



**North Tyneside Council**

# Cabinet

20 November 2020

**Monday, 30 November 2020 commencing at 6.00 pm.** The meeting will be held virtually and will be live streamed at the following link: <https://youtu.be/UaIHnHA4wIk>

<b>Agenda Item</b>	<b>Page(s)</b>
<b>1. Apologies for Absence</b>	
To receive apologies for absence from the meeting.	
<b>2. To Receive any Declarations of Interest and Notification of any Dispensations Granted</b>	
You are invited to <b>declare</b> any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.	
You are also invited to <b>disclose</b> 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 indicate any declarations of interests and/or dispensations verbally at the meeting to the Democratic Services Officer before leaving the meeting.	
<b>3. Minutes</b>	
To confirm the minutes of the meeting held on 19 October 2020 (previously circulated).	
<b>4. Report of the Young Mayor</b>	
To receive a verbal report on the latest activities of the Young Mayor and Young Cabinet.	

Members of the public are welcome to attend this virtual meeting by clicking on the above link.

North Tyneside Council wants to make it easier for you to get hold of the information you need. We are able to provide our documents in alternative formats including Braille, audiotape, large print and alternative languages.

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<b>Agenda Item</b>	<b>Page(s)</b>
<p>5.     <b>2020/21 Financial Management Report to 30 September 2020</b></p> <p>To receive the third budget monitoring report for the current financial year which reflects the forecast financial position as at 30 September 2020.</p>	<b>5 - 96</b>
<p>6.     <b>2021-2025 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals</b></p> <p>To consider a report detailing Cabinet's initial budget proposals and associated matters (Interim report). A supplemental (main) report detailing Cabinet's initial Budget proposals will be circulated to all members of Cabinet as soon as possible after the Budget announcement is made.</p>	<b>97 - 98</b>
<p>7.     <b>Adult Skills Funding</b></p> <p>To seek approval to accept the annual funding and contracts offered by the North of Tyne Combined Authority (NTCA) through new devolved arrangements, the Education and Skills Funding Agency (ESFA) and the sub-contract offered by Barnardo's for the provision and delivery by the Authority of post-16 education, training, apprenticeships and work experience.</p>	<b>99 - 106</b>
<p>8.     <b>Adoption of updated Northumberland Square Conservation Area Character Appraisal</b></p> <p>To consider a report detailing the feedback received to the public consultation on the draft updated Northumberland Square Conservation Area Character Appraisal and the suggested amendments.</p>	<b>107 - 176</b>
<p>9.     <b>Procurement of Adult Social Care Services - Various Contracts</b></p> <p>To seek approval to undertake procurement exercises to put in place contractual arrangements for a range of adult social care services.</p>	<b>177 - 186</b>
<p>10.    <b>Children and Young People's Plan 2021 - 2025</b></p> <p>To seek approval to the initial proposals for the refresh and development of the Children and Young People's Plan 2021-2025.</p>	<b>187 - 192</b>
<p>11.    <b>Annual Review of Council Policy on Covert Surveillance</b></p> <p>To seek approval for an updated Covert Surveillance Policy in accordance with the Statutory Codes of Practice applying to the Regulation of Investigatory Powers Act 2000 (RIPA).</p>	<b>193 - 208</b>

**12. 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 13, 14 and 15 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 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.

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

**13. Site 2B, Wallsend Town Centre****209 - 214**

To seek approval to accept a revised capital receipt that is 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.

**14. Delivering the Ambition for North Tyneside - Tynemouth Library and 11/12 Northumberland Square****215 - 266**

To seek approval for the Final Business Cases prepared by Aurora Properties (Sale) Limited to develop two further sites in North Tyneside that will support the ongoing regeneration aims of the Council.

**15. Corporate Risk Management Summary Report****267 - 326**

To consider a report on the latest review of key corporate risks undertaken by the Senior Leadership Team.

**16. Date and Time of Next Meeting**

Monday, 25 January 2021 at 6.00pm.

**Circulation overleaf ...**

**Circulated to Members of Cabinet: -**

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

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

## North Tyneside Council Report to Cabinet 30 November 2020

**Title: 2020/21 Financial Management Report to 30 September 2020**

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<b>Portfolios:</b> Elected Mayor  Finance and Resources	<b>Cabinet Member:</b> Norma Redfearn  Councillor Ray Glindon
<b>Report from:</b> Finance	
<b>Responsible Officer:</b> Janice Gillespie, Head of Resources	<b>Tel:</b> 643 5701
<b>Wards affected:</b> All	

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### PART 1

#### 1.1 Executive Summary:

This report is the third monitoring report to Cabinet on the 2020/21 financial position. The report brings together financial and performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the latest indication of the potential revenue and capital position of the Authority at 31 March 2021.

Like all local authorities, North Tyneside Council has felt the impact of the ongoing Covid-19 pandemic. However, when “business as usual” is considered services are performing favourably when compared to this stage in previous financial years. The Authority continues to face financial pressures across areas of Social Care and demand-led services that have been reported over a number of years. In considering the financial outlook for 2020/21, Services have considered the financial pressures they will face in 2020/21 and how they will mitigate these.

This report necessarily reflects these known pressures the Services will be required to manage during the financial year. As well as an explanation of any previously identified risks that have crystallised, this report sets out any new risks that may have a financial impact on the Authority. It is anticipated that the overall in-year pressures of this nature will be managed by the Services.

The financial impact of the pandemic continues to have a significant effect on the projected 2020/21 outturn position. The Authority has received three payments of Local Authority Support Grant funding from the Government (total of £14.308m), of

which £0.733m was allocated due to Covid-19 pressures arising in March 2020 and a further tranche of £2.061m was recently announced.

On 2 July 2020, the Government also announced support will be provided in relation to pressures on sales, fees and charges. The Authority has submitted its initial claim, covering the period April 2020 – July 2020 to the value of £2.463m. At this stage, no confirmation has been received from Government regarding this claim, but this funding has been included in the position reported. The Cabinet Member for Finance and Resources is being kept up to date with the impact of all grant funding relating to Covid-19 and any further grant funding will be reported to Cabinet in the next report.

The impact of pressures arising from Covid-19 in 2020/21 are forecasted to be significant and the September position contains Covid-19 pressures over and above the level of grant funding received to date. Due to the level of uncertainty of how service delivery will continue to be impacted by Covid-19, it is expected the reported position will change over the coming months as the response and recovery continue. Like all authorities North Tyneside is seeing a clear financial impact as a result of the pandemic and current indications are that the Covid-19 funding received to date does not cover all anticipated costs/loss of income. Discussions are on-going at both local and national level around the financing of the residual pressures expected as a result of Covid-19.

Considering the anticipated financial impact of Covid-19, the report provides a view of the Council Tax and Business Rates position, with an early indication of the Collection Fund position for 2020/21, and also provides an update to considerations of the Authority's cash flow position.

The report includes details of any additional grants received by the Authority since the budget was set. The report also advises Cabinet of the position so far on the 2020/21 Schools budgets, planning for 2021/22, Schools funding and the forecast outturn for the Housing Revenue Account as at 30 September 2020.

The report also provides an update on the 2020/21 Investment Plan, including delivery so far this year, along with details of variations and reprofiling of the Investment Plan which are presented to Cabinet for approval as well as an update on Treasury Management and the cash flow position.

As required by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, a mid-year Treasury Management report is provided to give an update on the latest Prudential Indicators and Treasury Management activities for the year 2020/21. This has been included in this report as Appendix 2 and Appendix 3 respectively.

## **1.2 Recommendations:**

It is recommended that Cabinet:

- (a) notes the forecast budget monitoring position for the General Fund, Collection Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 30 September 2020 (Annex sections 1, 5, 6 and 7);
- (b) approves the receipt of £11.714m new revenue grants (as outlined in Annex section 3);

- (c) notes 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 (Annex Section 8); and
- (d) approves variations of (£6.923m) and reprogramming of £1.094m for 2020/21 within the 2020 – 2025 Investment Plan (Annex Section 8).

### **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 3 July 2020.

### **1.4 Authority plan and policy framework:**

The budget is a key strand of the Authority's Budget and Policy Framework.

### **1.5 Information:**

#### **1.5.1 Financial Position**

This report is the third monitoring report presented to Members on the Authority's 2020/21 financial position. It provides an indication of the expected revenue and capital financial position of the Authority as at 31 March 2021. The reported position is expected to change over the coming months as the response and recovery to Covid-19 continues.

The report covers:

- The forecast outturn of the Authority's General Fund and HRA revenue budget including management mitigations where issues have 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 is recommended for approval.

#### **1.5.2 General Fund Revenue Account**

The budget for 2020/21 was approved by full Council at its meeting on the 20 February 2020. The net General Fund revenue budget was set at £161.361m. This included £3.622m of savings to be achieved (£0.805m relating to 2020/21).

The forecast overall pressure is estimated at £5.142m against the approved net budget. This is made up of a forecasted pressure of £0.883m on normal activities and £4.259m relating to the impact of Covid-19. This is after a forecasted transfer to reserves of a £12.719m surplus relating to Section 31 grants. A surplus is forecasted as a result of the compensation provided by Government for the losses being felt by the Authority on Business Rates following the changes Government made to retail and nursery reliefs in their response to the Covid-19 pandemic. The surplus will be held in reserve and utilised to support the Collection Fund deficit that will be faced in 2021/22 due to these measures.

The £0.883m pressure in the services is driven mainly by Health, Education, Care & Safeguarding reflecting the continued pressures in Children’s Services of £5.286m and Adult Services of £0.788m. This is before inclusion of the contingency based budgets, which are held and reported with Central Items, that were 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 is £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 continue from 2019/20 and arise from:

- Continued growth in demand in Adult and Children’s Social Care Services;
- The timing of delivery of some aspects of the Efficiency Savings Programme to the extent that achievement of some savings may be at risk;
- The shared pressure with the North Tyneside Clinical Commissioning Group around agreeing adequate levels of contributions for clients with health needs and to support social care; and
- Negotiations with care providers to assess the impact of the National Living Wage and the consequential impact on our commissioning costs are at an early stage for 2020/21.

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

With regards to the impact of Covid-19, the main drivers behind the £4.259m shortfall are also within Health, Education, Care and Safeguarding where £11.725m is 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 exist 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).

