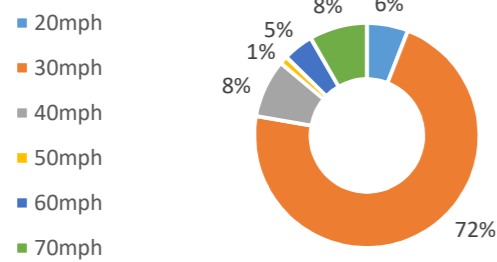
Road Safety

Collisions by Year and Severity 2014 to 2018

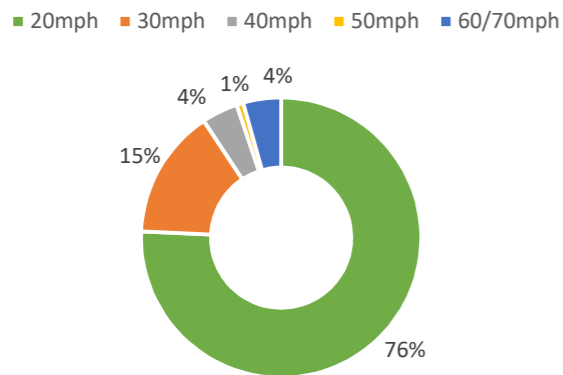


9% reduction in total collisions 2017 to 2018

Proportion of Collisions by Speed Limit 2018



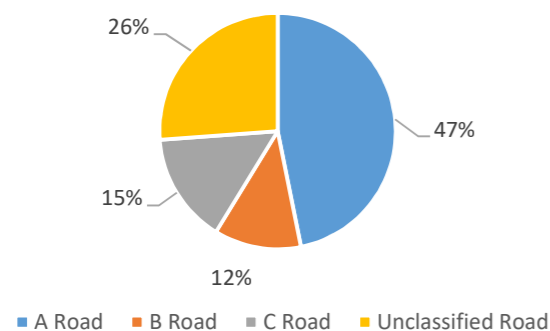
Speed Limits in North Tyneside



There are 7 Cluster Sites in North Tyneside within the 3 year period 2016 - 2018

A Cluster Site is defined by at least 5 Collisions within a 50m radius

Collisions by Road Type 2018



Transport Strategy Data Factsheet May 2018

Sustainable Travel



Go Smarter delivered to 43 schools, with 16 schools having received or due to receive walking and cycling infrastructure in the 2018/19 academic year.

Latest surveys show over 60% of trips are by sustainable modes, the future target is 75% of trips.

Training Engaged with:

- 7,581 school pupils through Go Smarter;
- 1,978 received Bikeability Training; and
- 7,192 received Road Safety Training.



Cycling

8 Schemes delivering approx. 5.1km new / upgraded infrastructure. Plus 5 Access Improvement Schemes.

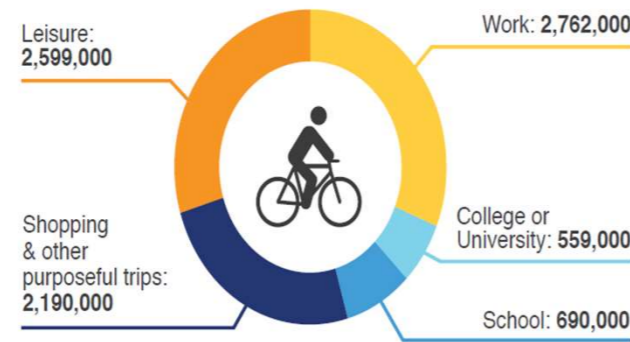
Recorded cycle growth is 14% from 2017 to 2018

Cycle figures taken from fixed counter sites within North Tyneside

NTC Adopted First Cycling Design Guide in March 2018

Sustrans Regional Cycling Behaviour Survey:

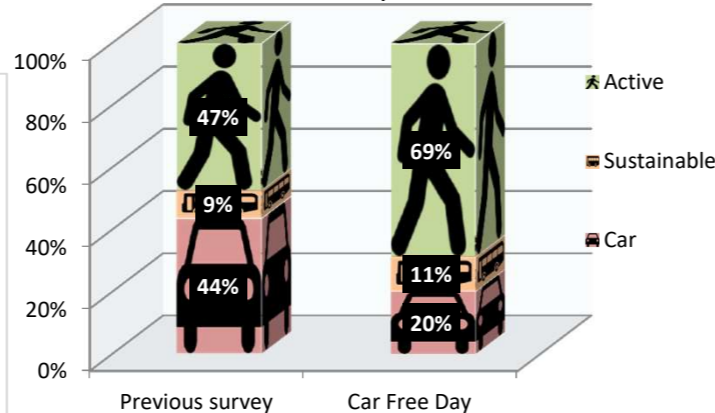
Number of trips in the past year



Adult bike ownership by households



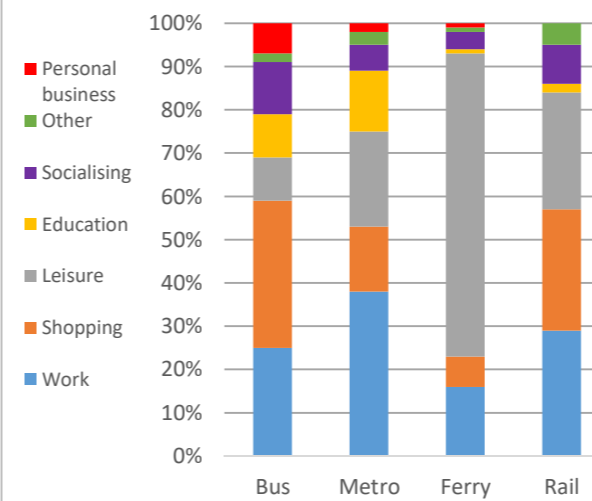
Effect of Car-free day on travel mode



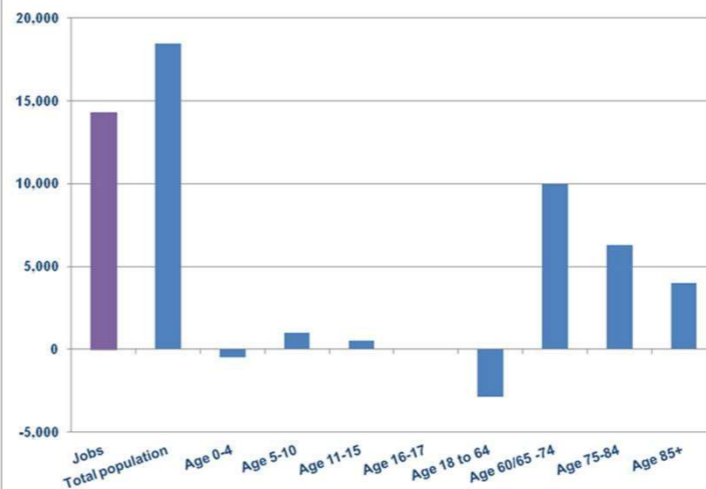
Comparison of aggregate travel modes for all schools which held car-free days in 2018/19. Active is Walk, Cycle or Scooter. Other Sustainable is public transport, car share or Park & Stride.



Journey Purpose in Tyne & Wear



Predicted growth in North Tyneside – 2011 to 2032 (NTC Local Plan)



Investment

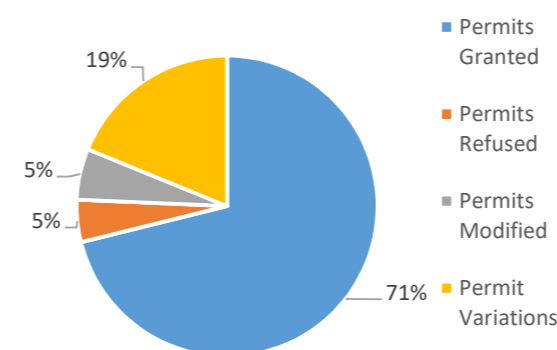
11 Major Schemes delivered up to end 2018 with 3 currently under construction including the Highways England A19 Silverlink Interchange.

In 2018/19 there were approx. 13.2km of Highways resurfaced out of a network of c.800km.

In 2018/19 there were 30 parking improvement schemes delivered (e.g. double yellow lines etc.).

