

## **Cabinet**

**Monday, 30 November 2020**

**Present:** N Redfearn (Elected Mayor) (in the Chair)  
Councillors G Bell, C Burdis, S Cox, P Earley, R Glindon,  
C Johnson, M Hall and B Pickard

**In Attendance:** S McKenzie (Young Mayor)  
K Goldfinch (Business Representative)  
R Fry (Voluntary and Community Sector Representative)  
R Layton (North Tyneside Joint Trades Union Committee)  
D McNally (Age UK)

**Apologies:** Councillor S Day

### **CAB171/20 Introduction**

Mrs Norma Redfearn, Elected Mayor, welcomed everyone to this meeting of North Tyneside Council's Cabinet which was the sixth virtual Cabinet meeting held by the Authority following the introduction of regulations by the Government enabling local authorities to conduct their meetings remotely in the light of the current Coronavirus pandemic.

### **CAB172/20 Declarations of Interest**

Councillor M Hall declared a registerable personal interest in agenda Item 9: Procurement of Adult Social Care Services - Various Contracts (CAB179/20), as she was a Director of the Rising Sun Farm Trading Company.

Councillors B Pickard and R Glindon each declared a registerable personal interest in agenda Item 14: Delivering the Ambition for North Tyneside – Tynemouth Library and 11/12 Northumberland Square (CAB184/20), as they were both Authority appointed Directors of North Tyneside Trading Company and its subsidiary companies. A dispensation had been granted to both Councillors Glindon and Pickard in relation to their Trading Company appointments.

Councillor P Earley declared a registerable personal interest in agenda Item 5: Financial Management Report to 30 September 2020 (CAB175/20); and Item 6: 2021-2025 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals (CAB176/20), as he was a Trustee of the North Tyneside Carers Centre.

### **CAB173/20 Minutes**

**Resolved** that the Minutes of the previous meeting held on 19 October 2020 be confirmed and signed by the Chair.

### **CAB174/20 Report of the Young Mayor**

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

- The Young Mayor and Member of UK Youth Parliament Abi had continued to review how young people had their say in North Tyneside using a snap survey of schools to find out if school councils were running and how they could work more effectively with them.
- A review of the operation of the Youth Council had taken place and new committees had been established each covering themes important to young people and various projects to help fulfil their commitments and develop their pledges; also a Comms group for delivering important information to young residents and their families through social media providing a more joined up approach. Meetings with the elected Mayor, senior officers of the Authority and relevant partners had already achieved some success in relation to behavioural changes on the climate crisis.
- Abi and some youth councillors had completed a film to show how people could reduce, reuse and recycle unwanted clothing, which would be shared widely on social media as another way of encouraging residents to support their work around climate change.
- Youth councillors had been supported by the elected Mayor and the Chief Executive to achieve the young people's goals by working more closely with decision makers in order to influence decisions in the borough and make effective change.
- Youth Parliament Member, Abi, would meet regularly with both North Tyneside MPs to be able to gather support at Government level for their campaigns.
- The Young Mayor had met with staff from the YMCA on a new project called Healthy Habits to be carried out in schools, with Ambassadors already in schools at John Spence, Northam and Churchill Community College, and also hoped to have this in her own school at St Thomas More.
- The Young Mayor provided an update on the work of Send Youth Forum - a group of young people aged 11-25 who either had special educational needs or disabilities or an interest in promoting youth voice for children and young people with SEND.
- Youth councillors had taken part in the virtual Remembrance Day services around the borough and had encouraged children and young people to draw pictures of poppies to put in their windows and create a poppy trail around the Borough.
- Youth councillors had attended a State of the Area Event and looked forward to contributing at further planned workshops with various Council teams.

The Elected Mayor thanked the Young Mayor for the report, and along with the Cabinet Member for Environment and Transport, praised her and the young people for their fantastic contributions in the work of the Authority which had gone from strength to strength.

#### **CAB175/20    2020/21 Financial Management Report to 30 September 2020**

Cabinet considered the third monitoring report outlining the 2020/21 financial position. It provided an indication of the expected revenue and capital financial position of the

Authority as at 31 March 2021. The reported position was expected to change over the coming months as the response and recovery to Covid-19 continued.

The report covered the forecast outturn of the Authority's General Fund and HRA revenue budget including management mitigations where issues had been identified; the delivery of 2020/21 approved budget savings plans; an indication of the impact of Covid-19 on Collection Rates; an indication of the impact of Covid-19 on the Collection Fund; the implications of Covid-19 of the Authority's cash position; and an update on the Capital Investment Plan, including details of variations and reprogramming, that were recommended for approval.

In terms of the General Fund Revenue Account, the forecast overall pressure was estimated at £5.142m against the approved net budget. This was made up of a forecasted pressure of £0.883m on normal activities and £4.259m relating to the impact of Covid-19. This was after a forecasted transfer to reserves of a £12.719m surplus relating to Section 31 grants. The surplus would be held in reserve and utilised to support the Collection Fund deficit that would be faced in 2021/22 due to these measures.

The £0.883m pressure in the services was driven mainly by Health, Education, Care & Safeguarding (HECS) reflecting the continued pressures in Children's Services of £5.286m and Adult Services of £0.788m. This was before inclusion of the contingency based budgets, which were held and reported with Central Items, that had been created by Cabinet as part of the 2018/19 budget setting process to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection was £4.480m of pressures in Corporate Parenting and Placements, £1.433m in Wellbeing and Assessment and £1.010m in Integrated Disability & Additional Needs. The drivers for these pressures continued from 2019/20 as outlined in the report.

It was anticipated that the outturn forecast for normal activities would improve over the course of the financial year as planned remedial actions began to impact on both expenditure and income.