### 1.5.3 New Revenue Grants

The following revenue grants have been received during June and July 2020:

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Health Education Care & Safeguarding	Education and Skills Funding Agency	KS 2 moderation and KS 1 Phonics Funding	To fund statutory duties for teacher assessment and monitoring of the phonics screening test	0.011



<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Health Education Care & Safeguarding	Home Office	Leaving Care	Support for young care leavers	0.025
Health Education Care & Safeguarding	Department for Education	Looked After Children Mental Health Assessment Pilot	Piloting a new mental health assessment framework for looked after children entering care	0.040
Health Education Care & Safeguarding	National Foundation of Youth Music	Standing Upright Project	Delivery of a youth music programme in North Tyneside	0.015
Health Education Care & Safeguarding	Department for Education	Extension of the role of Virtual School Head to certain previously looked after children	To support authorities to meet their duty to appoint a Virtual School Head for previously looked after children and make information and advice available	0.054
Environment Housing and Leisure	North of Tyne Combined Authority	Next Steps Accommodation	To support reduction of homelessness during Covid-19	0.048
Environment Housing and Leisure	Historic England	Street Through Time	Supporting recovering of historic high streets	0.009
Environment Housing and Leisure	Without Walls Ltd	Without Walls	Supporting outdoor arts	0.010
Regeneration and Economic Development	European Regional Development Fund	Reopening High Streets Safely Fund	To support local authorities to develop an action plan for the reopening of local economies	0.184

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Central Items	Ministry of Housing Communities and Local Government	Local Authority Compliance and Enforcement Grant	To support the Local Authority with any activity which will support compliance and enforcement of measures to prevent the spread of Covid-19	0.108
Central Items	Department of Health and Social Care	Local Authority Test and Trace - Containment	To support the Authority with any activity which will support containment to control the spread of Covid-19	0.416
Central Items	Department of Health and Social Care	Test and Trace Support Payments – Programme Costs	Individuals are entitled to Test and Trace Support Payments of £500. This is to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace	0.090
Central Items	Department of Health and Social Care	Test and Trace Support Payments – Discretionary Payments	Individuals are entitled to Test and Trace discretionary support payments. This is to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace	0.054

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Central Items	Department of Health and Social Care	Test and Trace Support Payments – Administration Costs	To support administration costs associated with Test and Trace support payments.	0.033
Central Items	Department for Education	Mental Health in School	To support the Wellbeing for Education Return project supporting psychological recovery for the return to full time education post lockdown	0.027
Central Items	Department for Transport	Travel Demand Management	To support the Authority with travel demand management activities linked to Covid-19 regulations	0.020
Central Items	Department for Education	Covid-19 Schools Fund 1	To support schools facing additional costs of Covid-19	0.084
Central Items	Department for Education	Covid-19 Schools Fund 2	To support schools facing additional costs of Covid-19	0.108
Central Items	Department for Education	Schools catch up premium	To provide assistance to the Authority for maintained schools and pupils placed in independent special settings in the form of Coronavirus catch-up premium	0.514
Central Items	Ministry of Housing Communities and Local Government	Covid-19 Local Authority Support Grant	To support the Authority in funding the financial impact of Covid-19	2.061

Service	Grant Provider	Grant	Purpose	2020/21 value £m
Central Items	Department of Health and Social Care	Infection Control Grant Round 2	To provide support to care homes and other providers to fund the cost of controlling Covid-19 infection	2.207
Health Education Care and Safeguarding	Education and Skills Funding Agency	Teachers Pay Grant	Paid across to schools to support teachers' pay costs	1.071
Health Education Care and Safeguarding	Education and Skills Funding Agency	Teachers Pensions Employer Contributions Grant	Paid across to schools to support teachers' pensions costs	3.229
Health Education Care and Safeguarding	Education and Skills Funding Agency	School Improvement Monitoring and Brokering Grant	To support the Authority to monitor performance of maintained schools and broker school improvement provision	0.168
Health Education Care and Safeguarding	Education and Skills Funding Agency	Primary PE and Sports Premium Grant	Paid across to schools to support and develop PE and sport	1.128
<b>Total</b>				<b>11.714</b>

#### 1.5.4 School Funding

Schools are required to submit their rolling three-year budget plan by 31 May each year. The total planned deficit for 2020/21 was £6.689m. These budgets were revised, mainly following discussions with schools showing deficit balances, to an expected deficit of £6.681m. 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, 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 continues this trend.

In July twelve schools were identified to cabinet as expecting to be in deficit during 2020/21, including two schools that were in structural deficit. Following the allocation of falling rolls and headroom funding in July, another school has now moved out of deficit and another three schools are 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 are expected to total £12.516m.

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

#### 1.5.5 Housing Revenue Account (HRA)

The HRA is forecast to have year-end balances at 31 March 2021 of £6.576m; assuming all identified Covid-19 related costs and income shortfalls are covered Centrally. These balances are £1.572m higher than budget which was set at £5.004m. The higher than forecast balances are mainly as a result of higher opening balances due to the impact of the previous year's financial performance (£0.211m) but there is 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).

Universal Credit was fully implemented across North Tyneside on 2 May 2018. At 30 September 2020, there were 2,972 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.525m. This is up by 398 and £0.315m from the beginning of the year when there were 2,574 tenants on UC with arrears of £2.210m, but actually is down from the end of August when there were 3,011 tenants on Universal Credit (reduction of 39 tenants) with related arrears of £2.529m (reduction of £0.004m). A team is working proactively with tenants to minimise arrears and this position will be closely monitored as the year progresses to identify any adverse impacts on the budget position.

#### 1.5.6 Investment Plan

The approved 2020-2025 Investment Plan totals £244.320m (£67.307m 2020/21) and is detailed in table 36 of the Annex. The Annex to this report also sets out in Section 8 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 has resulted in proposals for reprogramming of £1.094m and variations of (£6.923m) of which more details are set out in Section 8 of the Annex to this report. The revised Investment Plan stands at £74.875m for 2020/21 and to the end of September 2020 spend of £15.220m had been incurred which represents 20.33% of the revised plan.

#### 1.5.7 Performance against Council Plan

The 2020-2024 Our North Tyneside Plan (Council Plan) sets out the overall vision and policy context within which the Financial Plan and Budget are set. The Council Plan has three key themes – Our People, Our Places and Our Economy. For each one there is a set of policy outcomes that the Authority is seeking to deliver as set out below.

##### **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.

#### **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.
- Benefit from the completion of the North Tyneside Living project and by North Tyneside Council's housing stock being decent, well managed and its potential use maximised.
- Recognise the climate emergency by further reducing the Borough's overall carbon footprint. This will include reducing the Council's carbon footprint, along with encouraging and enabling everyone to reduce their carbon footprint.
- Provide a clean, green, healthy, attractive and safe environment.
- Have an effective transport and physical infrastructure - including our roads, pavements, street lighting, drainage and public transport.
- Continue to be regenerated in Wallsend and Whitley Bay, through effective public, private and community partnerships, while ambitious plans will be developed for North Shields, Forest Hall and Killingworth.
- Be a thriving place of choice for visitors through the promotion of our award-winning parks, beaches, festivals and seasonal activities.

#### **Our Economy will:**

- Benefit, along with our people and places, from our ambitious vision which we created with partners in in the North of Tyne Combined Authority. We will have a dynamic and more inclusive economy, which will ensure that all residents have a stake in our region's future.
- Grow by supporting new businesses and building on our strengths, including our existing world class companies, and small and growing enterprises.
- Be business friendly, ensuring the right skills and conditions are in place to support investment, and create and sustain new high-quality jobs and apprenticeships for working age people.
- Continue to support investment in our business parks, units and Town Centres.

The Authority has plans in place to deliver all elements of the Council Plan and performance against these plans is carefully monitored. The area under most financial pressure is Health Education Care and Safeguarding.

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. Along with the number of adults supported increasing over the last few financial years, the individual needs of those residents have increased due to people 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.

In Children's Services, good progress continues to be made on engaging with children in the early years of life to ensure that they are ready for school. Safeguarding vulnerable children and maximising their educational attainment remain key priorities.

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. As such, the levels of looked after children (LAC) and children who require supervision after leaving care continue to generate a significant financial pressure. Data for LAC levels suggest that, whilst fluctuating, there is a general trend of a steady increase in numbers (as per Section 4.2 in the Annex) but there are a wide range of levels of care provided, with more complex cases now being faced.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet:

### Option 1

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

### Option 2

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

## **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

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

## **1.8 Appendices:**

Annex : Financial Management Report to 30 September 2020

Appendix 1: 2020 – 2025 Investment Plan

Appendix 2: Prudential Indicators 2020/21

Appendix 3: Treasury Management Mid-Year Report 2020/21

## **1.9 Contact officers:**

Janice Gillespie – Corporate Finance matters – Tel. (0191) 643 5701

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

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

Cathy Davison – Investment Plan matters – Tel. (0191) 643 5727

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

Amar Hassan – Treasury Management matters – Tel. (0191) 643 5747

## 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 2020/21  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Revenue%20Control%20Budget%202020-21.pdf>
- (b) Investment Plan 2020-25  
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=136&MId=238&Ver=4> (Agenda reports pack - Appendix D(i))
- (c) Reserves and Balances Policy  
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=136&MId=238&Ver=4> (Agenda reports pack - Appendix G)
- (d) Overview, Scrutiny and Policy Development Performance Report  
<https://democracy.northtyneside.gov.uk/documents/s2657/Our%20North%20Tynside%20Performance%20Report%20Cover%20March%202020.pdf>
- (e) Quarter 2 Efficiency Savings Programme Report  
<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=138&MId=525&Ver=4>
- (f) Link - Interest Rate Forecast (available at the offices of the author)
- (g) Link – Risks to the UK Economy (available at the offices of the 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. This report will also be presented to the Authority's Finance Sub-Committee at its meeting on 9 February 2020.

### 2.2 Legal

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

### 2.3 Consultation/community engagement

#### 2.3.1 Internal Consultation

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



### 2.3.2 External Consultation / Engagement

The 2020/21 budget was completed after widespread consultation and community engagement in line with the Authority's approved Budget Engagement Strategy.

### 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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# 2020/21 Financial Management Report Annex

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### **SECTION 1 - GENERAL FUND SUMMARY**

#### **1 General Fund Revenue Forecast**

- 1.1 This report is the third monitoring report to Cabinet on the 2020/21 financial position. The report brings together financial and performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the third indication of the potential revenue and capital position of the Authority at 31 March 2021. The report explains where the Authority continues to manage financial pressures.

Like all local authorities, North Tyneside Council is in a significant period of financial uncertainty with the impact of the Covid-19 pandemic increasing the challenge of being able to forecast the financial impact across the Authority. The Authority is considering the financial impacts of the pandemic and revising its financial modelling accordingly with the latest central government guidance and expects the forecast position to change over time as the Authority see the impacts evolve and change. The Authority continues to see areas of pressure across Adults and Social Care, but there are significant impacts on income particularly across Sport and Leisure Services, and Catering Services.

- 1.2 The Authority's approved net revenue budget of £161.361m is forecast to outturn with a pressure of £5.142m. The budget includes £0.805m of savings as agreed at Council on 20 February 2020. Table 1 in paragraph 1.8 below sets out the variation summary across the General Fund. Included in Table 1 is a forecasted movement to reserves, based on current estimates, of £12.719m relating to additional Section 31 (S31) payments the

Authority will receive from Government to compensate for the losses that will be incurred from the additional Retail and Nurse Relief's introduced by Government in their response to the Covid-19 pandemic. The result of these additional reliefs is to cause an increased deficit position in the Authority's Collection Fund position which will need to be met from the additional S31 payments in 2021/22. Further details can be found in both Section 5 of this Annex as well as 4.9 of Section 4.