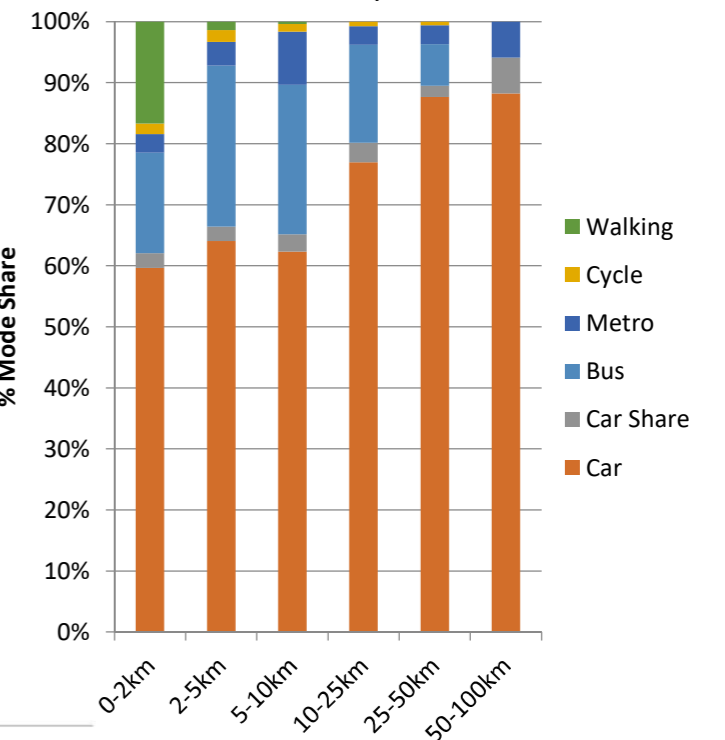
Network Management

Streetworks Permits 2018/19



North Tyneside Travel Trends

Cobalt Business Park - Main Method of Travel to Work by Distance



“Whilst there continues to be a steady increase in the level of employment nationally, there has been a decline in commuting trips over the same period equating to a 15% reduction. Reasons for this include, working from home, flexibility in working arrangements both in working hours and location and increased levels of self employment.”

37% of North Tyneside is within 800m of a Metro Station

Approx. 9.5 million km of bus journeys within North Tyneside in 2017/18

There are 1,069 Taxis (hackney carriages and private hire vehicles) Registered in North Tyneside

Approx. 109 locations covered by driver speed feedback sign programme.

3 journey time monitoring corridors with a further 8 to follow.

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Title: Cabinet Response to Overview, Scrutiny and Policy Development Report on *The Effectiveness of Collaborative Working in North Tyneside*

**North Tyneside Council
Report to Cabinet
Date: 28 May 2019**

Portfolio(s): **Children, Young People and Learning**

Cabinet Member: **Councillor Peter Earley**

Report from Service Area: **Health, Education, Care and Safeguarding**

Responsible Officer: **Jacqui Old, Head of Health, Education, Care and Safeguarding** Tel **0191 643 7317**

Wards affected: **All**

PART 1

1.1 Executive Summary:

The purpose of this report is to seek Cabinet approval to the proposed response to the recommendations included in the Overview, Scrutiny and Policy Development Report into the effectiveness of collaborative working in North Tyneside.

In accordance with Section 21B of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Report within two months.

In providing this response, Cabinet is asked to state whether or not it accepts each of the recommendations and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

1.2 Recommendation(s):

It is recommended that Cabinet agree the proposed responses to the recommendations from the Overview, Scrutiny and Policy Development Sub Group in relation to its study into the effectiveness of collaborative working in North Tyneside, as shown in Appendix 1 of this report.

1.3 Forward Plan:

This report first appeared on the Forward Plan that was published on 26 April 2019.

1.4 Council Plan and Policy Framework:

The 2018-2020 Our North Tyneside Plan states that 'Our people will':

- Be listened to so that their experience helps the Council work better for residents.
- Be ready for school – giving our children and their families the best start in life.

- Be ready for work and life – with the right skills and abilities to achieve their full potential, economic independence and meet business needs.
- Be healthy and well – with the information, skills and opportunities to maintain and improve their health, well-being and independence, especially if they are carers.
- Be cared for, protected and supported if they become vulnerable including if they become homeless.
- Be encouraged and enabled to, whenever possible, be more independent, to volunteer and to do more for themselves and their local communities.

Effective collaborative working by the Authority with partner agencies contributes to these priorities, in particular ensuring that residents are cared for, protected and supported.

1.5 Information:

On 9 July 2018 the Children, Education and Skills Sub-committee of Overview, Scrutiny and Policy Development Committee agreed to establish a sub-group to review the collaborative working practices of the Authority to ensure they were improving outcomes for children and their families with a focus on the most vulnerable and in need.

The sub-group considered it appropriate to examine the collaborative working practices of the Authority, including the Multi Agency Safeguarding Hub, the Tyneside Alliance and the North of Tyne Collaboration and to consider proposals relating to the future of the North Tyneside Safeguarding Children Board.

The sub-group met on a number of occasions to receive information from Officers and also met with representatives of partner agencies as well as Social Workers and front line staff in Children's Services.

Cabinet has a statutory duty to respond to the recommendations of the Overview & Scrutiny Report into the effectiveness of collaborative working practices within two months. Cabinet is asked to state whether or not it accepts each of the recommendations and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet accepts the recommendations set out in paragraph 1.2.

Option 2

Cabinet does not accept the recommendations set out in paragraph 1.2, and provides an alternative response to the report at the meeting.

1.7 Reasons for recommended option:

Option 1 is recommended in order to improve and further develop the effectiveness of collaborative working by the Authority.

1.8 Appendices:

Appendix 1: Cabinet Response to Overview, Scrutiny and Policy Development Committee Recommendations, Completed Action Plan

Appendix 2: Overview, Scrutiny and Policy Development Report on *The Effectiveness of Collaborative Working in North Tyneside* (March 2019)

1.9 Contact officers:

Jacqui Old, Head of Health, Education, Care and Safeguarding Tel. 0191 643 7317
Julie Firth, Assistant Director, Safeguarding and Children's Services Tel. 0191 643 5943
Nik Flavell, Senior Manager for Quality Assurance Tel. 0191 643 7219
David G Dunford, Acting Senior Business Partner Tel 0191 643 7027

1.10 Background Information

No additional background papers/information have been used in the compilation of this report

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

It is anticipated that recommendations within the completed action plan can be implemented within existing financial resources.

2.2 Legal

In accordance with Section 21B of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Report within two months. In providing this response, Cabinet is asked to state whether or not it accepts each of the recommendations and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

2.3 Consultation/community engagement

The sub-group consulted with Officers of the Authority and also met with representatives of partner agencies as well as Social Workers and front line staff in Children's Services.

2.4 Human rights

There are no direct human rights implications arising from this report.

2.5 Equalities and diversity

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

2.6 Risk management

There are no specific risk management implications arising from this report.

2.7 Crime and disorder

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

2.8 Environment and sustainability

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

PART 3 - SIGN OFF

- Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy and Customer Service

**Cabinet Response to Overview and Scrutiny Recommendations
Completed Action Plan**

Cabinet Response to Overview, Scrutiny and Policy Development Report on *The Effectiveness of Collaborative Working in North Tyneside*

In accordance with Section 122 of the Local Government and Public Involvement in Health Act 2007, Cabinet are required to provide a response to the recommendations of the Overview and Scrutiny Committee within 2 months. In providing this response Cabinet are asked to state whether or not it accepts each recommendation and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

Overview and Scrutiny Recommendation	Officer Commentary	Cabinet Decision (Accept or reject)	Action to be taken (if any) and timescale for completion
<p>1. Cabinet notes that the Children, Education and Skills Sub-committee considers the education role in the MASH vital and recommends continued funding for the seconded post for education in the MASH for future years.</p>	<p>Initial funding was in place to fund a seconded education post within the Multi-Agency Safeguarding Hub (MASH) for a twelve month period from September 2018 to pilot and establish the usefulness and contribution of the post to safeguarding decision-making. This pilot was based on the positive first year of partners such as Police and 0-19 Public Health co-locating and providing effective collaborative safeguarding information and decision-making and an identified need for an equivalent post from education. Following a</p>	<p>Accept</p>	<p>Action already taken.</p>

	review, the post will continue. Costs will be met within existing resources.		
<p>2. Cabinet requests the Head of Health, Education, Care and Safeguarding considers increasing the membership of the MASH to include on a more formal basis:</p> <ul style="list-style-type: none"> a) a mental health and drug and alcohol and /or CAMHS professional/advocate; b) a Learning disabled advocate; and c) the Dynamic MARAC (multi-agency risk assessment conferences) 	<p>The MASH has benefitted from participation of a range of partner agencies through direct co-location of safeguarding practitioners or improved information-sharing arrangements with non co-located partners. Partner information is now systematically shared by Police, Health, Probation, Education, Youth Offending, Housing, Harbour, Early Help and Social Care. This enables more timely and more comprehensive understanding of the needs of a child than ever before.</p> <p>In relation to the use and effectiveness of dynamic MARAC (Multi-Agency Risk Assessment Conference) arrangements, these have been explored by the MASH partners and site-visits to where these arrangements have existed have taken place. Work is</p>	Accept	<p>Review of the range of partners participating in the MASH to assist in the identification of new partners to further enhance the quality of safeguarding decision-making.</p> <p>To be completed by 30 June 2019</p> <p>Review and determine the optimum of frequency of MARAC meetings in light of national learning and best practice.</p> <p>To be completed by 30 June 2019</p>

	on-going to determine the most appropriate arrangements, including frequency, for North Tyneside which is proportionate to the known needs of the resident population and capacity of partner agencies.		
3.	Cabinet requests the Head of Health, Education, Care and Safeguarding to consider producing a universal 'brand' for use by all partners, including the community safety partnership and businesses in the area, to inform the general public in North Tyneside about what to do if they have concerns about a child or vulnerable adult so that the issue, how to identify it and what to do about it becomes familiar to the general public.	This recommendation was already identified as a priority for Children's Services. Work is on-going to produce a 'What to do if you have concerns....' Poster and Literature. Additionally, work is on-going to improve the website for Children's Services to ensure it is up-to-date, clear and accessible. Associated costs will be met from within existing resources.	Accept Develop and Produce Posters and Literature for Borough-wide use detailing the contact details for those concerned with the safety and welfare of a child or young person and improve the accessibility of the website for Children's Services. To be completed by 30 September 2019
4.	Cabinet informs the Head of Health, Education, Care and Safeguarding that the Children, Education and Skills Sub-committee	The North Tyneside Safeguarding Children's Board (NTSCB) has an established independent Chair. Working Together	Develop and implement a new Multi-Agency Safeguarding Arrangement to replace the North Tyneside Safeguarding Children's Board in compliance with the statutory requirement to do so.