With regards to the impact of Covid-19, the main drivers behind the £4.259m shortfall were also within HECS where £11.725m was for increased costs to the Authority of supporting the market (£5.403m), impact on savings targets (£2.713m), increased costs for children in care (£1.233m), lost income within School Improvement (£0.666m), Public Health (£0.597m), additional demand (£0.494m), and other miscellaneous costs such as staffing costs, PPE, and other income losses (£0.619m).

Significant Covid-19 related pressures existed in Environment, Housing and Leisure, (£7.871m) due to loss of income in areas such as Sport & Leisure and Highways & Transport and in Commissioning & Asset Management through income lost within Catering (£4.585m).

Current indications were that the Covid-19 funding received to date did not cover all anticipated costs/loss of income. Discussions were on-going at both local and national level around the financing of the residual pressures expected as a result of Covid-19.

The report outlined the revenue grants which had been received during June and July 2020.

The total planned deficit for schools 2020/21 was £6.689m. These budgets had been revised, mainly following discussions with schools showing deficit balances, to an expected deficit of £6.681m. The Authority had 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 continued to be compounded by rising employment costs. As anticipated, 2019/20 was the fifth year of balances decreasing following a long-term trend of rising balances in North Tyneside and the overall projected balances for 2020/21 continued this trend.

In July twelve schools had been identified as expecting to be in deficit during 2020/21, including two schools in structural deficit. Following the allocation of falling rolls and headroom funding in July, another school had now been moved out of deficit and another three schools were being considered for this funding, to be agreed in November at Schools Forum. Before any adjustments relating to this agreement, the total balances of these deficit schools were expected to total £12.516m.

The High Needs Block had ended 2019/20 with a pressure of £4.542m. The forecast of the budget position for 2020/21 indicated an anticipated in-year pressure of £3.457m reflecting a further rise in demand for special school places.

The Housing Revenue Account was forecast to have year-end balances at 31 March 2021 of £6.576m; assuming all identified Covid-19 related costs and income shortfalls were covered centrally. These balances were £1.572m higher than budget which had been set at £5.004m. The higher than forecast balances were mainly as a result of higher opening balances due to the impact of the previous year's financial performance (£0.211m) but there was also an in-year estimated underspend of £1.361m, against an in-year budget of £2.590m, due to underspends arising on repairs budgets from Covid-19 impacts (£0.927m) combined with forecast vacancy savings of £0.129m.

At 30 September 2020, there were 2,972 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.525m. This was up by 398 and £0.315m from the beginning of the year but was down from the end of August. A team was working proactively with tenants to minimise arrears and this position would be closely monitored as the year progressed to identify any adverse impacts on the budget position

The approved 2020-2025 Investment Plan totalled £244.320m (£67.307m 2020/21) and was detailed in the Annex. The Annex also set out the delivery progress to date, planned delivery for 2020/21, reprogramming and other variations identified through the Investment Programme Governance process.

An officer led review of the Investment Plan had resulted in proposals for reprogramming of £1.094m and variations of £6.923m of which more details were set out in the Annex to the report. The revised Investment Plan stood at £74.875m for 2020/21 and to the end of September 2020 spend of £15.220m had been incurred which represented 20.33% of the revised plan.

The report also outlined progress against the 2020-2024 Our North Tyneside Plan. The area under most financial pressure was Health, Education, Care and Safeguarding.

In Adult Social Care, in common with most local authorities, and in line with the national picture, North Tyneside had seen costs continuing to rise. In Children's Services, good progress continued to be made on engaging with children in the early years of life to ensure that they were ready for school. Safeguarding vulnerable children and maximising their educational attainment remained key priorities.

Over recent years, there had been an increase nationally in demand for children's residential placements but with no corresponding increase in central government funded provision. As such, the levels of looked after children (LAC) and children who required supervision after leaving care continued to generate a significant financial pressure. Data suggested that there was a general trend of a steady increase in numbers of LAC, but there was a wide range of levels of care provided, with more complex cases now being faced.

Cabinet considered the following decision options: either to agree the recommendations as set out in Section 1.2 of the report, or alternatively to disagree with the proposals.

**Resolved** that (1) the forecast budget monitoring position for the General Fund, Collection Fund, Schools' Finance and Housing Revenue Account as at 30 September 2020 be noted; (2) the receipt of £11.714m new revenue grants be approved; (3) the Authority's Investment Plan spend of £15.220m to 30 September 2020 and the financing of the Plan to the end of the year be approved; and (4) the variations of £6.923m and reprogramming of £1.094m for 2020/21 within the 2020 – 2025 Investment Plan be approved.

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

#### **CAB176/20    2021-2025 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals**

Cabinet considered a report which sought approval for the Cabinet's initial budget proposals for 2021/22 in the context of the 2021-2025 Financial Planning and Budget Process and which had been developed in a period of significant uncertainty for financial planning due to the impact of Covid-19.

On 20 February 2020, full Council had approved a Medium-Term Financial Plan (MTFP) for the period 2020/21 to 2024/25, providing a financial framework to support the delivery of the Authority's priorities as set out in the 2020-2024 Our North Tyneside Plan. The Budget that had been set was balanced, based on a robust set of assumptions in relation to the resources available, and prudent estimates of the expenditure that was necessary to deliver the Authority's Services.

Whilst the Authority had been aware of COVID-19 at the time of Budget-setting, it would have been impossible to predict the significant escalation of the pandemic which had led to the first national lockdown being implemented by the Government on 23 March 2020, and the subsequent financial implications that would follow this. As Budget-planning activity progressed, there was a significant amount of uncertainty remaining. Social care continued to be funded by short-term one-off grant allocations and, in the absence of a sustainable funding solution, the Government had continued to allow local authorities to apply an adult

social care precept of up to 2%, which left the financial burden of supporting vulnerable adult residents with local taxpayers.