- 1.3 The Authority is continuing to take a prudent approach to forecasting including in relation to identifying the impact of Covid-19 which currently is forecast to add pressures of £25.703m to the General Fund in 2020/21. The total Local Authority Support Grant received from Government to date is (£14.308m) of which £0.733m was required to offset Covid-19 issues in 2019/20. A fourth tranche of funding has been announced and the share for North Tyneside Council is (£2.061m). With that included the remaining (£15.636m) is being applied against the forecasted pressures along with three specific grants for costs linked to Test and Trace (£1.140m), Infection Control (£2.205m) and Sales, Fees and Charges (£2.463m) leaving an amount of £4.259m over and above current grant funding. Therefore, the pressures relating to normal business activities across the Authority are currently in the region of £0.883m and compare favourably with this stage of recent financial years.
- 1.4 On 2 July 2020 the Government announced support will be provided in relation to pressures on sales, fees and charges. The Authority submitted its first claim covering the period 1 April 2020 – 31 July 2020 in September to the value of £2.463m. No confirmation relating to this claim has been received from Government, but this is built into the position reported.
- 1.5 The Authority has also received and/or been notified of other sources of government funding related to Covid-19 since the last report. Further details of these can be found in section 3 of this annex. The main items relate to a second tranche of Infection Control Grant and further Test, Track and Trace funding intended to support the local effort in tracing, compliance and enforcement activities to stop the spread of Covid-19 within the borough. Plans for the utilisation of these funds are being finalised and as such these grants are not included in the figures as at the end of September 2020. The Cabinet Member for Finance and Resources will be kept up to date with the impact of the grant funding and an update will be provided to Cabinet in the next report in January.
- 1.6 This Annex describes as far as possible the assumptions currently made in respect of additional costs and loss of income as a result of Covid-19, and where services continue to see variations in respect of business as usual.
- 1.7 Through close monitoring of Covid-19 implications the forecast position will change through the year. Whilst some of the impact of additional cost and lost income are captured, work is in progress to ensure transparency with regard to some of the savings that changes to operations will drive out. For example, savings on car mileage and potentially energy costs as a result of many office-based staff working from home. The Authority has seen a reduction in printing across all services and are working to understand with Engie how the Authority will see the financial benefit that accrues from that.

Work is also underway to understand the longer-term financial implication and what that means for the longer-term financial plan. Some of that work is set out in Section 5 where an update on the Collection Fund position is included in this Annex.

**1.8 Table: 1 2020/21 General Fund Revenue Forecast Outturn as at 30 September 2020**

Services	Budget	Forecast Sept	Variance Sept	Variance July	Variance Change since July		Of which - Covid-19	Of which - Business as Usual	Business as Usual July Variance	Business as Usual Change since July
	£m	£m	£m	£m	£m		£m	£m	£m	£m
Health, Education, Care and Safeguarding	70.163	87.962	17.799	19.422	(1.623)		11.725	6.074	5.723	0.351
Commissioning and Asset Management	7.053	11.270	4.217	5.182	(0.965)		3.830	0.387	0.401	(0.014)
Environment, Housing and Leisure	42.696	50.543	7.847	6.811	1.036		7.871	(0.024)	0.063	(0.087)
Regeneration and Economic Development	1.352	1.616	0.264	0.271	(0.007)		0.055	0.209	0.216	(0.007)
Corporate Strategy	0.632	0.822	0.190	0.204	(0.014)		0.093	0.097	0.132	(0.035)
Chief Executive's Office	(0.090)	(0.165)	(0.075)	(0.053)	(0.022)		0.000	(0.075)	(0.053)	(0.022)
Resources	2.781	4.062	1.281	0.416	0.865		1.052	0.229	0.230	(0.001)
Law and Governance	0.053	0.541	0.488	0.449	0.039		0.237	0.251	0.240	0.011
Central Items	16.708	(22.880)	(39.588)	(21.292)	(18.296)		(20.604)	(18.984)	(6.171)	(12.813)
Support Services	20.013	20.013	0.000	0.000	0.000		0.000	0.000	0.000	0.000
<b>Authority Sub Total</b>	<b>161.361</b>	<b>153.784</b>	<b>(7.577)</b>	<b>11.410</b>	<b>(18.987)</b>		<b>4.259</b>	<b>(11.836)</b>	<b>0.781</b>	<b>(12.617)</b>
Section 31 – Transfer to Reserves	0.000	12.719	12.719	0.000	12.719		0.000	12.719	0.000	12.719
<b>Total Authority</b>	<b>161.361</b>	<b>166.503</b>	<b>5.142</b>	<b>11.410</b>	<b>(6.268)</b>		<b>4.259</b>	<b>0.883</b>	<b>0.781</b>	<b>0.102</b>

## **SECTION 2 - DELIVERY OF BUDGET SAVINGS PROPOSALS**

2.1 The combined budget savings of £0.805m in 2020/21 approved by Council in February 2020 brings the total savings the Authority has had to find in the ten years following the 2010 Comprehensive Spending Review (CSR) to £127.756m.

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

<b>Year</b>	<b>£m</b>
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
2019/20	6.875
2020/21	0.805
<b>Total Savings</b>	<b>127.756</b>

2.3 In addition to the £0.805m of new savings proposals approved as part of the 2020/21 budget setting process, £1.346m of savings targets were agreed in prior year budget setting processes for delivery in 2020/21. Savings targets of £1.471m within Health, Education, Care and Safeguarding (HECS) were met in 2019/20 through management actions and still require a permanent solution in 2020/21. The total amount of savings that need to be achieved in 2020/21 is therefore £3.622m.

2.4 The delivery of savings in 2020/21 is expected to be significantly impacted by the Covid-19 pandemic especially within HECS and Commissioning & Asset Management.

2.5 **Table 3: Efficiency Savings by Service at September 2020**

<b>Service</b>	<b>2020/21 Target £m</b>	<b>Projected Delivery £m</b>	<b>Management Actions £m</b>	<b>Still to Achieve £m</b>
HECS	3.069	0.356	0.000	2.713
Commissioning & Asset Management	0.249	0.230	0.000	0.019
Environment Housing & Leisure	0.125	0.125	0.000	0.000
Central Items	0.179	0.179	0.000	0.000
<b>TOTAL</b>	<b>3.622</b>	<b>0.890</b>	<b>0.000</b>	<b>2.732</b>

2.6 The governance structure of the Efficiency Savings Programme includes a monthly review of progress by the Senior Leadership Team (SLT). In addition, in-year budget and performance progress meetings are held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The main variations in



relation to the savings which, at this stage in the year, are shown as yet to be achieved are outlined in the sections below.

### Health, Education, Care and Safeguarding (HECS)

2.7 HECS has a target yet to be achieved of £2.713m, with £0.621m of savings identified relating to Sector Led Improvement income, public health contracts, school improvement and family gateway and the reversal of the one-year only Troubled Families saving (£0.265m) being built into the base budget and therefore achieved. This target to achieve consists of £0.978m of savings reported in 2019/20 as being met in-year through management actions but still requiring a permanent solution and £1.735m of savings identified for delivery in 2020/21. These savings targets relate to a number of areas;

- Increasing income £0.775m
- Service delivery changes £1.888m
- Staffing £0.050m

2.8 This service has been significantly impacted by the Covid-19 pandemic and due to the level of response required during the containment phase and the level of uncertainty across the remainder of the financial year, at this stage a prudent approach to forecasting has been taken. A proportion of the savings involve income generation via third parties or funding through Section 117, shared care or continuing healthcare (CHC) income. Other service delivery-based savings have been impacted due to capacity issues where placements have had to be maintained due to delays in court proceedings or the type of placement not changing as previously planned due to Covid-19 restrictions. The pressure arising within the budget due to forecasted non-delivery has been shown as part of the Covid-19 financial impact and has been adjusted out of the HECS budget position and is shown within Central Items against the Covid-19 support grants.

2.9 Whilst the project delivery figure of £0.890m is an improvement from £0.524m reported to Cabinet in September 2020, there is still a large balance to be achieved. Finance Officers continue to attend meetings with senior managers and the Head of Service across adult and children's services and individual managers have been assigned responsibility to review existing schemes for deliverability and to identify alternative proposals to mitigate any shortfalls. Further details on the delivery of these savings can be found in the Quarter 2 Efficiency Programme Report that was presented to Overview, Scrutiny and Policy Development Committee on 9 November 2020 and has been included as a background paper to this report.

### Commissioning and Asset Management

2.10 Within Commissioning and Asset Management, the only savings targets forecast to be partially met relates to the target for increase in school meals fees of £0.082m of which £0.011m (reduced from £0.033m in July) is not likely to be achieved due to Covid-19 related school closures which have also impacted a target relating to increases in catering SLA's of £0.100m of which £0.008m (£0.033m in July) is forecasted as yet to be achieved. The value of the savings forecasted as yet to be achieved have also been adjusted out of the service's position and have been shown within Central Items as Covid-19 related costs.

## **SECTION 3 – NEW REVENUE GRANTS**

3.1 New revenue grants have been received or notified since the previous report at July until the publishing date for this report.

**Table 4: Grants Received or Notified since the July Monitoring Report**

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Health Education Care & Safeguarding	Education and Skills Funding Agency	KS 2 moderation and KS 1 Phonics Funding	To fund statutory duties for teacher assessment and monitoring of the phonics screening test	0.011
Health Education Care & Safeguarding	Home Office	Leaving Care	Support for young care leavers	0.025
Health Education Care & Safeguarding	Department for Education	Looked After Children Mental Health Assessment Pilot	Piloting a new mental health assessment framework for looked after children entering care	0.040
Health Education Care & Safeguarding	National Foundation of Youth Music	Standing Upright Project	Delivery of a youth music programme in North Tyneside	0.015
Health Education Care & Safeguarding	Department for Education	Extension of the role of Virtual School Head to certain previously looked after children	To support authorities to meet their duty to appoint a Virtual School Head for previously looked after children and make information and advice available	0.054
Environment Housing and Leisure	North of Tyne Combined Authority	Next Steps Accommodation	To support reduction of homelessness during Covid-19	0.048
Environment Housing and Leisure	Historic England	Street Through Time	Supporting recovering of historic high streets	0.009

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Environment Housing and Leisure	Without Walls Ltd	Without Walls	Supporting outdoor arts	0.010
Regeneration and Economic Development	European Regional Development Fund	Reopening High Streets Safely Fund	To support local authorities to develop an action plan for the reopening of local economies	0.184
Central Items	Ministry of Housing Communities and Local Government	Local Authority Compliance and Enforcement Grant	To support the Local Authority with any activity which will support compliance and enforcement of measures to prevent the spread of Covid-19	0.108
Central Items	Department of Health and Social Care	Local Authority Test and Trace - Containment	To support the Authority with any activity which will support containment to control the spread of Covid-19 (to be managed at a regional level)	0.416
Central Items	Department of Health and Social Care	Test and Trace Support Payments – Programme Costs	Individuals are entitled to Test and Trace Support Payments of £500. This is to support people on low incomes who are unable to work from home if they are told to self isolate by NHS Test and Trace	0.090

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Central Items	Department of Health and Social Care	Test and Trace Support Payments – Discretionary Payments	Individuals are entitled to Test and Trace discretionary support payments. This is to support people on low incomes who are unable to work from home if they are told to self isolate by NHS Test and Trace	0.054
Central Items	Department of Health and Social Care	Test and Trace Support Payments – Administration Costs	To support administration costs associated with Test and Trace support payments.	0.033
Central Items	Department for Education	Mental Health in School	To support the Wellbeing for Education Return project supporting psychological recovery for the return to full time education post lockdown	0.027
Central Items	Department for Transport	Travel Demand Management	To support the Authority with travel demand management activities linked to Covid-19 regulations	0.020
Central Items	Department for Education	Covid-19 Schools Fund 1	To support schools facing additional costs of Covid-19	0.084
Central Items	Department for Education	Covid-19 Schools Fund 2	To support schools facing additional costs of Covid-19	0.108

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2020/21 value £m</b>
Central Items	Department for Education	Schools catch up premium	To provide assistance to the Authority for maintained schools and pupils placed in independent special settings in the form of Coronavirus catch-up premium	0.514
Central Items	Ministry of Housing Communities and Local Government	Covid-19 Local Authority Support Grant	To support the Authority in funding the financial impact of Covid-19	2.061
Central Items	Department of Health and Social Care	Infection Control Grant Round 2	To provide support to care homes and other providers to fund the cost of controlling Covid-19 infection	2.207
Health Education Care and Safeguarding	Education and Skills Funding Agency	Teachers Pay Grant	Paid across to schools to support teachers' pay costs	1.071
Health Education Care and Safeguarding	Education and Skills Funding Agency	Teachers Pensions Employer Contributions Grant	Paid across to schools to support teachers' pensions costs	3.229
Health Education Care and Safeguarding	Education and Skills Funding Agency	School Improvement Monitoring and Brokering Grant	To support the Authority to monitor performance of maintained schools and broker school improvement provision	0.168
Health Education Care and Safeguarding	Education and Skills Funding Agency	Primary PE and Sports Premium Grant	Paid across to schools to support and develop PE and sport	1.128
<b>Total</b>				<b>11.714</b>

## **SECTION 4 – SERVICE COMMENTARIES**

4.1 Meetings have been held between finance officers and budget managers to review the forecast positions for 2020/21, with forecasts being prepared on a prudent basis. A challenge session for quarter one has taken place and further sessions are planned for the remainder of the year to review the quarterly financial position and service performance with the Elected Mayor, the Deputy Mayor, the Cabinet Member for Finance and Resources, and other relevant Cabinet Members. Heads of Service and their senior teams also attend these challenge sessions to discuss plans in progress to mitigate any pressures.