<p>advocates the appointment of an Independent Chairperson for the new local safeguarding arrangements and the inclusion of schools, lay people and the ambulance service in the new arrangements and puts this forward to the North and South of Tyne Strategic Safeguarding Forum.</p>	<p>2018 requires the Board's replacement with new Multi-Agency Safeguarding Arrangements (MASA). A Task and Finish Group has been established with statutory partners. The Group will consider how to ensure robust and effective governance arrangements, including the value of an independent Chair and the composition of the arrangements.</p>		<p>To be completed by 30 September 2019</p>
<p>5. Cabinet reassures itself that the steps taken to "resource sufficient capacity within their own organisation, enabling senior managers and practitioners to work with host authorities to help them improve" for the Tyneside Alliance have left the Authority with sufficient experience and capacity to retain its own high level of performance.</p>	<p>A key consideration in relation to the successful application by North Tyneside to the Department for Education for Partner in Practice status was the capacity of the Authority to deliver continued improvement and high quality services to residents whilst sharing expertise to the benefit of the sector. Officers are confident that there is the capacity and that the service has strength in depth enabling it to 'flex' to meet the occasional demands of sector led improvement.</p>	<p>Accept</p>	<p>No action required.</p>

<p>6. Cabinet requests the Head of Health, Education, Care and Safeguarding to ensure that Corporate Parenting Committee receives information on a quarterly basis on the percentage of the initial healthcare assessment which are being completed within the statutory period of 20 working days.</p>	<p>Cabinet regularly and directly consider performance and financial information about the service. This will be included.</p>	<p>Accept</p>	<p>Monitoring, scrutiny and challenge by the Multi-Agency Looked After Partnership (MALAP) around the performance of the Authority – as Corporate Parent – in ensuring that Initial Health Assessments for children and young people in care are completed within 20 days of becoming Looked After.</p> <p>Quarterly reports of the MALAP to the Corporate Parenting Committee on performance by the Authority in relation to Initial Health Assessments for children and young people becoming Looked After.</p> <p>To be commenced by 30 June 2019 and then on-going</p>
<p>7. Cabinet requests the Head of Health, Education, Care and Safeguarding to:</p> <p>a) ensure that when social workers are referring children for Initial Assessments, they always give the detail (in the referral form) of why the child has become looked after and do not leave it vague e.g. 'family breakdown'. This will</p>	<p>All the recommended actions will be taken forward to ensure effective and efficient processes to facilitate the promotion of health of Looked After Children.</p>	<p>Accept</p>	<p>When Social Workers are referring children for Initial Health Assessments, they always give details of why the child has become looked after to assist the doctor who undertakes the Initial Health Assessment to have a full picture of the circumstances and improve planning for the child</p> <p>To be commenced from 01 June 2019 and then on-going</p> <p>Development of a robust process for the request of an Initial Health Assessment</p>

<p>assist the doctor who undertakes the Initial Health Assessment, to have a full picture of the circumstances and improve planning for the child;</p> <p>b) develop a robust process that ensures the health staff based in the RHELAC team receive a request for an Initial Health Assessment for a child who has become Looked After including the consent form, within the set time-scales so that the child can receive the assessment within the statutory time-scale of 20 working days; and</p> <p>c) develop a robust system to ensure that GPs are always notified in a timely manner of when a child ceases to be 'Looked After'.</p>			<p>for a child who has become Looked After, including consent, so that the child can receive the assessment within the statutory time-scale of 20 working days</p> <p>To be completed by 30 September 2019</p> <p>Develop a process to ensure that GPs are always notified in a timely manner of when a child ceases to be Looked After</p> <p>To be completed by 30 September 2019</p>
<p>8. Cabinet requests the Head of Health, Education, Care and Safeguarding to review the</p>	<p>Officers notes that Children's Services benefits from a dedicated</p>	<p>Accept</p>	<p>The Principal Social Worker to review the forums and communication methods in place for the dissemination of information</p>

<p>process of dissemination of information to front line staff regarding changes at the Strategic Level to ensure it is efficient and effective.</p>	<p>Principal Social Worker post with specific responsibility for ensuring a robust and effective link between safeguarding practitioners and Senior Leaders. This post fulfilled the recommendation of the national Munro Report into Child Protection in 2011 that such a post would help ensure that practitioners were aware of and able to feed into of strategic decisions. Officers also note that in the Focused Visit by Ofsted in May 2018 Inspectors found morale amongst staff to be very high and that Senior Leaders were visible and accessible. Officers are not complacent and accept that it is essential that dissemination of information to front-line staff is efficient and effective.</p>		<p>relating to the strategic planning of the Authority in relation to children and young people, proposing changes where appropriate to ensure dissemination is efficient and effective.</p> <p>To be completed by 31 August 2019</p>
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Overview, Scrutiny and Policy Development Committee

The Effectiveness of Collaborative Working in North Tyneside



March 2019



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1. Background to the study

- 1.1. On 9 July 2018 the Children, Education and Skills Sub-committee agreed to establish a Sub Group to review the collaborative working practices of the Authority to ensure they were improving outcomes for children and their families with a focus on the most vulnerable and in need.
- 1.2. Councillors Joanne Cassidy, Cath Davis, Joe Kirwin, Maureen Madden, Pat Oliver and John O'Shea volunteered to be members of the Sub Group. Unfortunately Cllr Kirwin had to withdraw from the group part way through the study.
- 1.3. In determining that it was an appropriate topic for an in-depth investigation the sub-committee considered recent developments in the sector.
- 1.4. In March 2018 it was announced that the Department of Education had awarded £15m of funding to eight "partners in practice", a peer support programme that sees leading children's services departments work with other local authorities to improve standards. North Tyneside Council and South Tyneside Council working in partnership was one of the eight and was known as the Tyneside Alliance. The Tyneside Alliance was committed to working with up to 10 other Authorities during the two years of the programme to develop and share strong practice and deliver hands-on peer support to help and improve outcomes for more children and their families.
- 1.5. The Children's and Social Work Act 2017 had made changes to safeguarding requirements by replacing the local safeguarding children's board with Safeguarding Partners (the local authority, the clinical commissioning group (CCG) and the police) and they will be responsible for exercising the functions for the purpose of safeguarding and promoting the welfare of children in the area.
- 1.6. The multi-agency safeguarding hub (MASH) had been established in North Tyneside to coordinate support and protection services for children and vulnerable adults and was well established; now was a good time to review the implementation and its working practices to see if they could be replicated elsewhere.
- 1.7. In light of the above it was agreed that a review of the collaborative working arrangements to ensure that each organisation understood what their and the other agencies responsibilities were, that they shared information efficiently and that the Authority meets its obligations was appropriate at this time. The topic would also allow Members to contribute to new policies and strategies in the area and provide the opportunity to improve the service available to the borough's children and their families.

2. Methodology

- 2.1. The remit of the Sub Group was to examine the collaborative working practices of the Authority, to include existing arrangements, the MASH (multi-agency safeguarding hub), the Tyneside Alliance, the North of Tyne Collaboration and proposals relating to the local safeguarding children board.

2.2. Key questions to be considered included:

- a) Who is doing what?
- b) Who should be doing what?
- c) What could be done better?

2.3. The Sub Group met on a number of occasions to receive information from Officers and discuss their findings and also met:

- the Independent Chair of the North Tyneside Safeguarding Children Board;
- representatives of the North Tyneside Clinical Commissioning Group (CCG);
- with social workers and front line staff in Children's Services;
- with a representative of Northumbria Police; and
- with senior managers within the Health, Education, Care and Safeguarding Service.

3. Findings

The report will look at the key areas in turn and will make recommendations relating to each at the end of the respective section. The recommendations also form appendix 3 of the report.

4. The Multi-Agency Safeguarding Hub (MASH)

4.1. One of the first sessions of the Sub Group was to meet with representatives from the Multi-Agency Safeguarding Hub (MASH), namely the Senior Manager for Safeguarding and the Safeguarding Lead Nurse 0-19 Children's Public Health Service.

4.2. The MASH coordinates support and protection services for children and vulnerable adults in North Tyneside. It brings together professionals from across the Authority, Northumbria Police, health agencies and Harbour (a domestic abuse charity) in one team to improve information sharing, identify safeguarding concerns quicker and manage cases more efficiently.