The need for the Authority to take action and respond to the COVID-19 pandemic had undoubtedly adversely impacted the financial position of the Authority. In a normal year it was challenging to deliver a balanced in-year position against the Budget. The financial impact of COVID-19 had compounded this challenge and the current estimated pressure due to COVID-19 at the end of September was £4.259m for the General Fund and £2.484m for the Housing Revenue Account.

In addition, to deliver business as usual, the Authority had needed to mobilise its workforce to undertake new responsibilities and lead the local response to the pandemic. The COVID-19 Support Hub had specifically been set up to support and protect the clinically extremely vulnerable residents in the Borough during the first national lockdown when they were required to shield in their homes to protect themselves from the virus. Proactive work had continued to support the care sector to meet the additional operation costs due to COVID-19. The Authority had also effectively administered over £34.8m of grants to eligible businesses to help support the local economy, whilst also ensuring that the public and staff were protected by introducing effective control measures to public buildings and open spaces.

Some services had to be suspended during the initial escalation of the pandemic and due to national lockdown measures. This had led to a significant loss of sales, fees and charges income, with school improvement, leisure, cultural and catering services seeing the biggest income losses. Financial support from by the Government had provided support for some of the income lost; however, the Authority was required to cover the first 5% of any budgeted losses. This area posed a specific risk for 2020/21 and the medium-term as it remained uncertain how quickly demand for services would recover. It was likely that the Authority would continue to see reduced income levels in relation to sales, fees and charges in future years.

The impact of COVID-19 posed a significant risk to the local economy, which would influence the Authority's ability to raise resources. Increased levels of unemployment, resulting in higher claims for Universal Credit coupled with a suppressed level of growth in new properties, meant that it was highly likely key income sources, including Council Tax, would be under significant pressure in 2021/22.

Business rates were also likely to be impacted in the event of business closures, due to increases in the number of properties claiming empty property relief where businesses either ceased trading or sought to take advantage of changed working patterns to reduce property costs. Appeals against rateable values may increase where rental values had been impacted.

Demand for adult social care had increased as a direct result of the pandemic, and it was possible that some of the increases in demand would continue into 2021/22. The care market had also experienced increases in operational costs and lost income due to under occupancy in some care homes where the Authority had supported with grants that had been received by the Government. There was a risk that a rise in the underlying costs would impact market prices which would not be covered by additional funding from the Government; this would leave the Authority with increased financial pressures in 2021/22.

There was the potential for additional cost pressures in Children's Services, linked to surges in demand, particularly in relation to looked after children. In addition, there was a risk that the wider operating environment had changed, which may put pressure on assumptions about traded services with schools.

In challenging circumstances the priorities, as set out in the Our North Tyneside Plan, continued to be met and the Authority had a good track record of delivering those priorities within the funding resources that were available.

Whilst the approach to Budget-setting this year felt very different and there was a significant amount of risk and uncertainty, Cabinet would continue to plan for the future listening and focusing on the priorities of residents and businesses. This included producing a balanced Budget for 2021/22 and a MTFP which was based on a reasonable and prudent set of assumptions.

Whilst there was still a significant level of uncertainty, the Authority would continue to deliver best practice for its residents. That meant there was a refreshed four-year MTFP for both the General Fund and Housing Revenue Account (HRA) alongside a five-year Capital Investment programme, based on a benchmarked set of assumptions.

In 2020/21, a three-year settlement had been announced as part of the Local Government Finance Settlement for the Dedicated Schools Grant (DSG) covering the period to 2022/23. The final DSG allocation was not expected to be announced until December 2020, therefore financial planning for High Needs and early years would be based on the indicative DSG grant which had been announced in July 2020.

The Authority's reserves and balances continued to be reviewed in light of the changing picture of risk and uncertainty, and that would be reflected in the Chief Finance Officer's Section 151 Statement, included in the Annex to the report.

The Authority had continued to engage effectively with its NHS partners and had worked collaboratively with partners across the care sector. Cabinet would be considering options over the MTFP period, with a particular focus on a stronger approach to commissioning and demand management across the care sector, ensuring that services would meet individuals' needs, maintaining a sustainable care market and that all services offered value for money. This would take account of the changing nature of demand for adult social care services and the challenges facing adult social care nationally.

The latest estimates of the financial impact of COVID-19 were set out in the September Budget Monitoring report. Many of the additional costs, lost income and undeliverable savings in the current year would have an extended impact on the 2021/22 Budget. As at September 2020, the total estimated financial impact of COVID-19 including the HRA was £27.323m. This included estimated additional costs of £20.615m, lost income of £13.274m and estimated savings of £6.566m this has been funded by £21.444m of grants leaving a gap of £5.879mm for the Authority to fund. Further details were set out in the report.

A line-by-line review and risk assessment had been performed against all areas that had seen a financial impact. Consideration had been given to how some of those impacts may continue into 2021/22 and a set of actions had been developed to manage these. It was prudent to expect that there would be an ongoing financial impact and the report set out

areas assessed as medium / high risk which would be closely monitored as Budget-setting activity progressed.

The Our North Tyneside Plan 2020-2024 set out the overall vision and policy context within which the Financial Plan and Budget proposals would operate. Since 2015, North Tyneside had worked to a clear set of priorities through the Plan. These priorities had formed the basis of the framework for COVID-19 recovery in North Tyneside.

The Elected Mayor and Cabinet had worked with the Senior Leadership Team (SLT) since the summer to prepare the draft Budget proposals. The Budget assumptions used for the 2020-2024 MTFP had been revised based on national, local and internal changes.

Resources had been revised to take account of the potential impact of COVID-19 on Council Tax and Business Rates in line with the risks described in the report. The SLT had reviewed the anticipated growth and efficiency assumptions and where necessary these had been revised. Table 3 in the report showed the high level MTFP for 2021-2025; the estimated resources available did not include any assumptions for an increase in Council Tax. Taking all the factors into consideration, the draft MTFP for the General Fund indicated a “gap” of £6.370m to be addressed. Without actions over the four-year MTFP period, the cumulative impact was in the region of £56m.