### **4.2 Health, Education, Care & Safeguarding (HECS)**

4.2.1 HECS is showing a forecast pressure of £6.074m at September which is an increase of £0.351m compared to the forecast variance of £5.723m reported in July. The increased variance relates mainly to additional care costs for children partially offset by reductions in care package costs for adults. This position is after adjusting for a total of £11.725m of Covid-19 related cost and income pressures which are now shown within Central Items. In July, a total of £13.699m of Covid-19 related cost pressures were forecasted. The reduced Covid-19 cost forecast relates mainly to a reduced forecast for the net cost of adult social care clients returning to the Authority from the pooled fund arrangement put in place for hospital discharges partially resulting from the new arrangements announced by the Government which came into force from 1 September 2020 which allow up to six weeks of care costs to be charged to an extended pooled fund arrangement. This forecast position excludes the application of contingency budgets set aside in Central Items for pressures in Adult Services of £1.800m and within Children's Services of £2.616m.

4.2.2 The HECS service continues to be heavily impacted by the Covid-19 Pandemic and has put in place a range of responses to support existing clients and other residents directly affected by the virus who have required new support packages to be put in place on discharge from hospital or to prevent an admission. Work has also been ongoing to support social care providers to maintain their vital services. In addition to cost pressures, income losses directly related to Covid-19 disruption are forecasted amounting to £0.862m. The following Covid-19 related pressures are forecasted within HECS for 2020/21.

#### **4.2.3 Table 5: Impact of Covid-19 on HECS**

<b>Service Area</b>	<b>Covid Cost Impact Sept £m</b>	<b>Covid Income Impact Sept £m</b>	<b>Total Covid Impact Sept £m</b>	<b>Total Covid Impact July £m</b>	<b>Description</b>
Mainly Wellbeing & Assessment	0.000	0.110	0.110	0.388	Lost client contributions

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Mainly Wellbeing & Assessment	0.494	0.000	0.494	2.110	Net care package costs of clients returning to the LA after NHS Covid discharge funding ends
Mainly Wellbeing & Assessment	5.403	0.000	5.403	5.533	Supporting the care market (including Infection Control Grant payments)
Mainly Integrated Services	0.346	0.000	0.346	0.691	Additional staff costs, supplies and services incl. PPE
Across the Service	1.300	0.000	1.300	1.300	Savings targets at significant risk of non-delivery due to Covid-19 issues
<b>Adults Total</b>	<b>7.543</b>	<b>0.110</b>	<b>7.653</b>	<b>10.022</b>	
Employment & Skills	0.026	0.035	0.061	0.062	Lost course fee income and equipment costs
School Improvement	0.000	0.666	0.666	0.873	Lost income from the Langdale Centre, High Borrans and school development work
Mainly Corporate Parenting & Placements	1.233	0.000	1.233	1.238	Increased costs for children in care
Integrated Disability and Additional Needs	0.000	0.051	0.051	0.051	Lost SLA income for summer term
Across the Service	1.413	0.000	1.413	1.413	Savings targets at significant risk of non-delivery due to Covid-19 issues
Adoptions	0.051	0.000	0.051	0.040	Costs relating to adoptions
<b>Children's Total</b>	<b>2.723</b>	<b>0.752</b>	<b>3.475</b>	<b>3.677</b>	
<b>Public Health</b>	0.597	0.000	0.597	0.000	Measures to prevent infection and promote compliance with local and national restrictions
<b>Total</b>	<b>10.863</b>	<b>0.862</b>	<b>11.725</b>	<b>13.699</b>	

4.2.4 The financial impact of the Covid-19 crisis began in the last month of 2019/20 and is expected to continue throughout 2020/21. Under Government guidance which

applied from 19 March 2020, the costs of packages for residents who have been discharged from hospital (whether they have tested positive for Covid-19 or not) and any increased costs of packages which prevented admissions to hospital have been charged into a new pooled fund of £1.300bn nationally with these costs met by contributions from the Government paid via the North Tyneside Clinical Commissioning Group (NTCCG). The end date for these arrangements, as published on 25 August 2020, was 31 August 2020. At this date there were 332 clients with services commenced under these arrangements who needed to be assessed to establish their ongoing needs. The costs for clients requiring ongoing support will, after assessment, return to the Authority and these clients will also be subject to a financial assessment to establish any contribution for the costs of their care. Clients with high level needs would be assessed against the continuing healthcare framework. Ongoing costs to the Authority have been forecasted on the basis of 163 of the 332 clients who had been assessed by the end of September. This identified a cost of £0.060m per week for the remainder of the financial year. This forecast will be revised as the remainder of this cohort of clients is assessed. Client contributions for these clients have been forecasted at the average rate of all clients currently receiving services.

- 4.2.5 When the Government announced the ending of the first phase of funding arrangements relating to hospital discharges, they announced a second phase which was implemented from 1 September 2020. Under these arrangements, residents discharged from hospital who require social care services are entitled to up to six weeks of free care where the costs of these services are charged into a pooled fund to be met by contributions from the Government claimed via the NTCCG. These clients are reassessed during this six-week period once their ongoing needs have settled and can be more clearly identified. At the point of reassessment and the establishment of a longer-term service, the responsibility for the costs of the services returns to the Authority and the client is financially assessed to establish any client contributions. This second phase of funding arrangements is planned to be in place until 31 March 2021. During September, the first month of operation of these arrangements, 47 clients were discharged from hospital. Forecasts based on these initial clients indicated that £0.367m of recharges to the CCG are anticipated.
- 4.2.6 The net impact of the changes in these schemes has resulted in a reduction of the forecasted costs under Covid-19 arrangement to £0.494m from £2.110m. This includes the additional CCG recharges under the phase two arrangements, forecasted client contributions relating to the phase one clients and additional CCG income from the phase one arrangements.
- 4.2.7 The forecasted costs of supporting the care market is estimated to be £5.403m and relates to supporting care homes and other providers to meet the additional operational costs of Covid-19, for example in relation to PPE and backfilling absent staff. This includes the Infection Control Grant amount of £2.205m. All providers with operational services during the Pandemic have been paid an additional fee premium of 5% to cover Covid-19 operational costs. In addition, any provider which has been severely affected by Covid-19 can apply for reimbursement of any Covid-19 costs not funded through other sources, which have been suffered over and above the additional fee premium paid. The Authority is also working with



care home providers within the Borough to address issues relating to the future sustainability of the market especially where individual providers have high levels of vacancies. There are similar operational cost pressures for in-house services totalling £0.346m of which £0.255m relates to PPE costs with additional costs also forecasted in relation to transport for clients, additional costs of Local Authority funded funerals and additional phone and IT costs to support increased levels of agile working.

- 4.2.8 Lost income across the service has also been identified as an impact of Covid-19 disruption. This relates to client contributions (£0.110m) where reduced levels of income are forecasted at the current rate for the remainder of the financial year. This position is likely to improve as some suspended services are re-started albeit at reduced capacity. A loss of income within School Improvement of £0.666m is forecasted relating to a full year loss of income at High Borrans education centre and other fee income loss for the period April to August. Course fee income within Employment and Skills of £0.035m for the full financial year is also forecasted in addition to SLA income within Integrated Disability and Additional Needs of £0.051m relating to Educational Psychology.
- 4.2.9 A total of £1.233m of additional costs relating to children in care have been identified as a result of care provision being extended as court delays prevent children leaving care and additional operational costs within in-house settings and in externally provided care packages. A fee premium of 5% has been forecasted against all externally provided care for the full financial year.
- 4.2.10 An amount of £0.597m has been included in Public Health relating to a range of measures designed to prevent the spread of Covid-19 including additional Environmental Health capacity, Communications capacity and costs relating to the establishment and maintenance of Local Support Hubs. These costs are met by the Track and Trace Grant.
- 4.2.11 Once the impact of Covid-19 has been adjusted for, the remaining pressures broadly reflect a continuation of the position in 2019/20. Further details are shown in paragraphs 4.2.13 to 4.2.42.
- 4.2.12 **Table 6: Forecast Variation for HECS at September 2020**

	Budget £m	Forecast Sept £m	Variance Sept £m	Of which- Covid- 19 related £m	Of which- Business as Usual £m	Business as Usual Variance July £m	Business as Usual Change Since July £m
Corporate Parenting & Placements	16.680	23.023	6.343	1.863	4.480	3.929	0.551
RHELAC Service	0.004	0.004	0.000	0.000	0.000	0.000	0.000

	Budget £m	Forecast Sept £m	Variance Sept £m	Of which- Covid- 19 related £m	Of which- Business as Usual £m	Business as Usual Variance July £m	Business as Usual Change Since July £m
Child Protection, Independent Assurance and Review	0.673	0.708	0.035	0.000	0.035	0.015	0.020
Early Help & Vulnerable Families	1.039	1.021	(0.018)	0.121	(0.139)	(0.079)	(0.060)
Employment & Skills	0.549	0.544	(0.005)	0.061	(0.066)	(0.047)	(0.019)
Integrated Disability & Additional Needs Service	2.272	3.995	1.723	0.713	1.010	1.060	(0.050)
School Improvement	0.056	0.687	0.631	0.666	(0.035)	(0.079)	0.044
Regional Adoption Agency	(0.010)	0.042	0.052	0.051	0.001	0.000	0.001
<b>Children's Services Sub-total</b>	<b>21.263</b>	<b>30.024</b>	<b>8.761</b>	<b>3.475</b>	<b>5.286</b>	<b>4.799</b>	<b>0.487</b>
Wellbeing, Governance & Transformation	2.271	2.321	0.050	0.000	0.050	0.058	(0.008)
Disability & Mental Health	31.850	33.061	1.211	1.543	(0.332)	(0.345)	0.013
Wellbeing & Assessment	11.820	19.005	7.185	5.752	1.433	1.866	(0.433)
Integrated Services	2.568	2.347	(0.221)	0.108	(0.329)	(0.648)	0.319
Business Assurance	0.293	0.509	0.216	0.250	(0.034)	(0.007)	(0.027)
<b>Adult Services Sub-total</b>	<b>48.802</b>	<b>57.243</b>	<b>8.441</b>	<b>7.653</b>	<b>0.788</b>	<b>0.924</b>	<b>(0.136)</b>
Public Health	0.098	0.695	0.597	0.597	0.000	0.000	0.000
<b>Total HECS</b>	<b>70.163</b>	<b>87.962</b>	<b>17.799</b>	<b>11.725</b>	<b>6.074</b>	<b>5.723</b>	<b>0.351</b>

### Main budget pressures across HECS

4.2.13 In addition to its response to the Covid-19 pandemic, HECS continues to manage a complex budget and is required to deal with a combination of varied funding arrangements, pressures and national policy changes. There are continuing

upward pressures on care providers' fees partially resulting from the National Living Wage but which have become more acute with the operational impact of Covid-19 on care homes and issues around high vacancy levels in a small number of homes within the Borough. Dialogue continues with care home providers around appropriate fee rates. Negotiations also continue around ensuring appropriate levels of funding contributions from the NHS for clients with health needs as the NTCCG themselves face continuing budget constraints.