4.3. The MASH was highlighted as a highly effective multi-agency partnership with seamless links to and from the social work assessment team and early help services during the Ofsted Inspection of May 2018. The work of all partners was acknowledged and described as a real strength with Inspectors describing the Authority's staff and partners as highly motivated, conscientious and committed to safeguarding children and young people in North Tyneside.

4.4. The Sub Group was informed that that MASH could receive over 50 reports a week but the average was more like 30.

4.5. The Sub Group was given examples of how the MASH had improved practice by having all the information available about a child. All members of the MASH team were experienced practitioners and provided soft intelligence, which in turn enabled earlier conversations with the relevant information. For example, Council Tax records are available from the officer from Housing; health visitors will have

information on whether there is a baby or young children in the household.

- 4.6. At the beginning of the operation of the MASH one of the gaps in information was from the education side. Now a position had been seconded after a pilot (split across three teachers all with a safeguarding in education background) and there was an education representative as part of the MASH. The MASH had helped smooth things over with schools with regards to changes relating to the completions of the Early Help Assessment forms.
- 4.7. The Sub Group was also informed that the Probation Service had been a missing factor in the MASH. The information was provided but it took time and as an officer was not physically present the soft intelligence or the advice and support, which was invaluable, was not available.
- 4.8. As part of its work the Sub Group also met with a group of front line social workers and managers. Overall the response to the MASH and how it was working was very positive as the ability to be able to walk across an office and have a conversation with all the key partners and get an overview of a family really quickly was really useful; for those not in the MASH appointments had to be made. When asked if any agency was missing it was commented by the frontline staff that it would be useful to have a link with CAMHS (Children and Adolescent Mental Health Services); the managers stated that a representative from CAMHS was there once a week and had a good presence in the locality teams.
- 4.9. The Sub Group also met with an Inspector from Northumbria Police to talk about their involvement with the MASH both in North Tyneside and in the other local authorities in the region.
- 4.10. The Inspector informed the Sub Group that the MASHs' around the region had different organisation and focus but Northumbria Police's establishment was the same across all six. It would have been helpful for all six to use the same IT system, Liquid Logic, so they were able to access all information but accepted that different authorities had different needs. The Dynamic MARAC (multi-agency risk assessment conferences) would be a useful addition to the MASH process but overall North Tyneside's MASH was in a very good position and it was going well. The Police invested a lot of resources in the MASHs but did so because of the identifiable benefits.
- 4.11. The Inspector detailed the resources and processes they gave to the MASH. Whilst it was acknowledged that it would be great to have everyone involved in safeguarding on the one site it was not practicable and core partners were good at drawing information from other services, for example mental health. There had been no resistance to engagement or the new way of working in the MASH; partnerships had been long established between individual services.
- 4.12. Representatives from the Clinical Commissioning Group (CCG) also attended a meeting of the Sub Group and gave their perspective on the MASH and recent changes to collaborative working. Attending were the Designated Nurse Looked After Children and Safeguarding Children and Adults Officer and the GP Lead for Safeguarding Adults and Children.

- 4.13. The MASH was now one year old and had been very successful. The next step was to embed the processes and ensure interventions were made as early as possible, that there was appropriate support for all partners and also appropriate challenge. It was reported that the responses felt more co-ordinated and that being able to understand other colleagues' roles helped too.
- 4.14. The Chair of the North Tyneside Safeguarding Children Board called the MASH "tremendously exciting" but believed there were challenges about next steps and the long term commitment of the partners to the model.
- 4.15. The Sub Group were very impressed with the enthusiasm, commitment and hard work of the representatives from the MASH and considered that its creation and progress was something the Authority and the team were rightly proud of. This example of collaborative working was working well and it appeared that, subject to all partners retaining their current commitment, the appropriate steps were in place to ensure it continued to thrive and make a positive impact on children's lives.
- 4.16. Taking all of the above into account, the Sub Group makes the following recommendations in relation to the Multi-Agency Safeguarding Hub:

Recommendation 1 - Cabinet notes that the Children, Education and Skills Sub-committee considers the education role in the MASH vital and recommends continued funding for the seconded post for education in the MASH for future years.

Recommendation 2 - Cabinet requests the Head of Health, Education, Care and Safeguarding considers increasing the membership of the MASH to include on a more formal basis:

- a) a mental health and drug and alcohol and /or CAMHS professional/advocate;
- b) a Learning disabled advocate; and
- c) the Dynamic MARAC (multi-agency risk assessment conferences)

5. North Tyneside Safeguarding Children Board

- 5.1. Local Safeguarding Children Boards (LSCBs) were established by the Children Act 2004. The Board was the means by which organisations came together to agree on how they would cooperate with one another to safeguard and promote the welfare of children. The Board's role was to scrutinise and monitor this process, and to ensure that local agencies cooperate and worked well to achieve this.
- 5.2. The LSCB's core objectives are set out in the Children Act 2004 and the functions are set out in the 2015 statutory guidance *Working Together to Safeguard Children*. They include communication, quality assurance, learning from serious case reviews, reviewing child deaths and ensuring sound safeguarding policies and procedures are in place.
- 5.3. The Children and Social Work Act 2017 (the Act) replaces LSCBs with new local safeguarding arrangements, led by three safeguarding partners (local authorities, chief officers of police, and clinical commissioning groups). These arrangements need to be in place by September 2019. It also places a duty on child death review partners (local authorities and clinical commissioning groups) to review the deaths of

children normally resident in the local area.

- 5.4. LSCBs must continue to carry out all of their statutory functions, until the point at which safeguarding partner arrangements begin to operate in a local area. They must also continue to ensure that the review of each death of a child normally resident in the LSCB area is undertaken by the established child death overview panel (CDOP), until the point at which new child death review partner arrangements are in place.
- 5.5. Mr Richard Burrows, the Independent Chair of the North Tyneside Safeguarding Children Board (the Board), provided the Sub Group with his opinion on how collaborative working was functioning between the many organisations and partners involved in the Board.
- 5.6. Mr Burrows stated that he believed the Board was working well and cited the work with the schools as a good example. North Tyneside Council had an effective relationship with all schools in the borough with no distinction between community and non-community schools; this was not something which was replicated across the country. There was representation from primary schools and secondary schools and this provided a positive environment for collaboration.
- 5.7. The Board had an active model whereby if an organisation had a seat on the Board they were expected to *do* something. All Members of the Board were reminded that the role of the Board was to hold each other to account and to do so they must collaborate and participate; each organisation was there to help the others understand where they were and how they got there, rather than want went wrong and whose fault it was.
- 5.8. Each organisation had different cultures, agenda and performance management targets however each one was expected to account for their areas of expertise. The Board provided a common set of guideline and procedures and at most meetings people were honest and open but this attitude did change when the Board undertook a Serious Case Review.
- 5.9. The Council's *Our North Tyneside Plan* provided a coherent framework around which all partners could align their work. The work undertaken in light of the Rotherham abuse scandal and the Serious Case Review after the 'Primark case'¹ showed how important a linkage between all authorities was; that being punitive was counterproductive; and gave an appreciation of softer connections between what people did.
- 5.10. The Authority were going to run a 'Practice week' and this was welcomed by Mr Burrows (please see section 10, *North Tyneside Council* for more information about Practice Week).
- 5.11. It was acknowledged that the role of the Board in Community Safety should have more focus; more could be done collectively to raise the awareness of the public to understand what to look for and how to report matters of concern and to increase the value of the information obtained from these contacts.
- 5.12. When discussing this aspect of Mr Burrow's evidence, Members shared his concern

¹ <https://www.bbc.co.uk/news/resources/1dt-5667c315-a69c-4e5d-a683-e4e7771eb04d>

and considered whether in addition to community centres, council buildings, surgeries and police stations other organisations and businesses, like supermarkets and soft play centres, could display posters with key contact details for the Front Door service. This would help increase the general public's awareness of what to do and who to contact if abuse or suspected abuse was witnessed.