The Housing Revenue Account (HRA) continued to face financial pressures which had been impacted further by the COVID-19 pandemic. The impact of the pandemic on the economy had a significant impact for the HRA. Rent increases for next year were based on the Consumer Price Index (CPI) rate, as at September, plus 1%. The rate announced for September 2020 was 0.5% compared to the CPI target rate of 2%. This created a reduction in assumed rental income of around £45m over the next 30 years, which would require a package of measures to mitigate the impact on the plan.

The 2020-2025 Investment Plan totalling £244.320m had been approved by Council on 20 February 2020. Delivery of projects within the plan and progress to date had been reported to Cabinet as part of the bi-monthly Financial Management reports. Reprogramming of £8.784m had been identified as part of the process and this spend was now included in the 2021/22 planned spend set out in the report.

As in previous years, Cabinet would need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2021/22. The formula would apply directly to maintained schools for the financial year, and for academies it would form the basis for their funding, distributed by the Education, Skills and Funding Agency, for the year starting 1 September 2021. The local formula must comply with statutory guidance, but within these confines the final decision on the formula rested with the Authority after consultation with schools and the Schools Forum.

The MTFP approved by the Council in February 2020 included a 1.99% general increase in Council Tax and a 2% adult social care precept for 2020/21 only. At the time of writing, the Government had not announced details of the referendum threshold for core Council Tax, or any further flexibility to raise the adult social care precept for 2021/22. Should Cabinet consider increases in Council Tax, in line with previous years, based on current tax base estimates, this would raise approximately £4.006m of additional funding for next year (made up of £1.998m general Council Tax, 1.99% and £2.008m from the adult social care precept,



2%). The precise final level of any change in Council Tax would be confirmed in February 2021 following a decision by full Council.

The 2020-2024 MTFP included planned savings for 2021/22 and 2022/23 as set out in the report. In addition to the planned savings, the Elected Mayor and Cabinet were developing options for consideration to balance the General Fund over the next four years of the MTFP. The aim was to do this via a range of strategic activity. The options that were being developed for consideration to balance the Housing Revenue Account and mitigate against the estimated impact on rental income due to the low rate of the CPI were set out in the report. In addition to the agreed 2020-2025 Investment Plan, proposals for the 2021-2026 Investment Plan for consideration as part of Budget-setting were set out in the report.

North Tyneside, like many local authorities both regionally and nationally, was experiencing an increase in the numbers of children with Special Education Needs and Disabilities (SEND). Responding to this increase in needs was creating pressure on the High Needs block of the Dedicated Schools Grant. The pressure within High Needs had continued to increase in 2020/21 with a forecast in-year outturn variance of £3.457m, bringing the estimated cumulative pressure to £7.999m. The indicative funding allocation for High Needs showed that the Authority would receive an additional £2.974m in 2021/22, however, it was not sufficient to address the underlying increase in need. The Authority was currently preparing a DSG Recovery Plan which would outline actions that would need to be taken to bring the DSG back into financial balance over a five-year period.

Cabinet were informed of the proposed approach to engagement on the budget proposals, which would be undertaken in accordance with COVID-19 guidelines.

The Elected Mayor thanked the officers and Cabinet members for their work in producing the initial budget proposals in very challenging circumstances. She also thanked staff for continuing to keep essential services running during the pandemic and referred to the positive feedback she had received from residents. The Cabinet Members for Finance and Resources and Community Safety and Engagement endorsed the Mayor's thanks to officers.

Cabinet considered the following decision options: to either agree the proposals set out in the report, or alternatively, to suggest that further / different options were considered by the Senior Leadership Team and be reported back to Cabinet for further consideration.

**Resolved** that (1) that the key principles being adopted in preparing the Medium-Term Financial Strategy for the Authority, subject to an annual review be agreed;  
(2) the performance against the Our North Tyneside Plan outcomes be noted;  
(3) the initial Budget proposals in relation to the 2021/22 General Fund Revenue Budget and Dedicated Schools Grant, including the assessment in relation to the current year's budget monitoring information be agreed;  
(4) the proposed 2021-2026 Investment Plan, including initial prudential indicators for 2021-2026 in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Framework and a proposed Minimum Revenue Provision policy in line with capital finance regulations be agreed;  
(5) the draft Capital Investment Strategy be noted and it be noted that this Strategy will now be subject to consultation as part of the Budget Engagement Strategy;  
(6) it be noted that all approved schemes within the 2021-2026 Investment Plan will be kept

under corporate review by the Investment Programme Board;

(7) the initial proposals in relation to the Treasury Management Statement, Annual Investment Strategy for 2021/22 and Treasury Management Practices (TMPs) be agreed;

(8) the formal Reserves and Balances Policy for the Authority, subject to review at least annually, be noted;

(9) the Provisional Statement by the Chief Finance Officer be noted;

(10) the 2021/22 rent policy for housing; and the initial Budget proposals in relation to the 2021-2025 Housing Revenue Account budget, and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2020/21) be agreed;

(11) the proposed 1.5% rent increase from April 2021 (in line with Government policy), and the initial proposals in relation to housing service charges and garage rents for 2021/22 be noted;

(12) the Head of Resources, in consultation with the Head of Commissioning and Asset Management, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, be authorised to undertake resource allocations to schools for 2021/22 in line with the school funding arrangements set out in the report;

(13) the Elected Mayor, in conjunction with the Cabinet Member for Finance and Resources, Deputy Mayor and other Cabinet Members, be authorised to work with the Senior Leadership Team to continue their joint review of these initial Budget proposals; and

(14) the Chief Executive, in consultation with the Elected Mayor, Cabinet Member for Finance and Resources, Deputy Mayor and the Senior Leadership Team, be authorised to manage the Efficiency Programme and note that progress will be reported to Cabinet as part of the regular Budget monitoring process.