- 4.2.14 The main factor behind the overall outturn position is the significant pressure within Corporate Parenting and Placements in relation to care provision for children in care and care leavers. Although the number of children in care rose to 321 in January 2020, the numbers dropped to 299 by the end of 2019/20 and are reported as 303 at September (see chart 3 in 4.2.31 below). Pressures within the Integrated Disability and Additional Needs service are rising due to increasing numbers of children with complex needs. In addition to third party care provision pressures, there are also on-going pressures in the workforce arising from staff retention costs and recruitment costs. Within adult services, cost pressures remain in relation to third party care provision especially in relation to older people.

### **Adult Services**

- 4.2.15 In Adult Services, there is a forecasted pressure of £0.788m which represents a £0.136m improvement on the July budget position.
- 4.2.16 There are on-going pressures in third party payments for care provision which is £3.261m above budget levels. There are also smaller pressures relating to premises costs, £0.165m and supplies and services, £0.136m. These are partially offset by increased client contributions and contributions from the NHS (£2.393m). There is an underspend against transport budgets of (£0.156m) and within staffing budgets of (£0.225m). The demand pressures were foreseen by Cabinet and a £1.800m contingency base budget was set up, which is currently held centrally.
- 4.2.17 Pressures within external payments for care provision total £3.261m above budget. Table 7 below shows external payments for care pressures analysed into service types.

**Table 7: Analysis of Adult Services Care Provision Pressure by Service Type**

<b>Type of Service</b>	<b>Sept £m</b>	<b>July £m</b>
Residential and Nursing Care	1.772	2.750
Homecare and Extra Care	1.943	1.493
Other Community-Based Care	(0.454)	(0.664)
<b>Total</b>	<b>3.261</b>	<b>3.579</b>

### **Residential and Nursing Care**

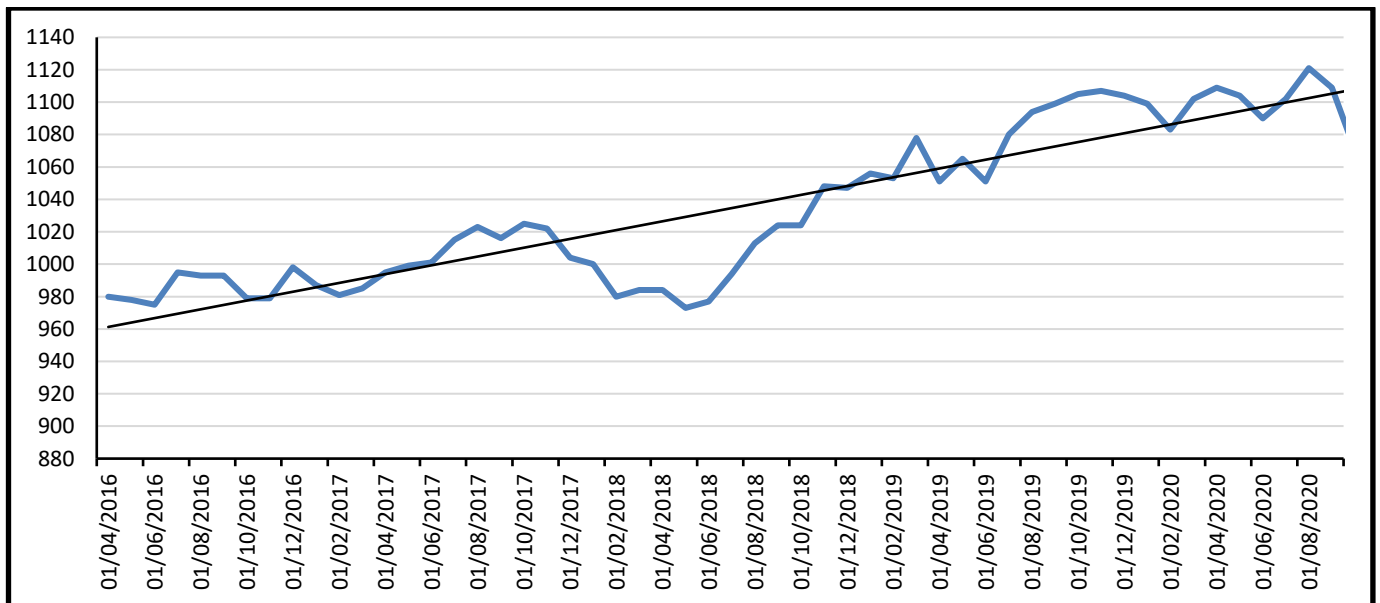
- 4.2.18 In relation to Residential and Nursing Care, an increase in short-term placements in the later part of 2018/19 saw numbers of placements overall rise to 1,066 by the end of that financial year. Internal processes to monitor the use of short-term

placements were strengthened and numbers of placements fell in the first part of 2019/20. However, challenges remained, for example the option to move clients from short-term placements to community provision diminishes after longer lengths of stay in short-term placement as clients lose skills and family concerns increase around risks at home. The numbers of placements overall for residential and nursing care, continued in an overall upward trend since July 2019 to a total number of clients placed in care homes of 1,093 at the end of March 2020.

4.2.19 The Covid-19 pandemic initially had a significant impact on the numbers in residential and nursing care with a reduction due to a higher than normal level of deaths and a slower rate of new admissions to care however, numbers increased significantly in July to the level of 1,102 leading to an increased forecast in expenditure. There has however been a significant drop in August and September to 1,070. This reduction of 32 placements has significantly reduced the forecast pressure as shown in Table 7 above.

4.2.20 The movement in numbers placed in residential and nursing care is shown in Chart 1 below.

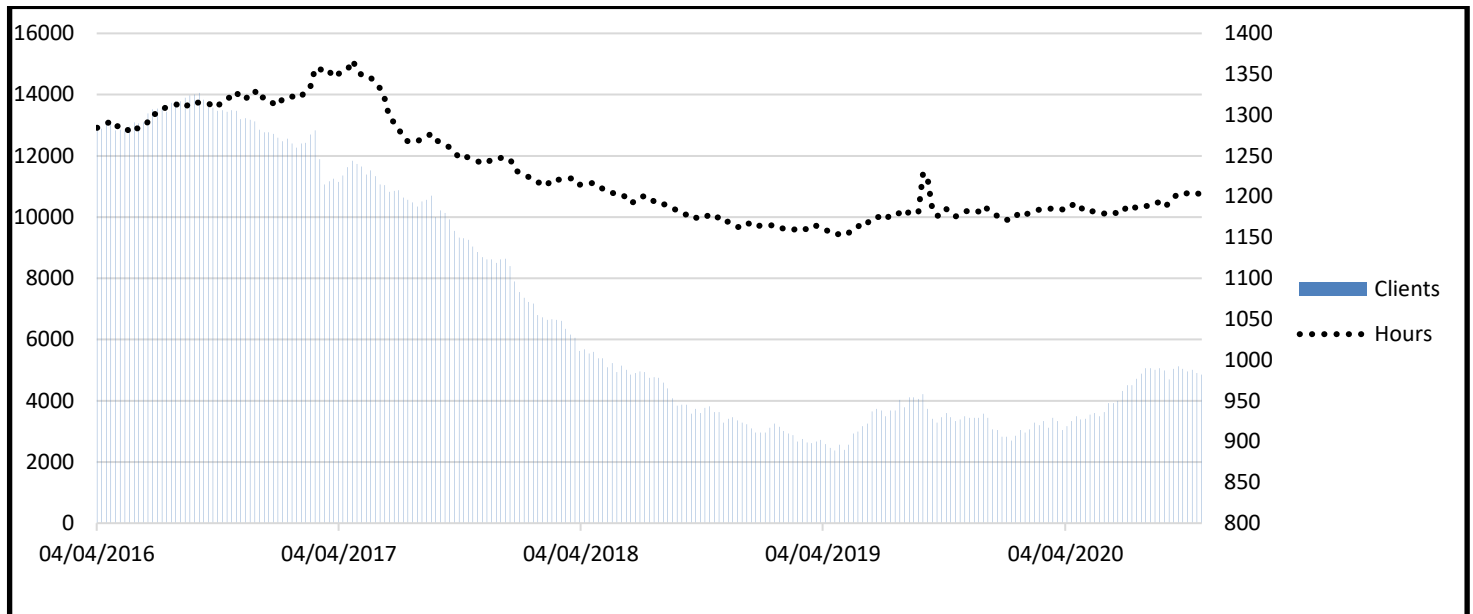
**Chart 1: Movement in Numbers of Clients in Residential and Nursing Care since April 2016**



Homecare and Extra Care

4.2.21 Cabinet will recall from the 2019/20 Outturn Report that the number of clients rose by 3% during 2019/20 and the number of hours delivered increased by 8.3%. The trend during the initial months of 2020/21 has been fairly volatile with an increase in the number of clients and hours delivered as shown in Chart 2 below. The upward trend in hours delivered has continued in August and September with a further increase of 442 hours per week leading to an increased pressure of £1.943m.

#### 4.2.22 Chart 2: Trends in Homecare/Extra Care Services



4.2.23 HECS is working hard to continue to embed the asset-based approach by re-engineering the customer pathway through the service to ensure that assessments are proportionate and that clients receive the appropriate level of support to meet their needs to the extent that they are eligible under the Care Act as cost-effectively as possible. Work is continuing to develop further technology solutions to meet needs related to areas such as medication prompts and shopping in a more cost-effective way. The approach around the proportionate assessments carried out during the Covid-19 pandemic under Care Act easement guidance is expected to support further change within the service and management are working hard to ensure positive changes are retained in future practice.

#### Client Related Income

4.2.24 There is a forecasted pressure in NTCCG contributions for shared care of £0.925m due to a reduction in contributions for clients who have a significant health need but who do not meet the threshold for continuing healthcare often referred to as 'shared care'. Shared care is not subject to the same statutory guidance as Continuing Healthcare and funding arrangements are agreed on an individual client basis between the Authority and the NTCCG. This form of funding has been reducing since 2015/16 and there is a further reduction in 2020/21 of £0.310m mainly due to the full year impact of changes notified in 2019/20. Management within HECS are working hard to ensure that clients with significant health needs are appropriately supported by contributions from NHS funding. This reduction is offset by a surplus against budget in other areas of NHS funding to give an overall surplus of £0.219m. Contributions from clients and associated income are forecasted to be significantly above budget with a surplus of £2.174m, partially offsetting the pressures within payments for externally provided care.