- 5.13. Members also wondered whether council officers who worked outside of Children's Services, for example refuse collectors, and Members themselves, knew about how to report safeguarding concerns about any resident and what to look out for. Examples of what might be a sign that something was wrong were bins not being put out as regularly as usual or the build-up of post just inside a front door.
- 5.14. Concerns raised by Members about Electively Home Educated children were shared by Mr Burrows and he made reference to a strategy employed by Darlington Borough Council and Durham County Council regarding assurance on the welfare of children being educated at home.
- 5.15. Further enquiries were made by the Sub Group with the Authority's Fair Access Team in Education. The Sub Group was informed that there had been a meeting with colleagues at Darlington Council and discussions with the MASH team which had led to a review of the Authority's procedure and the establishment of a clear escalation process if no response from the parent/carer was received or if no evidence was received of satisfactory education. A copy of the guidance and a flowchart showing the processes around elective home education was provided to Members.
- 5.16. The Sub Group was pleased to note that the revised procedure was a result of effective collaborative working.
- 5.17. With regards to the implications for the future of the Board as set out in the Children and Social Work Act 2017, Mr Burrows stated that nationally other safeguarding children boards also had difficulty understanding the logic behind the changes and uncertainty as to how they would make things better. Six local authorities (North Tyneside, Newcastle, South Tyneside, Gateshead, Sunderland and Northumberland) had formed a North and South of Tyne Strategic Safeguarding Forum to examine what model their new arrangements might take and work was on-going.
- 5.18. The importance of ensuring there was a local mechanism for delivering whatever model was one of the main questions to be answered as the local structure was often undervalued in safeguarding. Mr Burrows also expressed concern that the level of engagement may drop when attendance and participation was no longer statutory for many organisations.
- 5.19. Representatives from the Clinical Commissioning Group (CCG) also attended a meeting of the Sub Group and spoke about their involvement with the Board. It was considered that the Board worked very well in most ways and had a good participation at Board level however this was not always repeated at sub groups (the Quality, Improvement, Learning and Performance sub group and the Training sub group) often due to other work commitments. The example cited was education representatives as an individual teacher from a school was not sufficient, it needed to be a senior leader to disseminate the information and learning from these meetings

to all schools in the borough. See paragraph 9.6 for the Assistant Director for Education, Learning and Skills' response to this comment.

- 5.20. With regard to the forthcoming changes to the Board it was acknowledged by the representatives from the CCG that it was a significant change with the Police, the CCG and the Local Authority having an equal shared responsibility as 'safeguarding partners'. Whilst there was always room for improvement the current arrangement had created a cohesive group that had good working relationships. Work on establishing the new arrangement had begun with consideration as to which organisations would be formally named as 'relevant partners' and the role of lay members.
- 5.21. The Sub Group considered that the existing arrangements and the Board was very effective and was ensuring that children and young people in North Tyneside were protected and kept as safe as possible; that all organisations, their leaders and their practitioners were working effectively together to safeguard children and young people; and that people were open to learning, transparent about what they did and were focused on improving outcomes for children and young people.
- 5.22. As the current arrangements were working so well the Sub Group was concerned that the changes to the arrangements for local safeguarding children boards would struggle to replicate this and the impact the disruption would have on what was an effective partnership between all key organisations for child protection. The Sub Group welcomed the creation of the North and South of Tyne Strategic Safeguarding Forum and looked forward to hearing the proposals at a meeting of the Children, Education and Skills Sub-committee in due course.
- 5.23. Taking all of the above into account, the Sub Group makes the following recommendations:

Recommendation 3 - Cabinet requests the Head of Health, Education, Care and Safeguarding to consider producing a universal 'brand' for use by all partners, including the community safety partnership and businesses in the area, to inform the general public in North Tyneside about what to do if they have concerns about a child or vulnerable adult so that the issue, how to identify it and what to do about it becomes familiar to the general public.

Recommendation 4 - Cabinet informs the Head of Health, Education, Care and Safeguarding that the Children, Education and Skills Sub-committee advocates the appointment of an Independent Chairperson for the new local safeguarding arrangements and the inclusion of schools, lay people and the ambulance service in the new arrangements and puts this forward to the North and South of Tyne Strategic Safeguarding Forum.

6. The Tyneside Alliance (Partners in Practice)

- 6.1. The Partners in Practice (PiP) programme was a national initiative developed and funded by the Department for Education (DfE). The programme aimed to increase joint working between central and local government by working with the best performing local authorities in relation to children's social care to improve the overall system.

- 6.2. North Tyneside Council, in partnership with South Tyneside Council, had successfully secured PiP status and funding in March 2018. Acting as the Tyneside Alliance, the two Authorities would jointly deliver sector-led improvement activity to local authorities across the country that had been identified as, or had identified themselves as, requiring improvement to their children's services. Both authorities had received funding for two years from the DfE in order to deliver this work.
- 6.3. The Sector Led Improvement support was committed to delivering improvement activity with up to ten local authorities over a period of two years. The improvement work would be a mixture of onsite and offsite activity, including review and analysis, collaborative improvement work, monitoring and evaluation. Funding across both authorities for the Sector Led Improvement work was £1,600,000 over two years: £860,000 in 2018/19 and £740,000 in 2019/20.

Expenditure of the grant would cover:

- i. Funding to enable the Authority and South Tyneside Council respectively to resource sufficient capacity within their own organisation, enabling senior managers and practitioners to work with host authorities to help them improve.
 - ii. Funding for 'Improvement Associates' – a pool of highly skilled and experienced sector experts that would work with the Tyneside Alliance to deliver improvement work.
 - iii. Funding for a core team that would support the mobilisation and delivery of the programme through all phases.
 - iv. Funding for travel, accommodation, supplies and services associated with delivery of work with individual authorities as well as hosting regional and national events to share best practice.
- 6.4. The Sub Group was informed that the Tyneside Alliance was working well and discussions were taking place about what would happen after the end of the funding with an option of a traded service offer.
- 6.5. The Senior Manager: Transformation informed the Sub Group of the process undertaken with each client authority and that it was at least a three to four month exercise.
- 6.6. It was acknowledged that the Tyneside Alliance work did take North Tyneside's workforce away but the funding had provided for posts to be backfilled or to increase capacity; any new staff employed had been appointed on a two year contract, for the length of the programme. Officers were also mindful of the risk to the performance of North Tyneside and their priority was to ensure the Authority's performance was not impaired.
- 6.7. The social worker managers commented that they were concerned that the programme might take away resources from the North Tyneside team and that it was another thing to contend with amongst the other changes within the last two years to the service.

- 6.8. The Sub Group, whilst acknowledging the prestige that the award of the Partners in Practice status had given the Authority and that the work was going well, was concerned about the impact on existing frontline officers whose knowledge of the programme appeared to be minimal. This lack of knowledge had led to uncertainty and anxiety due to the appearance of resources being taken away from the day job. Members were also concerned about the impact of having temporary, possibly new and inexperienced officers working for the Authority whilst the experience was helping other local authorities elsewhere.

Recommendation 5 - Cabinet reassures itself that the steps taken to “resource sufficient capacity within their own organisation, enabling senior managers and practitioners to work with host authorities to help them improve” for the Tyneside Alliance had left the Authority with sufficient experience and capacity to retain its own high level of performance.

7. Adopt North East

- 7.1. The development of Regional Adoption Agencies was part of the national adoption agenda set out in the Department for Education (DfE) paper ‘Regionalising Adoption’ in June 2015 which was further developed by Government in ‘Adoption: A Vision for Change’ in March 2016 which signalled a clear intention that by 2020 all local authorities would be part of regional agencies.
- 7.2. Newcastle City Council had received funding from the DfE to develop a regional Adoption Agency on behalf of Northumberland County Council, North Tyneside Council, Gateshead MBC, South Tyneside Council and Newcastle City Council and four voluntary adoption agencies: After Adoption; Barnardos; ARC NE; and Durham Family Welfare. It was acknowledged that all the Councils provided high performing adoption services however Government anticipated that Regional Adoption Agencies would be better able to target the recruitment of prospective adopters, speed up the matching and placement of children, improve adoption support services and potentially create efficiency savings.
- 7.3. Adopt North East would be formed from the staff groups currently working across the local authority adoption services. Staff would transfer into North Tyneside and work to develop the service to meet the needs of the children across the area who required permanence by adoption. It was anticipated that Adopt North East would be formed from a staff group of approximately 50 people including: social workers who worked directly with prospective adopters; staff who engaged in recruitment of people interested in adoption and social work; and other staff who provided post adoption support to children and families.
- 7.4. Adopt North East became a service on the 1 December 2018.
- 7.5. The Sub Group was assured that there was nothing about the individual adoption services which had required the creation of a regional adoption agency; it was based on a very clear direction of travel from Government. That North Tyneside Council had been chosen as the host authority illustrated how well regarded the service was in the region. The social workers managers were pleased that the new service would be based in North Tyneside and believed that all members of the team being in the same place would be a help; the challenge was still finding the correct match for

each child, not finding adoptive parents.

- 7.6. It was reported by the Senior Manager for Looked After Children that the shared pool of experience with all officers being based on one site was an immediate benefit and all officers involved were highly motivated and focused on improving practice and being innovative. The new agency was being seen as an opportunity to establish and share best practice and as South Tyneside's adoption service was an 'Outstanding service', North Tyneside and others were happy to learn from them, particularly in the life story work and with harder to place children.
- 7.7. The management team for Adopt North East was mindful that this was a significant change for staff and was being as supportive as possible with a clear workforce development plan. There was some anxiety in the team about some changes, for example that some locally accepted 'work arounds' would no longer be acceptable and people might have to work in a different way to their habit to ensure all officers worked in the same way.
- 7.8. Whilst it is still early days for Adopt North East the Sub Group was very impressed with how quickly the service had been developed once it had been agreed North Tyneside would be the host and the impact the positive approach and attitude towards this change had made to such a significant piece of work. The successful transfer of staff, agreement on funding and governance arrangements, the creation of a brand and refurbished office space being achieved in the time it had was impressive and to be commended. The Sub Group hoped it would be a model for future collaborative projects in the future; Adopt North East showed it could be done.