(Reason for decision: Due to external information still to be received, Cabinet is not in a position to finalise setting its proposed Council Tax level for 2021/22 in relation to the General Fund. These initial Budget proposals include an assumed general increase to Council Tax of 1.99% and a social care precept of 2% in 2021/22. This report will form the basis of Budget engagement and scrutiny over the next two months, but further work will inevitably be required before final decisions are made on the budgets for next year, hence the authorisation recommendation referred to in Resolution (13) above).

### **CAB177/20    Adult Skills Funding**

Cabinet considered a report seeking approval to accept the annual funding and skills contracts offered by the North of Tyne Combined Authority (NTCA), Education and Skills Funding Agency (ESFA) and a sub-contract offered by Barnardo's for the provision and delivery by the Authority of post-16 education, training, apprenticeships and work experience.

The contracts and funding from the NTCA, ESFA and the sub-contract with Barnardo's would be annually renewed to all providers. In the North of Tyne area, the three Constituent Authorities received the main funding streams. This offer covered the period 1 August 2020 to 31 July 2021.

NTCA had taken control of a devolved Adult Education Budget (AEB) of over £24 million from Government for learners residing in the North of Tyne area from 1st August 2020. The devolved AEB, which would enable a greater control of skills provision delivered across

North of Tyne to respond to residents and business needs, had been allocated to 29 education providers across 10 Grant Agreements and 21 Contracts for Services. The ESFA had retained control of other funding streams covered by the report including apprenticeships, 16-19 Education, AEB for learners who resided outside of the NTCA area but who were educated by providers in the area and Advanced Learner Loans.

The initial funding offer was set by the NTCA and ESFA and therefore no further negotiation was required. However, through the devolved arrangements for AEB to the NTCA and as part of the response to the Covid-19 pandemic, additional funds were being made available and this could result in a further increase in the funding allocation during the academic year. Additional funds for an awarded contract for services (Digital Outreach Project) and Covid-19 response funding (Sector Based Work Academy Programmes (SWAPs)) were already included in this offer.

Annually, the Authority's Adult Learning Service (ALS) delivered training and learning with over 2500 enrolments equating to around 600 learners. The vast majority of the learners were either unemployed or low skilled. Additionally, around 23% of learners lived in the most deprived areas of the borough or had a learning difficulty or disability. The proportion of learners with Special Educational Needs or Disabilities (SEND) rose to 64% amongst 16-18-year-old learners.

The Authority via the ALS had been delivering these contracts for over 20 years. In recent years the funding had been offered with increasing focus on qualifications, formal skills development and performance. The Authority had responded well to these changes by improving the quality and range of formal qualifications offered to residents. This funding would enable the Authority to continue to provide a wide range of programmes to support residents to gain the skills and abilities to engage successfully in work, in their own self-development and learning, engage in their community through volunteering and work placements, and support their children's attainment and aspirations.

The focus of the Authority's programme was on low skilled, unemployed or disadvantaged young people and adults and a wide range of provision was offered as set out in the report.

The service had developed a range of vocational provision and had received additional funding this year to support the development of digital skills in the local community through the Authority's Digital Outreach Project. The service had increased the range of Distance Learning courses available to support blended learning approaches and in direct response to Covid-19 had received additional funding from the NTCA to deliver Sector Based Work Academy Programmes to support residents to gain employment in the Health and Social Care sector.

The Authority had also developed a successful 'Ignite your Potential' three-year study programme to support young learners with Special Educational Needs and Disabilities to access employment, apprenticeships, supported internships and further learning. The direct impact of this level of skills provision targeted to low skilled, unemployed or disadvantaged was that the Authority offered a routeway or an alternative to more formal Further Education establishments, including colleges. Many learners progressed onto extended learning programmes with colleges or directly accessed work that they would not have been able to access prior to the learning provided. The Authority's joint prospectus and progression strategy with Tyne Met College continued to ensure that learners could achieve

this progression through a pathway to higher levels of learning assisting them to enter employment and develop their own skills to deliver career development.

All of the provision would be delivered by the Authority's direct delivery arm, the ALS. Delivery would be provided by existing Authority employees who were fully funded from these funding streams and therefore were not a pressure on the Authority's Budget. Any changes in delivery would be met from the available funding.

The most recent Ofsted inspection (April 2018) graded the ALS as good with outstanding features and particular attention had been given to the impact of the work with unemployed adults, the support provided to young and vulnerable learners, high levels of performance and the leadership and management of the service.

The overall contract funding had an aggregate value of £2.54m and this was broken into a number of specific funding streams as detailed in the report. Whilst there were annual changes to the funding lines with changes in Apprenticeship funding being influenced by recent Apprenticeship reforms and increases this year being received for digital skills, Sector Based Work Academies and 16-19 Education for young people with SEND the overall amount of funding had remained relatively stable for a number of years. The main change this year was in the funder arrangements with the NTCA receiving an overall delegated package of AEB of £24m to allocate to providers. This was a positive development that enabled more responsive provision to be delivered to meet the needs of the local economy rather than a nationally designed set of priorities. The ESFA would continue to allocate funds for 16-19 Education, legacy Apprenticeship payments, Advanced Learner Loans and AEB for learners who lived outside of the North of Tyne area. The ALS received a small number of enrolments for out of Borough learners mainly for Distance Learning courses.

Annual business planning took place in the Spring/Summer term to plan staffing and delivery requirements for the Academic year that this funding related to. Any changes to resource requirements were addressed prior to the commencement of the Academic year.