## Premises

- 4.2.25 There is a pressure of £0.165m in premises costs relating mainly to rent for respite premises for clients with a learning disability and accommodation costs for teams based within the community.

## Children's Services

- 4.2.26 In Children's Services the £5.286m forecast position (up from £4.799m in July) relates mainly to demand pressures of £4.480m in Corporate Parenting and Placements and £1.010m in Integrated Disability and Additional Needs. These pressures are partially offset by underspends in Early Help and Vulnerable Families, Employment and Skills and School Improvement. The pressures were foreseen by Cabinet and a contingency based budget of £2.616m was created, currently held centrally. This position excludes Covid-19 related pressures of £3.475m which have been transferred to Central Items.

## Corporate Parenting and Placements

- 4.2.27 The pressures within Corporate Parenting and Placements can be broken down as follows:

**Table 8: Analysis of Pressures in Corporate Parenting and Placements**

Type of Service	Budget 2020/21 £m	Variance Sept £m	Variance July £m	Change Since July £m
Care provision – children in care	9.384	2.515	2.002	0.513
Care provision – other children	3.200	0.772	0.908	(0.136)
Management & Legal Fees	(0.053)	0.458	0.437	0.021
Social Work	4.105	0.730	0.577	0.153
Safeguarding Operations	0.044	0.005	0.005	0.000
<b>Total</b>	<b>16.680</b>	<b>4.480</b>	<b>3.929</b>	<b>0.551</b>

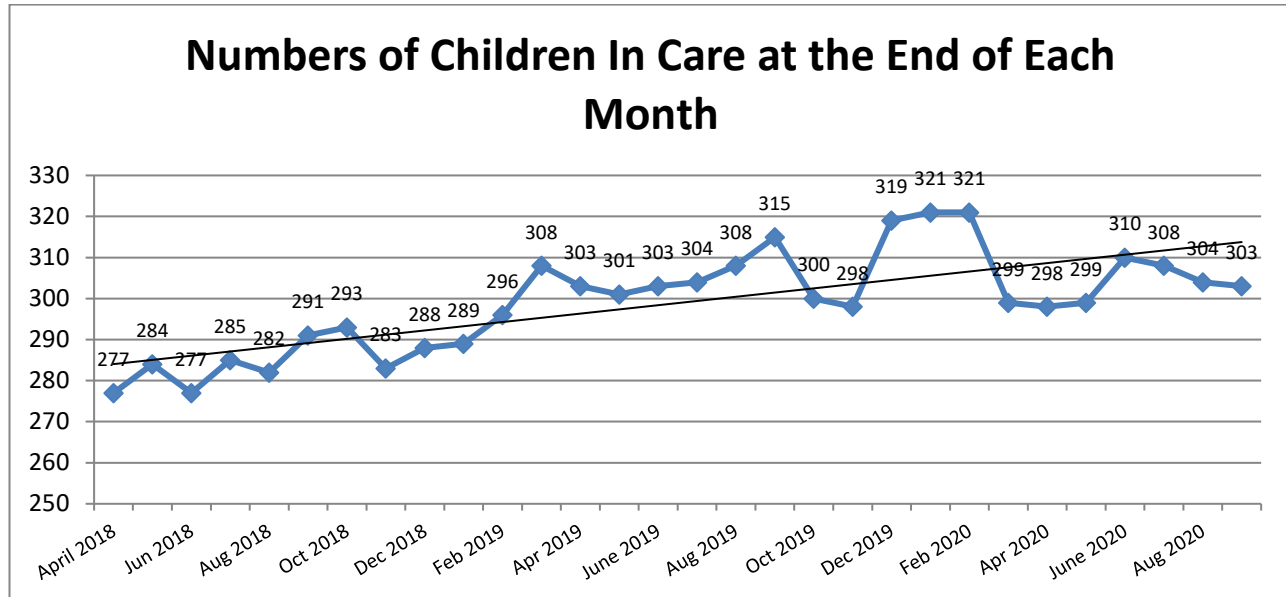
- 4.2.28 The forecast has been developed based on the children in care as at the end of September 2020. The number in care at the end of September was 303, a net decrease of 5 since the July report.

## Care Provision – Children in Care

- 4.2.29 Over recent years, there has been an increase nationally in demand for children's residential placements but with no corresponding increase in government-funded provision. In North Tyneside over the last few years the overall number of children in care has mirrored the increases being felt nationally.
- 4.2.30 Delays within the court system have eased slightly with 19 children leaving the care system in August and September however, there is concern about the potential continuing impact of Covid-19 on court processes. The Authority

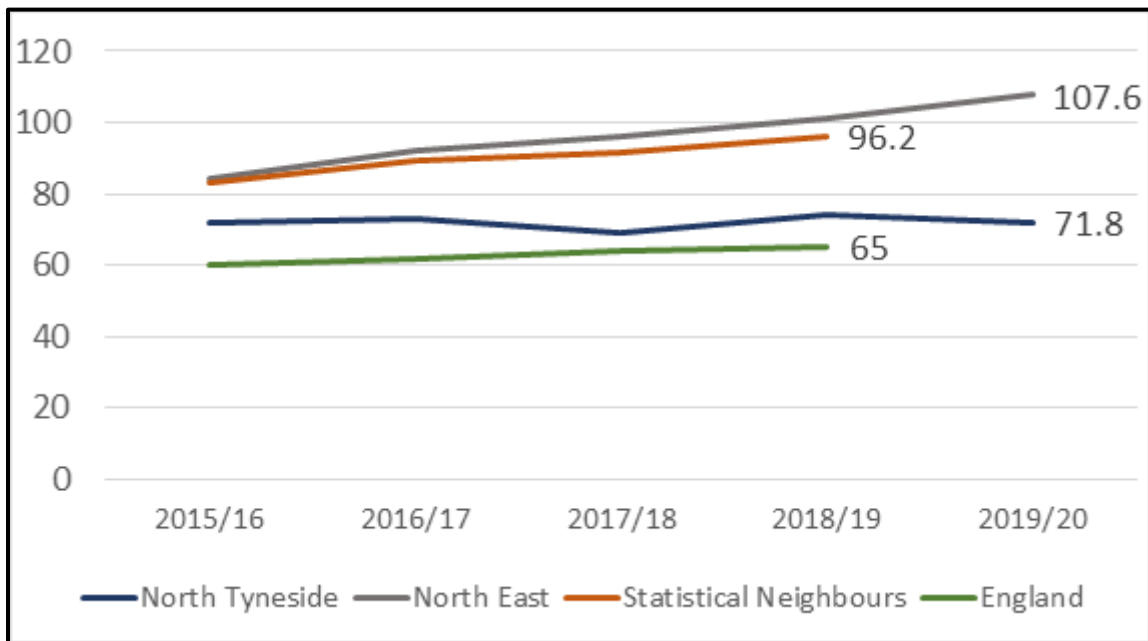
currently has 10 cases delayed either because the court cannot complete the hearings remotely or because Covid-19 has affected the availability of specialist assessments. The impact of this is that children are remaining in care for longer where otherwise an improved situation for them could have achieved in a shorter time frame. The financial impact is the ongoing cost of placements. The pattern of children entering and leaving care is shown in Chart 4 below.

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



4.2.32 Despite regular changes in the number of children in care, the rate per 10,000 is stable when compared to national and regional averages. The most recent available national comparators from 2019/20, as demonstrated by Chart 4 below, shows that North Tyneside, although above the England average, has historically performed well within the North East region in relation to the rates of children in care.

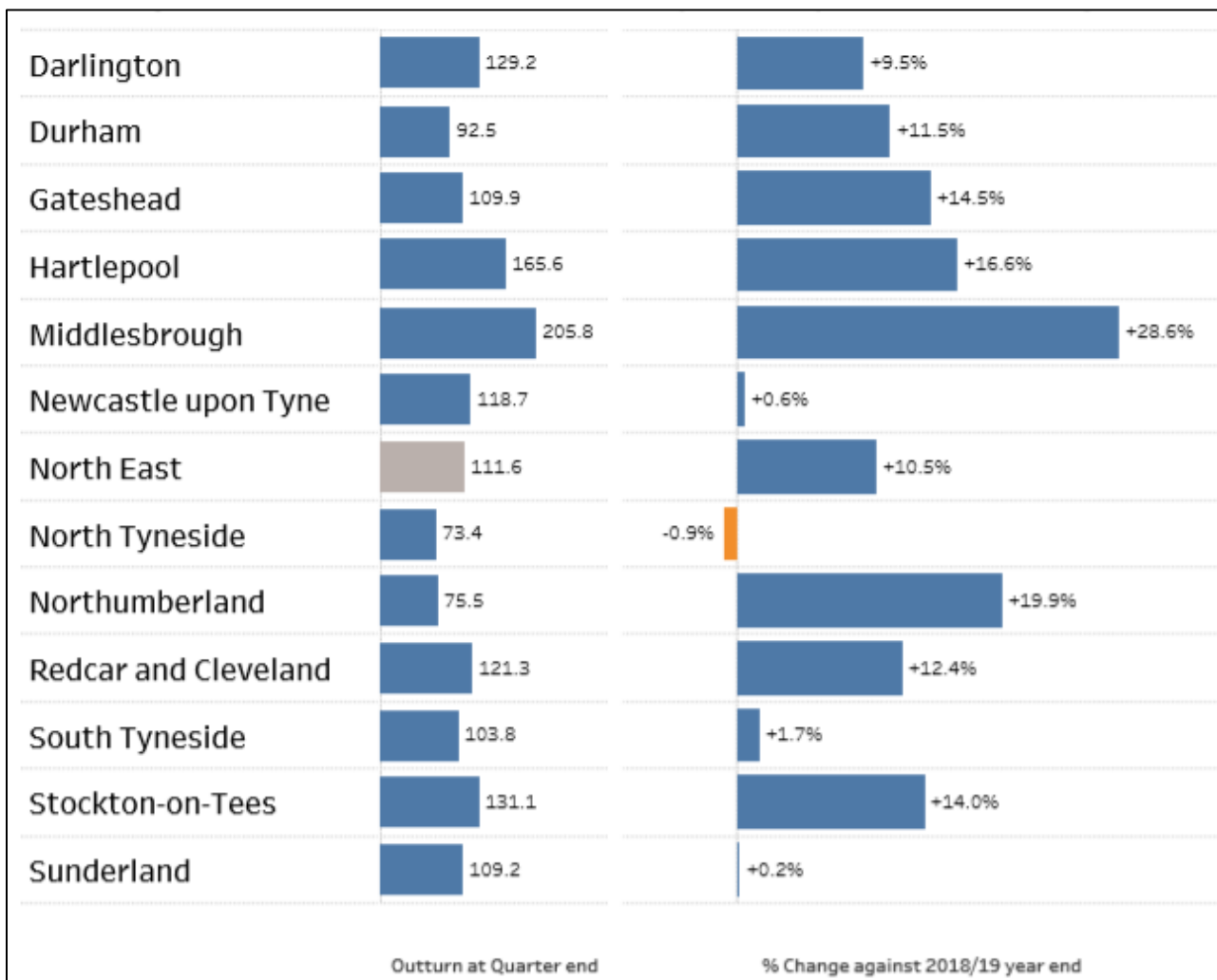
4.2.33 **Chart 4: Comparative Performance in Rates of Children in Care per 10,000 Children under 18**



4.2.34 Placement mix in 2019/20 continued to change, moving towards the complex end of the spectrum which led to an increase in overall costs last financial year and this pattern is being sustained in 2020/21. The July forecast for the total number of care nights was 108,264 nights however, despite a reduction in the number of children in care at the end of the period, the total number of bed nights forecasted has increased slightly to 108,706 as a result of the movements of children in and out of care within August and September. This bed nights forecast continues to be a reduced forecast compared to 2019/20 levels of 112,622 and spend on children in care placements in 2020/21 is forecast to be reduced compared to 2019/20. This is in the context of long-term demand pressures on children’s services in North Tyneside and nationally and whilst the impact of Covid-19 on children’s social care has been felt mainly in terms of an increased number of children with a Child Protection Plan (CPP), numbers of children in care have remained stable, which is in contrast to the experience of many other local authorities who have seen sharp increases as indicated in Chart 5 below.