8. North of Tyne Collaboration Programme

- 8.1. The Department for Education's Children's Social Care Innovation programme seeks to develop, test and share effective ways of supporting children who need help from social care services. Newcastle, North Tyneside and Northumberland Councils submitted a successful bid to the Innovation Programme in 2016 and established the North of Tyne Collaboration Programme. This was outwith the North of Tyne devolution agenda.
- 8.2. The programme began by developing a plan to work more closely on practical proposals to make a difference, with initial opportunities relating to the Authorities' response to domestic abuse; workforce planning and quality; elements of their services for looked after children; and what could be done to improve outcomes for each areas' residents.
- 8.3. There was also an examination of common problems, one of which was placement capacity; others included looking at specialist provision and collective responsibility to the NHS. Operational relationships were effective, the difficulties came when agreement had to be made on funding; however a real strength was the collective voice to the NHS and on a national level.
- 8.4. The funding from the Innovation Programme was then used to create capacity to allow the team to work together. Whilst there was some synergy each local authority kept its own identity as each local authority had its own culture, political landscape and geography. The services were still regulated and inspected in the way they

always had been but the collaboration ensured that if something was not working somewhere it was picked up quickly and changed; as the teams knew each other there was a willingness to learn and build. The three local authorities had shared policies, for example on kinship, but not every policy was shared. The Programme also assisted the relationship between the Directors of Children's Services in each Authority to become trusted, healthy and constructive.

- 8.5. The Sub Group was reminded that it was important to remember that integrated services did not always save money but the three authorities were choosing to continue to work collaboratively because of the known benefits to each Authority for what they chose to do collaboratively. For example, combining fostering was counterproductive because of the distances involved across the three local authorities; young people have a significant local area identity and placing a child from North Shields in Wallsend could be too far away. Alternatively combining staff training did have benefits. It was anticipated that increased collaborative working would grow naturally, bringing the officers with them to ensure its success.
- 8.6. The Sub Group were not very familiar with the North of Tyne Collaboration before they began their work and were pleased to see the commitment and enthusiasm of the officers involved to making it work. It was clear to the Members that the key message of the project to improve outcomes for residents was embedded in the project. There was also an appreciation that at some point collaboration can become unhelpful and/or inefficient and the bigger picture needs to be kept in mind at all times.

9. Schools and the School Improvement Service

- 9.1. The Sub Group also met with the training and development officer for the School Improvement Service (SIS) who delivered the safeguarding training to schools. Her role was to deliver child protection training to every member of staff who required it (3,500 people), the designated safeguarding leads in schools in the borough and people new to a child protection role. Many schools had a training pathway for child protection issues which included a brief introduction on the first day; a more in-depth presentation with the safeguarding lead in the first week and the in-depth training provided by the SIS in the first term.
- 9.2. Each designated safeguarding lead (each school had at least two) received a quarterly update which they then disseminated to staff; it was expected regularly but required annually although the quality control of that dissemination was inconsistent. Over a course of three years everyone in a school should have received the in-depth training provided by the SIS. This training covered the signs and indicators and the different categories of abuse and neglect; other ways a child might be vulnerable; and how to flag concerns. The training also provided information on the Local Authority's systems; how the different mechanisms worked; the work of the locality teams; and what the requirements of Ofsted were.
- 9.3. A challenge was keeping schools up to date with new issues and different schools has different vulnerabilities; some schools had pastoral leads that "do it all day" whereas others did not have the resources for that and so there was less opportunity for expertise to develop.

- 9.4. Each child at school had to be measured as part of the national child measuring programme in Reception and Year 6 and all school nurses were highly trained in safeguarding matters and knew their responsibilities and reporting pathways.
- 9.5. The SIS became involved in anything new to try and engage schools and was currently working with the Police on Operation Encompass; this was a process where if a family was involved in a reported domestic abuse incident the school of any children of the family were notified by 10.00am the next day.
- 9.6. The Assistant Director for Education, Learning and Skills responded to the comments made by the representatives of the CCG regarding the dissemination of information from the Board and its sub groups to the individual schools. She informed the Sub Group that the two school representatives on the North Tyneside Safeguarding Children Board were both senior leaders at their own school and were also members of regular forums and meetings for head teachers; the PLP for primary heads and the EIP for secondary heads. There was also a forum for heads of special schools to meet known as SHOG. Feedback from school representatives on the Board was to be a standing agenda item at each of these meetings. In addition a Higher Education representative and the Training and Development Officer for the School Improvement Service attended the training strategy sub group of the North Tyneside Safeguarding Children Board.
- 9.7. The social workers reported a good relationship with schools, each had their own reporting processes either including a pastoral team or not although the quality of that was patchy with some being better than others. It was suggested that this was because some schools were more confident than others but it was important to remember that social care was the social workers business and education was the schools business.
- 9.8. The role of schools in safeguarding was vital and the programme of support available to all schools through the SIS was an important element of collaborative working and would be integral to the new local safeguarding arrangements (see recommendation 4). The Sub Group considered the pilot of Operation Encompass to be an important addition to ensuring schools and practitioners had a view of the whole family when making decisions about an individual child; another example of good collaborative working.

10. North Tyneside Council

During the Sub Group's meetings with witnesses other elements of the Authority's recent changes and projects were mentioned; those which demonstrated collaborative working are included below.

10.1. Signs of Safety

- 10.1.1 Signs of Safety was a practice model for children in need of a statutory assessment which had been implemented within the Authority and partner agencies since 2017.
- 10.1.2 School nurses had reported positively on the Signs of Safety model forms as freeing up time to do more. Two days of training had been required but it was now used in their practice. Forms and paperwork had been adapted to reflect the Signs of Safety

Principles as it clearly captured the child's views and wishes. It also helped the family to see the same information and format of forms from their health visitor and social worker.

- 10.1.3 The social workers considered that Signs of Safety and the MASH made them feel like the service was a step ahead of other Authorities; it was commented that the focus on risk and the honesty in using the practice was to be welcomed; although it was acknowledged that the transition into using the practice in looked after children had been difficult because it came halfway through some young people's assessments.
- 10.1.4 The Inspector from Northumbria Police stated that they had attended training on the Signs of Safety Practice Model and it was now used across most of the six Local Authority areas and was working well. She considered that it was the right way to go as it supported the whole family and concentrated on cases and areas of improvement.
- 10.1.5 The principles of Signs of Safety had been built in to the safeguarding training and the practice model was supported by the training and development officer, she considered that it was really good as it made people be reflective.

10.2 Looked after Children and Care Leavers

- 10.2.1 It was reported that the multi-agency approach for looked after children and care leavers was strong with all agencies working well together; it was acknowledged that the mental health element could be strengthened and a pilot had begun to include a mental health assessment as soon as a child became looked after by the Authority.
- 10.2.2 The representatives from the CCG mentioned that late notification or imprecise details on notifications from the Local Authority to the designated doctor for Children in Care could cause unnecessary delay as the doctor had to unpick what was meant in the referral with the family instead of being fully prepared before meeting the family and the child involved. It would be helpful for the notification to have some narrative and background to the case as doctors were not involved at the initial discussions and meeting in the MASH. There was no suggestion that a GP should be on the MASH as improved communication of the background situation should resolve the issue. If MASH needed the information for the initial discussion they would approach the GP and it would be provided for them.
- 10.2.3 Over recent years a huge amount of work between all partners had been undertaken to improve the service and information sharing. A frustration now was not receiving information from the Local Authority. For example, the return figures on the statutory Section 47 response rates² for the CCG were recorded as 'poor' but GPs stated that they were completing the report on time. There was a set process which used a report template and a secure email but some GPs were receiving phone calls and not emails. The Local Authority had not provided the CCG with enough information to allow them to audit the responses to see where the problem may lay.

² 'Section 47' refers to section 47 of the Children Act 1989 and refers to a multi-agency assessment which is undertaken when there are concerns of significant harm to a child or children.

- 10.2.4 In addition, there was a problem in that the Local Authority (LA) were not always notifying GPs when a child ceased to be Looked After and currently did not have a robust system in place for doing this. This was important information to have recorded on a child's medical file, not least to be able to support them later on in adult life.
- 10.2.5 When the Authority's Senior Manager, Safeguarding and Children's Services was asked about the CCG's concerns he acknowledged that there was an issue in that the data was indicating non-compliance with the statutory framework but that it was difficult to discover where the non-compliance lay and that a practical solution to the problem was still to be found. The Authority shared the CCG's desire to improve the process but evidence was required to see where the weakness lay.

10.3 Keeping Families Connected

- 10.3.1 The Keeping Families Connected project was an edge of care initiative to create a new, integrated service with education and health to support children to live safely at home. The primary objective was to maximise the number of children and young people supported to remain at home by having effective edge of care provision that reduced the number of looked after children and effectively enabled those children that were looked after to return home safely.
- 10.3.2 The Authority had been awarded £1,086,760 over a period of two years; £538,380 in 2018/19 and £548,380 in 2019/20. The service model incorporated:
- A multi-professional, co-located team (including clinical psychology, youth offending, education, nursing, fostering, and outreach staff)
 - Additional therapeutic restorative services
 - Additional programmes of education support to keep children in school
 - New short stay provision via foster care
 - Shared staff training and development, including foster carers
 - A single key worker model with safeguarding oversight and risk management from Social Workers
- 10.3.3 The police had also dedicated resources to the project as part of reducing crime and the NHS had also allocated resources for it. The staff in the project would be handpicked as the culture and attitude towards the service would be a vital part of its success.