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

**Resolved** that (1) the offer of funding on terms and conditions accepted by the Head of Law and Governance and the Chief Executive, in consultation with the Head of Resources and the Cabinet Member for Children, Young People and Learning, be approved;  
(2) the Head of Heath, Education, Care and Safeguarding, in consultation with the Cabinet Member for Children, Young People and Learning, Chief Executive and Head of Resources, be authorised to take all necessary steps to manage the associated funding and deliver the education and training programmes for residents; and  
(3) the Head of Heath, Education, Care and Safeguarding be authorised to continue the negotiations with the North of Tyne Combined Authority, Education and Skills Funding Agency and Barnardo's relating to the contracts available to the Authority and approve future offers of funding in consultation with the Head of Law and Governance, Head of Resources and the Cabinet Member for Children, Young People and Learning.

(Reasons for decision: The Authority will continue to access resources and deliver provision which supports young people and adults who are unemployed and/or low skilled to develop

vocational, academic and key skills to support their transition to employment, their development and their ability to sustain themselves economically and contribute to their community.

The programmes are high performing and judged by key partners such as Jobcentre Plus as essential to supporting disadvantaged communities. The Authority's provision for vulnerable residents has been praised by partners including the Northumbria Police and Crime Commissioner; Jobcentre Plus are similarly positive about the Authority's role as a key provider of training and support to unemployed adults in the borough; employers such as the NHS and businesses across the Borough are closely aligned and supportive of the Authority's delivery and training to prepare young people for work in a range of sectors.

A lack of basic qualifications is causally linked to poorer health and employment outcomes in later life; supporting the most vulnerable residents to address their key skills has positive benefits in terms of improving the health of unemployed and under skilled people and reducing out of work benefit costs.

Acceptance of this funding will ensure residents in North Tyneside are not disadvantaged in terms of the levels of support available in neighbouring local authority areas.)

#### **CAB178/20    Adoption of updated Northumberland Square Conservation Area Character Appraisal**

Cabinet received a report on the outcome of consultation in relation to an updated Character Appraisal for the Northumberland Square conservation area.

The existing character appraisal for the conservation area had been adopted by Cabinet in January 2014.

The Authority had recently been awarded funding from Historic England, through their High Streets Heritage Action Zones (HAZ) programme, to support physical improvements to the historic and built environment within the conservation area, and to facilitate more varied and vibrant uses, including cultural, leisure and tourism uses. As part of the delivery of the HAZ programme, the Authority was required to adopt a Management Strategy for the conservation area that set out a clear vision and objectives for the future preservation and enhancement of the conservation area. A robust Conservation Area Management Strategy must be informed by up-to-date evidence about existing character and appearance. This evidence was provided through Character Appraisals.

For Northumberland Square, the adopted 2014 Character Appraisal was not sufficiently up to date to support an effective Management Strategy. There had been several physical changes in the area and in addition, national and local planning policy and guidance had been updated since 2014. To reflect this, a small number of changes were proposed to the Character Appraisal and its photographs had been updated. However, the majority of the document remained as adopted in 2014.

A copy of the draft updated Character Appraisal was attached as an Appendix to the report.

Historic England guidance advised that it was good practice for conservation area reviews to be carried out around every five years, depending on available resources and

development pressure within an area.

In response to the consultation, Historic England provided some comments on the draft Character Appraisal. These comments, with the Planning team's response, were summarised in the report.

It was recommended that the updated Character Appraisal be adopted by Cabinet as planning guidance and as a tool to support an emerging Management Strategy for the conservation area. Not doing this would harm the Local Planning Authority's ability to continue to preserve and enhance the conservation area in accordance with its statutory duties.

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

**Resolved** that (1) the feedback received to the public consultation on the draft updated Northumberland Square Conservation Area Character Appraisal and the suggested amendments be noted; and  
(2) the updated Northumberland Square Conservation Area Character Appraisal as planning guidance be adopted.

(Reason for decision: Having an up-to-date Character Appraisal in place supports the Authority in its statutory duty to preserve or enhance the character and appearance of its conservation areas. It is also in line with local and national planning policy and guidance.

Funding has recently been secured from Historic England through their HAZ programme to support enhancements in this conservation area. A condition of the funding is that a Management Strategy, informed by a Character Appraisal, will be prepared for the conservation area. The existing Character Appraisal, adopted in 2014, is not sufficiently up to date to support an effective Management Strategy.

Historic England welcome the proposed updated Character Appraisal.)

### **CAB179/20 Procurement of Adult Social Care Services - Various Contracts**

Cabinet received a report which sought approval to undertake procurement exercises for the award of various contracts for Adult Social Care Services.

The Authority currently commissioned a range of adult social care services from the independent sector to meet the needs of individuals deemed to be eligible in accordance with the Care Act 2014 following a Care Act assessment.

The Authority did not deliver these services internally and needed to have robust and proper arrangements in place for services to be procured and available. There were arrangements in place at present for these services and these were coming to an end. There was, therefore, a need to put new arrangements in place and the report set out proposals and recommendations for new contracts to be put in place. This was to ensure there was sufficiency and continuity of supply to ensure the needs of eligible individuals and the wider population could be met.

The report covered the following services / service areas:

- Extra care for older people; and
- Day services for all client groups (older people, learning disability, mental health and physical disability).

New contracts would put in place a range of services and providers to support individuals and ensure there was sustainability of supply and provision over the period the contract was in place. The contracts would also need to ensure value for money was achieved and also that client outcomes were deliverable and a key focus of the service.

All contracts would be in line with the strategic objectives and the commercial context in which the services operated as set out in the Cabinet report on 29 June 2020. For Adult Social Care, these stemmed from the Our North Tyneside Plan which set the Authority's priorities for supporting vulnerable people to be healthy and well and also that they were cared for, protected and supported. The services supported people to be and remain independent and that good quality affordable housing was integral to the extra care offer.

Details of current provision of Extra Care and Day Services in North Tyneside were set out in the report.