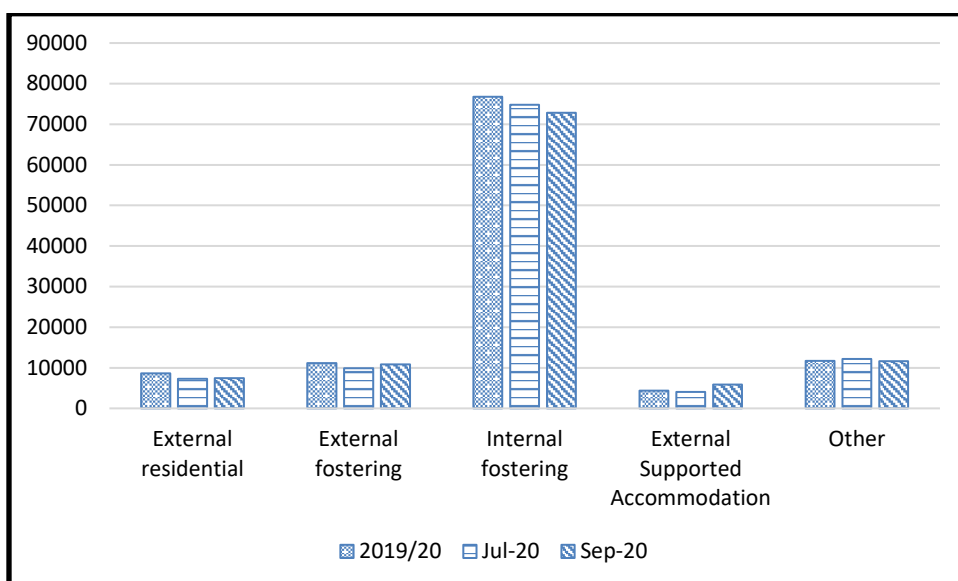


4.2.35 **Chart 5: Regional Breakdown of Rate of Children in Care per 10,000 showing rate change in Q1 of 2020/21**



4.2.36 Although there is an increase in the overall number of forecasted bed nights, the main reason behind the increase in forecast cost pressures is the reduction in bed night within less costly services notably in house fostering (reduced by 1,919 nights) and an increase in more costly service types principally external supported accommodation (increased by 1,806 nights). The number of children in care can be volatile and costs for individual children can be very high. The forecast will be increased if numbers of care nights delivered starts to rise above current levels. There is a concern that there may be future spikes in numbers of children in care as the economic effects of the Covid-19 crisis continues to impact on families. Details of the movement in forecasted bed days by type of service is shown at Table 9 and the movement in bed nights by service type is shown in Chart 6 below;

**Chart 6: Changes in Bed Night by Service Type**



4.2.37 Residential placements continue to be costly with a current average annual cost of £0.276m but which can be very volatile and is dependent on the individual needs of the cohort of children and young people in externally provided residential placements at any point in time. External supported accommodation can also be expensive. During 2019/20 there was a cohort of eight young people with very complex needs being supported for the majority of the year at an average cost of approximately £0.005m per week and these placements are continuing into 2020/21.

**4.2.38 Table 9: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	Sept Var £m	Average Annual cost £m	2020/21 Forecast Bed Nights Sept	2020/21 Forecast Bed Nights July	2019/20 Bed Nights	Placement Mix as at Sept	No. of children Sept 20	No. of children July 20
External Residential Care	0.700	0.276	7,449	7,311	8,649	7%	25	24
External Fostering	0.030	0.038	10,859	9,926	11,184	10%	28	26
In-House Fostering Service	0.442	0.023	72,845	74,764	76,731	67%	199	205
External Supported Accommodation	1.224	0.135	5,901	4,095	4,349	5%	20	19
Other*	0.119	various	11,652	12,168	11,709	11%	31	34
<b>Total</b>	<b>2.515</b>		<b>108,706</b>	<b>108,264</b>	<b>112,622</b>	<b>100%</b>	<b>303</b>	<b>308</b>

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

#### Care Provision – Children not in care

- 4.2.39 The pressure of £0.772m (July variance, £0.908m) relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority's policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. The contingency based budget of £2.616m established in 2018/19 was, in part, intended to mitigate against these costs. The reduction in forecast in this area relates mainly to leaving care services with reductions in staffing costs at Starting Point and reduced care leaver allowances.

#### Management and Legal Fees

- 4.2.40 This area has a forecast pressure of £0.458m (July, pressure of £0.437m). Pressure in this area includes management costs of £0.104m, professional fees relating to children in care £0.060m, legal costs £0.100m and other child related costs such as professional fees, DNA tests, drug and alcohol testing, asylum seeker support, counselling sessions and costs for other therapeutic interventions.

#### Social Work

- 4.2.41 Within the overall pressure of £3.929m for Corporate Parenting and Placements, there are staffing pressures of £0.730m, a rise of £0.153m from £0.577m in July. Cabinet is aware of the particular challenges faced across the children's social care sector nationally. The net pressure is due to the need to establish an additional team, to enable manageable caseloads (£0.234m) and as a result of market supplement payments to support the recruitment and retention of social workers (£0.293m). There is also a pressure of £0.050m relating to apprentice posts. There are currently no agency staff in place however, a result of the increase in the number of children with a Child Protection Plan during Covid-19, caseloads for social workers have shown an increasingly high number which is above the national average although this is beginning to reduce. The movement is due to a higher forecast with the Multi Agency Safeguarding Hub and a reduction of £0.066m staff costs recharged into Covid-19 cost centres following a review of workloads.

#### Integrated Disability and Additional Needs (IDANS)

- 4.2.42 IDANS is forecasting a pressure of £1.010m which is a decrease of £0.050m from the July position of £1.060m. Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs) leading to a pressure in short break spend of £0.403m. Within North Tyneside, the number of children with an EHCP has risen from 1,102 in January 2018 to 1,811 at September 2020. The movement in month primarily relates to reduced costs relating to transitions to adult services. There are also pressures relating to operational staffing costs within in-house residential services of £0.161m and associated unachieved health income target of £0.100m. There are also forecast staffing pressures of £0.363m in Educational Psychology partly

relating to cover arrangements associated with maternity leave and partly relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs. There is a pressure of £0.051m in the Statutory Assessment and Review team who assess and arrange education for children with additional needs. The IDANS service is continuing to carefully review planned provision.

### 4.3 **Commissioning and Asset Management**

4.3.1 Commissioning and Asset Management (C&AM) has a forecasted outturn pressure of £0.387m (July, pressure of £0.401m) as set out in Table 11. This is after adjusting for forecast pressures of £3.830m relating to the impact of Covid-19 on the service set out in Table 10.

4.3.2 C&AM has also been heavily impacted by the Covid-19 pandemic, particularly in relation to supporting schools and in relation to lost income. The following Covid-19 related costs have been forecasted within C&AM for 2020/21 and have been transferred to Central Items and set against the Covid-19 Local Authority Support Grant.

#### 4.3.3 **Table 10: Covid-19 Financial Impact within Commissioning and Asset Management**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Catering	1.212	3.373	4.585	4.260	Lost school meals income and hospitality income and costs of providing additional free school meals services, costs of perishable stock disposal
Catering/Property	(1.986)	0.000	(1.986)	(0.861)	Savings in provisions and utilities due to non-delivery of services
Cleaning	0.333	0.000	0.333	0.333	Additional hours of cleaning and associated equipment and materials directly related to Covid-19

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Other income	0.000	0.123	0.123	0.123	Lost income for parking charges at Quadrant, Procurement rebates and school absence penalty notices
Home to school Transport	0.345	0.000	0.345	0.225	Additional costs of transport under infection control
Volunteer Scheme	0.081	0.000	0.081	0.106	Supporting vulnerable residents by additional foodbank support for the full financial year
Property	0.300	0.000	0.300	0.400	Costs in relation to public buildings and worksites
Property Services	0.000	0.049	0.049	0.195	Potential rental income reductions
<b>Total</b>	<b>0.285</b>	<b>3.545</b>	<b>3.830</b>	<b>4.781</b>	

4.3.4 In relation to paid school meals, there is a forecasted income loss of £1.637m. This assumes a 100% loss of income for the period April to July 2020 dropping to a 36% loss from September to March. Remaining Catering income losses (£0.454m) relate to staff restaurants and civic catering which are forecasted as a total loss for the whole financial year as staff facilities remain closed. Non-fee-paying income loss (£1.263m) is forecast for the period April to July 2020. A pressure of £0.747m is forecasted for the costs of packed lunches over and above grant funding for free school meals as this form of provision is more costly than normal operations with further additional costs of £0.320m relating to disposable packaging and cutlery. There is also a pressure of £0.145m relating to a loss of perishable food stock. These pressures are reduced by a saving in provisions of £1.705m. Savings of £0.023m in electricity costs have also been included.

4.3.5 Additional cost pressures of £0.333m for cleaning have been identified for the full financial year. These relate to anticipated additional cleaning hours that will be required as a result of Covid-19 with a forecasted increase in staffing costs by a third (£0.263m) for the period to March 2021 plus costs of new cleaning machinery and equipment and additional cleaning materials (£0.070m). This forecast will continue to be reviewed as the year progresses.

4.3.6 Anticipated losses of car parking income at Quadrant are forecasted to be £0.065m and relate to the full financial year. Salary sacrifice arrangements for staff parking are currently suspended. A loss of income of £0.028m is forecasted in relation to school non-attendance penalty notices for the full year and an amount of £0.030m in rebates relating to procurement arrangements is also affected.

4.3.7 Additional costs of £0.345m in relation to Home to School Transport have been forecasted from September with a need to provide more single journeys to allow for social distancing in line with guidelines. Pupils within the same 'bubble' can travel together however modelling of required journeys indicates additional costs of £0.015m per week for 23 weeks.

4.3.8 Additional forecasted pressures in relation to Property relate to an amount of £0.300m identified as the forecasted cost of making all council buildings Covid-19 compliant. A further amount of £0.049m has been identified as lost rental income resulting from Covid-19 related closures.