10.4 Practice Week

- 10.4.1 The Sub Group was provided more information about Practice Week from the Senior Manager, Safeguarding and Children's Services. It took place in the first week of December 2018 and Members of the Senior Management Team undertook observations of front-line practice across services from an agreed schedule of planned safeguarding activities.

Activity observed included:

- A Multi-Agency Core Group
- MASH Triage of a Safeguarding Case
- MASH and Police Pre-Triage of potential Contacts

- Multi-Agency Review Child Protection Conference and 20 Day Looked After Review
- Multi-Agency Team Around the Family Meeting
- Multi-Agency Locality Meeting

10.4.2 The process was one of appreciative inquiry, gathering information and stories about what was working well from the practice observed. It was important that staff did not perceive the week as an exercise in fault-finding and enabled the development of a sense of the practice wanted by the Authority.

10.4.3 Key findings included:

1. Senior Managers noted positively the use of the Signs of Safety approach in practice, evidencing its effective implementation across the safeguarding continuum and its use in a wide variety of different safeguarding activities.
2. Senior Managers all commented upon the care, warmth, sensitivity, compassion and emotional skill of the practitioners that they observed when working with vulnerable children, young people, parents and carers.
3. Senior Managers were consistently struck by the child-centred focus of practitioners.
4. Senior Managers commented that practitioners were intentional in identifying 'strengths' – this suggests that the implementation of Signs of Safety was positively shifting understanding about risk.
5. Senior Managers noted strong systems and processes underpinning practice across services.
6. When asked, service users were positive about the support that they received.

10.4.4 The Sub Group welcomed this initiative and was pleased to note that it was something which would be repeated on a regular basis. The Sub Group considered that it was important for senior managers to be seen by frontline staff as well as for frontline staff to be seen by senior managers and the suggestion that it could be widened out to include other partners, like the police or members of the NTSCB was encouraged.

10.5 Others

10.5.1 The Sub Group was informed that the recent transition of the 0-19 health service into the Council had involved a lot of discussion and challenge but had worked very well.

10.5.2 The RHELAC (Raising Health and Education for Looked after Children) Team was a multi-agency team whose purpose was to raise the health and educational outcomes for Looked after Children. The CCG part funded a counsellor and the team as a whole were doing really good work.

10.5.3 For children with additional needs on an Education, Health and Care Plan a joint visit with a children's services social worker and a social worker from the child disability team was undertaken as they both had different assessments to undertake. A joint

visit also helped manage a family's expectations. There was a representative for children with a learning disability on the MASH although concern was raised that children with ADHD or Autism might slip through the net as they didn't meet the threshold for CAMHS as they were not mental health matters.

- 10.5.4 A positive relationship with Northumbria Police was also reported especially by the Youth Offending team (YOT). The Police were forthcoming with information and would attend reviews if asked and were available at the end of a telephone if a direct conversation was needed. It had been different with the probation team but a secondment by a probation officer into the YOT had been successful.
- 10.5.5 The importance of keeping officers in the same post over a number of years and reducing the amount of agency staff was also emphasised as long term relationships were invaluable; the senior management structure in the service at the Local Authority was now robust and permanent. The lack of experienced social workers and retaining staff who might be tempted to work for other local authorities who paid more was an issue but the case load had reduced. In response it was reported that significant work had been undertaken by Safeguarding and Children's Services to stabilise the workforce and the benefits of that were already being seen.
- 10.5.6 The dissemination of information regarding major changes within the Council, for example the Regional Adoption Agency and the North of Tyne Collaboration, were not really well known to the front line social workers. The Independent Chair of the NTSCB also believed a challenge was keeping the front line up-to-date with information about what they needed to know due to the high turnover in staff. He noted that the Authority was aware of the issue and suggested that they could look and see how other organisations ensure information is disseminated to all staff in a timely manner.
- 10.5.7 Liquid Logic was still bedding in and areas of improvement had been identified, for example the information recorded on a "child's story" and "outcomes" needed to be improved. It had been recognised by the Local Authority that this was the case.

10.6 Overall

- 10.6.1 As can be seen by the many different aspects of the service referred to above there had been a lot of change within children's services which had led to concern and uncertainty. However, no witnesses had given any indication that the Head of Service and the Senior Management Team as a whole had not acknowledged this or that support had been lacking. It was considered by the Sub Group that the service as a whole had coped with this prolonged period of change well and collaborative working across the service was working well, albeit if communication of changes could be improved.
- 10.6.2 Taking all of the above into account, the Sub Group makes the following recommendations:

Recommendation 6 - Cabinet requests the Head of Health, Education, Care and Safeguarding to ensure that Corporate Parenting Committee receives information on a quarterly basis on the percentage of the initial healthcare assessment which are being completed within the statutory period of 20 working days.

Recommendation 7 - Cabinet requests the Head of Health, Education, Care and Safeguarding to:

- a) ensure that when social workers are referring children for Initial Assessments, they always give the detail (in the referral form) of why the child has become looked after and do not leave it vague e.g. 'family breakdown'. This will assist the doctor who undertakes the Initial Health Assessment, to have a full picture of the circumstances and improve planning for the child;
- b) develop a robust process that ensures the health staff based in the RHELAC team receive a request for an Initial Health Assessment for a child who has become Looked After including the consent form, within the set time-scales so that the child can receive the assessment within the statutory time-scale of 20 working days; and
- c) develop a robust system to ensure that GPs are always notified in a timely manner of when a child ceases to be 'Looked After'.

Recommendation 8 - Cabinet requests the Head of Health, Education, Care and Safeguarding to review the process of dissemination of information to front line staff regarding changes at the strategic level to ensure it is efficient and effective.

11 Conclusion

- 11.1 Whilst there will always be competing priorities and the inevitable debates over budgets and funding the Sub Group was very pleased to note that overall the Authority had very good collaborative working relationships with its statutory partners, its neighbouring local authorities and internally. The trusting relationships developed between organisations, services and officers allowed for criticisms to facilitate improved services and actions and also to provide assurance to the Sub Group that it was unlikely that an issue would be allowed to fall between any gaps. That there was some scope for improvement was reflected in the recommendations but in a challenging environment with competing demands the Sub Group felt satisfied that collaborative working was providing benefit to the Authority. Overall the balance between collaborative working and ensuring the service for North Tyneside residents was the best it could be was right and the effort taken to achieve this balance was not to be underestimated.
- 11.2 The enthusiasm and commitment shown by everyone who gave up their time to attend a meeting with the Sub Group was felt and appreciated by all members of the Sub Group. That this commitment was evident when everyone faced challenges and was busy was to be commended and it gave the Sub Group confidence that collaborative working was being managed effectively and would continue to be so.

12 Acknowledgements

The Sub Group would like to place on record its thanks and appreciation to those officers and representatives of external organisations for their assistance in providing the evidence on which this report is based. A full list of all those individuals who helped the Sub Group with its work is set out in appendix 1.

13 Background Information

The background papers and research reports listed in appendix 2 have been used in the compilation of this report and copies of these documents are available from the Democratic Services Officer.

Acknowledgements

The working group would like to place on record its thanks and appreciation to the following individuals for their assistance to the Sub Group:

North Tyneside Council:

Jonathan Bowmaker, Team Manager, Safe and Supported
Toni Clarke-Brown, Team Manager, Early Help
Nik Flavell, Senior Manager, Safeguarding and Children's Services
William Gray, Senior RCCO, Heatherfield Mews
Jodie Henderson, Senior Manager Looked After Children's Services
Kelly Hodgson, Youth Offending Team
Haley Hudson, Assistant Director, Strategy and Transformation
Caroline Johnson, Social Worker, Front Door
Mark Jupp, Senior Manager: Transformation - Health, Education, Care, and Safeguarding
Claire Kay, Senior Social Worker, Disability Team
Elizabeth Kerr, Democratic Services Officer
Hannah McDonald, Social Worker, Front Door
Kerry Mulcahy, Social Worker, Safe and Supported
Anita Reay, Family Partner, Early Help
Helen Smith, Safeguarding and the Safeguarding Lead Nurse 0-19 Children's Public Health Service
Michael Snowball, Team Manager, Front Door
Majella Tallack, Senior Manager, Safeguarding and Children's Services
Mary Thirlaway, Team Leader, Youth Offending Team
Lisa Wardingham, Training & Development Officer Schools Improvement

External Contributors:

Richard Burrows, Independent Chair of North Tyneside Safeguarding Children Board

Jan Hemingway, Head of Safeguarding and Designated Safeguarding Nurse, North Tyneside Clinical Commissioning Group