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

Resolved that the Head of Health, Education, Care and Safeguarding, in consultation with the Head of Law and Governance and the Head of Resources, be authorised to:

- (1) undertake a procurement exercise to put in place a framework agreement of providers who are able to deliver Extra Care and Day Services, as outlined in sections 1.5.2 and 1.5.3 respectively of the report; and
- (2) following those procurement exercises, proceed with the award of contracts to the preferred bidders.

(Reasons for decision: Current contracts and contracting arrangements are due to expire or have expired and are subject to annual carry forward and could be leaving the Authority subject to financial risk. New arrangements will need to be in place to ensure continuity of service for individuals accessing those services; to ensure compliance with procurement regulations, undertake competitive procurement exercises for the various services identified in the report; and to ensure commissioning arrangements are current, effective and ensure value for money is in place with those contracts and framework agreements.)

### **CAB180/20 Children and Young People's Plan 2021 - 2025**

Cabinet received a report seeking approval to initial proposals for the development of a refreshed Children and Young People's Plan for the Borough covering the period 2021-2025. The Plan was being developed and was owned by the Children and Young People's Partnership. The partnership brought together public, voluntary and community sector organisations to improve the lives of the borough's children and young people.

The 2021-2025 Plan was the third Children and Young People's Plan that the partnership

had produced. The previous Plan 2014-2018 had underpinned the delivery of key success and significant service developments and improvements, which included:

- Children's services were judged Outstanding by Ofsted in March 2020, noting that "strategic partnerships were mature, well-developed and highly effective".
- Continuing to successfully deliver the Troubled Families programme in North Tyneside, successfully 'turning around' 1,500 families, demonstrating improved outcomes across a range of indicators.
- Entering into a long-term, strategic partnership with Barnardos to develop new and innovative solutions supporting children and young people's emotional wellbeing and mental health.
- Establishment of schools-led, peer-to-peer, exclusion panels, as part of a borough-wide Keeping Children in School programme, which have contributed to improved exclusion and attendance rates.
- Multi-agency Keeping Families Connected service, funded by the Department for Education innovation funding, has effectively supported a reduction in entries to care, stabilisation of existing placements, and reunification where possible.

Despite the many significant achievements that the Authority had delivered in recent years, there remained many challenges that the Authority continued to be focused on. Alongside the changing need and demand that the partnership expected as a result of the impact of Covid-19, the Authority's understanding of its challenges and what was important to children and young people had informed the priorities and actions set out in the plan.

The priorities and deliverables set out in the draft plan were aligned to the strategic outcomes the Authority and partners wanted to see for children and young people, which were:

- Outcome 1: I am Safe; Priority 1.1: Ensure children and young people are living safely
- Outcome 2: I am Healthy; Priority 2.1: Supporting children to have a healthy early childhood
- Outcome 3: I have Opportunities; Priority 3.1: Narrow the gap in educational outcomes; Priority 3.2: Ensure the right support for children and young people with disabilities and additional needs
- Outcome 4: I have a Voice; Priority 4.1: Support children to be active citizens
- Outcome 5: I am Happy; Priority 5.1: Develop resilience, confidence and independence in children and young people

These priorities and actions had been developed through engagement with a range of stakeholders across the children and young people's partnership, as well as drawing upon extensive engagement with children and young people which was a central component of the Authority's approach.

The Young Mayor thanked the Authority for giving her and the young people of the borough



the opportunity to help shape the children and young people's plan, particularly in relation to the priorities on mental health.

The Elected Mayor and Cabinet Member for Children, Young People and Learning welcomed the young people's input and the opportunity this presented to strengthen their voice.

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

**Resolved** that (1) the initial proposals for the Children and Young People's Plan 2021 – 2025 in terms of the priorities and plan to engage with stakeholders be approved; and (2) it be noted that the final Plan will be submitted to Full Council for approval in accordance with the Budget and Policy Framework Procedure Rules contained in the Authority's Constitution.

(Reason for decision: The Children and Young People's Plan is a key plan to deliver the priorities linked to Our People, as set out within the Our North Tyneside Plan.)

#### **CAB181/20    Annual Review of Council Policy on Covert Surveillance**

Cabinet received a report seeking approval of an updated Covert Surveillance Policy. The draft Policy had been considered by the Regulation and Review Committee on 22 October 2020 and had been referred to Cabinet for further consideration and, if appropriate, approval. No substantive changes had been proposed as the previously adopted Policy remained fit for purpose.

The aims of the Authority's Policy were to:

- Set out the Authority's arrangements for complying with the Regulation of Investigatory Powers Act 2000 (RIPA); the relevant Codes of Practice and guidance issued by the Home Office; and guidance from the Investigatory Powers Commissioner's Office (IPCO);
- Give effect to the rights of citizens to respect for their private and family lives (pursuant to the Human Rights Act 1998); and
- Protect the Authority from legal challenge when undertaking surveillance.

The report detailed the outcome of a virtual online inspection visit from the Investigatory Powers Commissioner's Office (IPCO) on 7 September 2020. The purpose of the IPCO inspection was to examine the policies, procedures, operations and administration the Authority had in place in relation to the use of directed surveillance and covert human intelligence sources. The outcome of the inspection had been very supportive of the Authority's actions to manage its responsibilities under RIPA and a small number of recommendations had been made as set out in the report.

The Codes of Practice applying to RIPA indicated that elected members of a local authority should review its use of RIPA and set the general surveillance policy at least annually. A local authority should also consider internal reports on the use of RIPA to ensure that it was being used consistently in compliance with the Authority's Policy and that the Policy remained fit for purpose.

To meet these requirements the Policy Statement provided that:

- Cabinet receives an annual report covering the Authority's use of RIPA powers, and review of the Policy for the following year;
- Reports would be presented to the Regulation and Review Committee on the Authority's use of RIPA powers. The Committee's role would be to look at compliance, oversight and use of RIPA. The Committee would also consider whether the Policy remained fit for purpose and recommend changes to the Policy as appropriate for Cabinet's consideration; and
- The Elected Mayor would receive regular updates from the Senior Responsible Officer regarding the use of the Authority's powers.

Cabinet considered the following decision options: To approve the Authority's Policy on Covert Surveillance, attached as Appendix 1 to the report, and review and note the use of surveillance by the Authority in the preceding year, or alternatively, to ask officers to revise the draft Policy and/or provide additional information regarding any matters contained in the report.

**Resolved** that (1) the Authority's Policy on Covert Surveillance, attached at Appendix 1 to the report, be approved; and  
(2) the use of surveillance by the Authority in the preceding year, as set out in the report, be noted.

(Reason for decision: Approving the Authority's Policy on Covert Surveillance will secure adherence to the recommended best practice contained within the Codes of Practice. In particular, the Code of Practice – Covert Surveillance and Property Interference indicates that elected members should review the Authority's use of Part II of the Regulation of Investigatory Powers Act 2000 and set the policy at least once a year.)

#### **CAB182/20 Exclusion Resolution**

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

#### **CAB183/20 Site 2B, Wallsend Town Centre**

Cabinet considered a report seeking approval to accept a revised capital receipt that was due to the Authority pursuant to an Option Agreement in respect of the proposal to develop Site 2B in Wallsend Town Centre with a new town centre medical centre.

Securing the redevelopment of the Site with a new medical centre would be a significant step in the regeneration of Wallsend Town Centre and would see the delivery of much improved and more accessible medical facilities for local residents.

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

**Resolved** that the Head of Commissioning and Asset Management be authorised to accept a revised capital receipt for Site 2B, Wallsend town centre, as detailed in the report, when it is considered appropriate to do so, pursuant to the Option Agreement with the current owners of the site, as detailed in Section 1.5 of the report.

(Reason for decision: It is considered to be the most advantageous way forward for the Authority in delivering its continued regeneration of Wallsend town centre and to assist in providing a new town centre medical centre.)

**CAB184/20 Delivering the Ambition for North Tyneside - Tynemouth Library and 11/12 Northumberland Square**

Cabinet considered a report seeking approval for the Final Business Cases prepared by Aurora Properties (Sale) Limited to develop two further sites in North Tyneside that would support the ongoing regeneration aims of the Authority.

The first scheme was the development of 5 homes at number 11/12 Northumberland Square in the centre of North Shields.

The second scheme related to the re-development of the Authority owned site of the former Tynemouth Library site to provide a new, modern library facility and six new apartments for sale on Tynemouth Front Street. The new Library would include a 'Changing Places' WC/changing room and subject to commercial negotiations, it was the intention that the new library would be co-located with a Building Society providing a financial services presence on Front Street and extending the current opening hours of the library.

Both schemes would directly contribute to towards the Authority's priorities within the 'Our North Tyneside' Council Plan to create great places to live and provide more quality housing.

The Final Business Case for each scheme demonstrated that both schemes would be financially viable for Aurora Properties (Sale) Limited and would also together provide a potential financial benefit to the Authority.

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

**Resolved** that (1) the Tynemouth Library and 11/12 Northumberland Square sites be declared surplus to the Authority's asset requirements, and Officers be authorised to procure the demolition of the existing buildings, clearance and remediation of the Tynemouth Library site and deal with all ancillary matters to ensure the Site is suitable for development;  
(2) the sale of the sites at 11/12 Northumberland Square and Tynemouth Library to Aurora Sales to reflect the Final Business Cases attached to the report as Appendices 3 and 4 be approved;  
(3) the Head of Commissioning and Asset Management, in consultation with the Elected Mayor, the Head of Law and Governance and the Head of Resources, be authorised to agree minor modifications to the Final Business Cases provided they remain within the financial envelope as set out in the report;  
(4) the Authority shall provide all necessary support to Aurora Properties (Sale) Limited, by

way of finance, both debt and equity funding, in the most efficient manner, complying at all times with State Aid Regulations, all other relevant legal requirements and the Authority's Constitution and Financial Regulations provided there are no additional financial implications for the Authority which cannot be contained within existing budgets, on such appropriate terms as approved by the Head of Resources, in consultation with the Head of Law and Governance;

(5) the Head of Commissioning and Asset Management, in consultation with the Elected Mayor, Head of Resources and Head of Law and Governance, be authorised to complete negotiations for the sale of the Sites to Aurora Sales and to agree the final terms of disposal of the Sites by private treaty, in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;

(6) the Head of Commissioning and Asset Management be authorised to deal with all ancillary matters arising that are consistent with the preceding resolutions; and

(7) negotiations with the Building Society identified in the report around the terms and conditions of the lease for the shared library facility be undertaken in line with the existing Officer Delegation Scheme allowing, if subsequently agreed, a Licence for Occupation of Part on terms.

(Reasons for decision: It will support the Mayoral aim and priority as outlined in the 2020-2024 Our North Tyneside Plan that Our Places will be great places to live and offer a good choice of quality housing appropriate to local need and redevelop a vacant brownfield site.

It will support the policy aim to continue to develop places to provide suitable accommodation for residents of the Borough and will attract visitors and /or employees / prospective employees.

Aurora Sales believes the Project is commercially viable.

The new housing will increase the supply of market homes, and will improve / benefit the area and support / boost the local economy.

Working with Northern PowerGrid to replace and upgrade the substation will improve the current infrastructure servicing the Tynemouth area.)

## **CAB185/20 Corporate Risk Management Summary Report**

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

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

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

(Reasons for decision: Each of the corporate risks has undergone substantial review and

challenge as part of the corporate risk management process. This is designed to provide assurance that corporate risks and opportunities are being identified and appropriately managed.)

**CAB186/20    Date and Time of Next Meeting**

6.00pm on Monday 25 January 2021.

**Minutes published on 3 December 2020.**

**The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 10 December 2020.**