Anne Foreman, Designated Nurse Looked After Children and Safeguarding Children and Adults Officer, North Tyneside Clinical Commissioning Group

Dr Riaan Swanepoel, GP Lead Safeguarding Adults and Children, North Tyneside Clinical Commissioning Group

Inspector Lisa Musgrove, Northumbria Police

List of Background Papers

The following background papers have been used in the compilation of this report and copies of these documents are available from Elizabeth Kerr, Democratic Services, e-mail: elizabeth.kerr@northtyneside.gov.uk Tel: 0191 643 5322

- [Children and Social Work Act 2017](#)
- Elective Home Education - Guidance for Parents and Carers, North Tyneside Council
- Elective Home Education Process Flowchart
- [Get in on the Act: Children and Social Work Act 2017](#), Local Government Association
- [Keeping Children Safe in Education 2018](#)
- *Newcastle Primark kidnap teenagers sentenced*, BBC News Website, published 18 July 2016 accessed 18 December 2018 <https://www.bbc.co.uk/news/resources/idt-5667c315-a69c-4e5d-a683-e4e7771eb04d>
- [North Tyneside Safeguarding Children Board Annual Report 2017/18](#)
- Ofsted Inspection of services for children in need of help and protection, children looked after and care leavers in North Tyneside 2017
- Our North Tyneside Plan
- [Working Together to Safeguard Children 2018](#)

Recommendations

1. Cabinet notes that the Children, Education and Skills Sub-committee considers the education role in the MASH vital and recommends continued funding for the seconded post for education in the MASH for future years.
2. Cabinet requests the Head of Health, Education, Care and Safeguarding considers increasing the membership of the MASH to include on a more formal basis:
 - a) a mental health and drug and alcohol and /or CAMHS professional/advocate;
 - b) a Learning disabled advocate; and
 - c) the Dynamic MARAC (multi-agency risk assessment conferences)
3. Cabinet requests the Head of Health, Education, Care and Safeguarding to consider producing a universal 'brand' for use by all partners, including the community safety partnership and businesses in the area, to inform the general public in North Tyneside about what to do if they have concerns about a child or vulnerable adult so that the issue, how to identify it and what to do about it becomes familiar to the general public.
4. Cabinet informs the Head of Health, Education, Care and Safeguarding that the Children, Education and Skills Sub-committee advocates the appointment of an Independent Chairperson for the new local safeguarding arrangements and the inclusion of schools, lay people and the ambulance service in the new arrangements and puts this forward to the North and South of Tyne Strategic Safeguarding Forum.
5. Cabinet reassures itself that the steps taken to "resource sufficient capacity within their own organisation, enabling senior managers and practitioners to work with host authorities to help them improve" for the Tyneside Alliance have left the Authority with sufficient experience and capacity to retain its own high level of performance.
6. Cabinet requests the Head of Health, Education, Care and Safeguarding to ensure that Corporate Parenting Committee receives information on a quarterly basis on the percentage of the initial healthcare assessment which are being completed within the statutory period of 20 working days.
7. Cabinet requests the Head of Health, Education, Care and Safeguarding to:
 - a) ensure that when social workers are referring children for Initial Assessments, they always give the detail (in the referral form) of why the child has become looked after and do not leave it vague e.g. 'family breakdown'. This will assist the doctor who undertakes the Initial Health Assessment, to have a full picture of the circumstances and improve planning for the child;
 - b) develop a robust process that ensures the health staff based in the RHELAC team receive a request for an Initial Health Assessment for a child who has

become Looked After including the consent form, within the set time-scales so that the child can receive the assessment within the statutory time-scale of 20 working days; and

c) develop a robust system to ensure that GPs are always notified in a timely manner of when a child ceases to be 'Looked After'.

8. Cabinet requests the Head of Health, Education, Care and Safeguarding to review the process of dissemination of information to front line staff regarding changes at the Strategic Level to ensure it is efficient and effective.

North Tyneside Council Report to Cabinet Date: 28 May 2019

ITEM 5(g)

Title: Recruitment of
Armed Forces Personnel

Portfolio(s): Deputy Mayor
Human Resources

Cabinet Member(s): Councillor B
Pickard

**Report from Service
Area:**

Resources

Responsible Officer: Janice Gillespie
Head of Resources

Tel: 6435701

PART 1

1.1 Executive Summary:

This report asks Cabinet to agree an updated commitment to the recruitment of Armed Forces personnel. In November 2017 Cabinet agreed and updated the Armed Forces Covenant. At the same time Cabinet also agreed to guarantee ex-Armed Forces personnel an interview for a vacant post if they met the requirements of the job description and person specification (essential and desirable criteria). It is proposed this commitment is now extended to current members of the Armed Forces who serve as reservists as they face the same barriers to employment.

1.2 Recommendation(s):

It is recommended that Cabinet agrees (in addition to the recruitment arrangements relating ex-Armed Services personnel detailed above) that the Authority will offer current serving Armed Forces personnel an interview for a vacant post with the Authority if they meet the requirements of the job description and person specification (essential and desirable criteria).

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 17 April 2019.

1.4 Council Plan and Policy Framework

Whilst members of the Armed Forces are not explicitly identified in the Council Plan and Policy Framework, this report relates to the following priority in the 2018-20 Our North Tyneside Plan:

Our people: Be ready for work and life – with the right skills and abilities to achieve their full potential, economic independence and meet business need; and

Our people: Be cared for, protected and supported if they become vulnerable including if they become homeless.

1.5 Information:

1.5.1 Background

1.5.2 In November 2017, Cabinet agreed a recommendation to update the Authority's recruitment policy to ensure that anyone who had served in the Armed Forces is offered an interview for a post if they meet the requirements of the job specification.

1.5.3 The policy change was to support those leaving the regular forces and transitioning to civilian life as there seems to be a particular problem with employers recognising the value of military experience and the only experience veterans from the regular forces have when they leave the armed forces is military orientated.

1.5.4 However, further work undertaken by the Authority's Armed Forces Officer has found that current members of the Armed Forces who serve as reservists also face barriers to employment such as:

- Employers may believe the time needed to carry out the "reserve" commitment will impact on employment;
- Employers may believe reservists will habitually ask to leave early for parade evenings or this will impact on their ability to attend work on Monday mornings after weekend deployments; and
- There is a misconception that a reservist may often require extended periods of leave to carry out training or deploy on operations.

Many reservists are unsure if by stating they are a reservist it will be detrimental to any application for employment they may make. Also, a lot of ex-regular armed forces personnel are now joining the reserves as they transition from military life to civilian life and therefore will also come across this same barrier into employment.

1.5.5 The Authority's policy on special leave enables reservists to take up to 2 weeks leave to attend training camps.

If a reservist is called up for active operational duties the Ministry of Defence (MOD) support the civilian employer in the recruitment for a temporary post.

Reservists have the same skill sets as their regular counterparts and potential employers are not aware that on average £10,000 is invested in each reservist on developing transitional skills which a Reservist can use in both military and civilian work life.

1.5.6 The Authority's current arrangements to support armed forces personnel achieve civilian employment only relates to ex-armed forces personnel. It is recommended that the Authority arrangements are widened to include current serving personnel, including reservists.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet can agree the proposed amendment to the recruitment policy.

Option 2

Cabinet can decide not to support the change to the recruitment policy.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Option 1 allows the recruitment policy to be updated to guarantee an interview for a post to serving Armed Forces personnel if they meet the requirements of the job specification (essential and desirable) criteria.

1.8 Appendices:

There are no appendices for this report.

1.9 Contact officers:

Lisa Rankin, HR Specialist, Human Resources, tel. (0191) 643 5064
Laura Potter, Armed Forces Officer, Environment Housing and Leisure,
tel. (0191) 643 7732
David Dunford, Finance, Acting Senior Business Partner, tel. (0191) 643 7027

1.10 Background information:

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

- (1) Information about the Armed Forces Covenant is available here
<https://www.armedforcescovenant.gov.uk/guide-local-authorities-now-available/>

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no direct financial implications arising from this report.

2.2 Legal

The Local Government and Housing Act 1989 requires that every appointment of a person to a paid office or employment by the Authority is to be made on merit. The proposals set out in this report will provide armed service personnel with an interview for a vacant post where they meet the requirements of the job description and person specification. Such applicants will still have to undertake a competitive recruitment process, including an interview, to secure employment from the Authority

2.3 Consultation/community engagement

2.3.1 Internal Consultation

This commitment is a result of work by Laura Potter, the Authority Armed Forces Officer, working with Councillor Newman and Councillor Bell.

2.3.2 External Consultation/Engagement

There is no external consultation relevant for this report.

2.4 Human rights

This report supports the aim to ensure that past and present members of the Armed Forces should face no disadvantage compared to other citizens.

2.5 Equalities and diversity

This report supports the aim to ensure that past and present members of the Armed Forces should face no disadvantage compared to other citizens.

2.6 Risk management

There are no risk management issues arising from this report.

2.7 Crime and disorder

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

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

PART 3 - SIGN OFF

- Chief Executive x
- Head(s) of Service x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Head of Corporate Strategy and Customer Service x

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