4.3.9 **Table 11: Commissioning and Asset Management Forecast Variation**

	Budget £m	Forecast July £m	Variance July £m	Of which – Covid- 19 £m	Of which – Business as usual £m	Variance July £m	Business as Usual Change since July £m
School Funding & Statutory Staff Costs	4.690	4.637	(0.053)	0.000	(0.053)	(0.035)	(0.018)
Commissioning Service	0.359	0.339	(0.020)	0.000	(0.020)	(0.025)	0.005
Facilities & Fair Access	0.353	4.249	3.896	3.393	0.503	0.485	0.018
Community & Voluntary Sector Liaison	0.439	0.495	0.056	0.081	(0.025)	(0.024)	(0.001)
Strategic Property & Investment	1.727	2.009	0.282	0.300	(0.018)	0.000	(0.018)
High Needs Special Educational Needs	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Property	(0.645)	(0.619)	0.026	0.026	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.154	0.154	0.000	0.000	0.000	0.000	0.000

	<b>Budget £m</b>	<b>Forecast July £m</b>	<b>Variance July £m</b>	<b>Of which – Covid- 19 £m</b>	<b>Of which – Business as usual £m</b>	<b>Variance July £m</b>	<b>Business as Usual Change since July £m</b>
Procurement	(0.024)	0.006	0.030	0.030	0.000	0.000	0.000
<b>Total Commissioning &amp; Asset Management</b>	<b>7.053</b>	<b>11.270</b>	<b>4.217</b>	<b>3.830</b>	<b>0.387</b>	<b>0.401</b>	<b>(0.014)</b>

4.3.10 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing forecast pressures of £0.503m (July, pressure of £0.485m) which are largely unchanged from the 2019/20 outturn. The pressures are across Catering and Cleaning (£0.150m) and Home to School Transport (£0.322m) with a smaller pressure on Quadrant car parking income (note the impact of lost Quadrant car parking income resulting from Covid-19 building restrictions has been transferred to Central Items).

4.3.11 The issues in Catering and Cleaning relate to non-staffing cost increases and staffing pressures which have not been met by increases in income. There has been an improvement of £0.024m since July due to reduced forecasts for non-staffing costs within the service. The Home to School Transport pressures relate to the increase in children with complex needs attending special schools and has increased by £0.042m since July. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant (see paragraphs 6.9 to 6.13 for more details). National supplier relief guidelines have been followed and transport contractors were paid at usual rates during the lockdown period however, only the costs of anticipated additional routes to comply with social distancing have been included as Covid-19 costs. These main budget issues with Facilities and Fair Access are difficult to forecast and there is considerable ongoing uncertainty resulting from Covid-19 related changes in the operation of schools.

4.3.12 C&AM is continuing to look at additional ways to achieve further efficiencies across the Catering and Cleaning services to mitigate these pressures in 2020/21 although this will be further complicated by the ongoing challenge of Covid-19 related changes to the way schools will operate in 2020/21. Within Home to School Transport, work continues on route rationalisation using the new QRoute system however this will also be impacted by Covid-19 as sharing of transport will be limited by infection control measures.

4.3.13 C&AM contains the Property element of the Capita North Tyneside Technical Partnership. Whilst, the Partnership is projecting to deliver a balanced managed budget by year-end, it is currently working on proposals to manage pressures linked to the Property Business Cases of £1.039m.

#### 4.4 **Environment, Housing & Leisure (EHL)**

4.4.1 EHL is forecasting a saving of £0.024m against the £42.696m budget, as set out in Table 13 below. This is an improved position since July's forecast outturn pressure of £0.063m. The position includes a planned £0.671m draw-down of reserves for the street-lighting PFI contract.

4.4.2 EHL continues to be heavily impacted by the Covid-19 pandemic most notably by the initial closure then operation of a reduced service on reopening of its sports and leisure facilities and libraries. The following Covid-19 related financial impacts have been identified within EHL as outlined in Table 12 for 2020/21. These amounts have been transferred to Central Items to be set against the Covid-19 related grants received by the Authority. The increase in Covid-19 related pressures of £1.123m is mainly due to revised estimates of income loss relating to sports centres and increased enforcement costs.

4.4.3 **Table 12: Forecast Impact of Covid-19 on EHL for 2020/21 at September**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Sports & Leisure	0.005	4.845	4.850	4.449	Lost income due to Covid related closures. Reduced capacity of facilities when reopened. Additional use of casual workers and additional cleaning costs
Environmental Services	0.188	0.172	0.360	0.358	Additional costs and lost income from café closures Covid-19 signage Additional PPE costs and additional staffing Increased bereavement costs.
Waste Management	0.058	0.000	0.058	0.002	Suez Management Fees for health and safety marshalling costs Increased supply costs



Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Cultural Services	0.172	0.227	0.399	0.365	Impact on Mouth of Tyne Festival (fees paid to acts, etc.) Impact on T&W Museums Lost income in libraries Loss of rental income in buildings
Planning and Development	0.000	0.129	0.129	0.130	Reduction in building control fees Reduction in planning applications
Environmental and Regulatory Services	0.057	0.169	0.226	0.054	Taxi licencing activities Enforcement Marshalls cost of additional regulatory equipment
Highways and Transport	0.000	1.810	1.810	1.351	Impact on car parking fees Lost income on engineering fees, streetworks, road permits, etc
Homelessness Additional Costs	0.034	0.000	0.034	0.034	Additional bed and breakfast costs to prevent homelessness
Street-lighting PFI	0.005	0.000	0.005	0.005	Costs to counter increased anti-social behaviour
<b>Total</b>	<b>0.519</b>	<b>7.352</b>	<b>7.871</b>	<b>6.748</b>	

4.4.4 The impact of the Covid-19 pandemic on EHL is mainly in relation to lost income. £7.352m of the £7.871m estimated impact is due to income-generating services being closed or expected to operate at a lower level than previously. For the period April to July, lost income is based on known closures and uses prior year income generation patterns to provide an estimated value. Thereafter a high-level impact assessment of ongoing income has been made based on expected operating levels.

4.4.5 The largest increase in costs relates to Highways and Transport with revision of estimates relating to loss of car parking income and associated enforcement and in relation to lost income on engineers' fees, frontline charges, Streetworks and road

permitting. There are also additional costs associated with the introduction of Covid Marshalls.

4.4.6 **Table 13: Forecast Variation in Environment Housing & Leisure**

	Budget £m	Forecast Sept £m	Variance Sept £m	Of Which Covid- 19 £m	Of Which BAU £m	BAU July £m	BAU Change Since July £m
Sport & Leisure	2.802	7.749	4.947	4.850	0.097	0.121	(0.024)
Cultural Services	6.802	7.382	0.580	0.399	0.181	0.176	0.005
Security & Community Safety	0.314	0.324	0.010	0.000	0.010	0.028	(0.018)
Fleet Management	1.087	1.077	(0.010)	0.000	(0.010)	(0.003)	(0.007)
Waste and Recycling Disposal	7.579	7.459	(0.120)	(0.006)	(0.114)	(0.097)	(0.017)
Waste Management	3.880	3.938	0.058	0.064	(0.006)	0.000	(0.006)
Local Environmental Services	7.210	7.432	0.222	0.360	(0.138)	(0.122)	(0.016)
Head of Service and Resilience	0.234	0.253	0.019	0.000	0.019	(0.002)	0.021
Street Lighting PFI	4.323	4.328	0.005	0.005	0.000	0.000	0.000
Consumer Protection & Building Control	1.006	1.212	0.206	0.226	(0.020)	(0.011)	(0.009)
Transport and Highways	6.405	8.196	1.791	1.810	(0.019)	(0.008)	(0.011)
Planning	0.257	0.381	0.124	0.129	(0.005)	0.000	(0.005)
General Fund Housing	0.797	0.812	0.015	0.034	(0.019)	(0.019)	0.000
<b>Total</b>	<b>42.696</b>	<b>50.543</b>	<b>7.847</b>	<b>7.871</b>	<b>(0.024)</b>	<b>0.063</b>	<b>(0.087)</b>

4.4.7 The movement since the last report is due to service leads managing costs down, including holding vacancy savings where possible.

4.4.8 The following paragraphs 4.4.9 to 4.4.25 outline the pressures in each service area;

#### Sport and Leisure

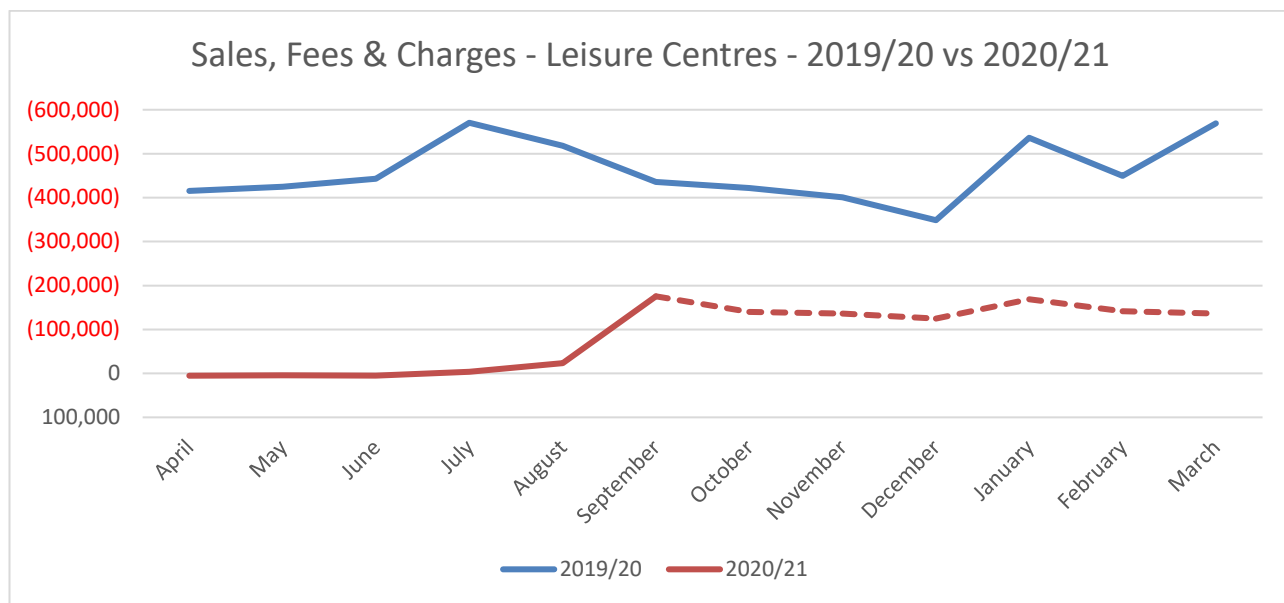
4.4.9 Sport and Leisure is predicting a reduced pressure of £0.097m, however this position is after a transfer to Central Items of £4.845m lost income and £0.068m

additional expenditure due to Covid-19, offset by £0.063m savings on repairs due to the centres being closed during lockdown.

4.4.10 The remaining pressures are due to operational costs forecasted in the leisure centres whilst open, which are showing an improved position since the last report.

4.4.11 The Covid-19 impact on lost income for leisure centres continues to be closely managed, with monthly updates of income across the multiple streams. Other budgeted costs have previously been reported as reduced or been offset by expected savings from being closed.

**4.4.12 Chart 7: Sales, Fees & Charges from Leisure Centres 2019/20 vs 2020/21**



Cultural Services

4.4.13 Cultural Services within North Tyneside are showing a forecast pressure of £0.181m, which is net of Covid-19 related forecast transfers of £0.399m.

4.4.14 Historical pressures around energy and rates have been partially mitigated in 2020/21 and some other historical pressures prudently remain forecast in relation to library income targets and operational costs. These pressures will continue to be assessed by Cultural Services as the year progresses, taking in the context of the Pandemic as well as operational reality.

Security and Community Safety

4.4.15 This service area has reviewed and realigned both structure and finances to increase its overall viability. The remaining variance is due to forecast reduced income and has reduced due to operational management of the area.

## Fleet Management

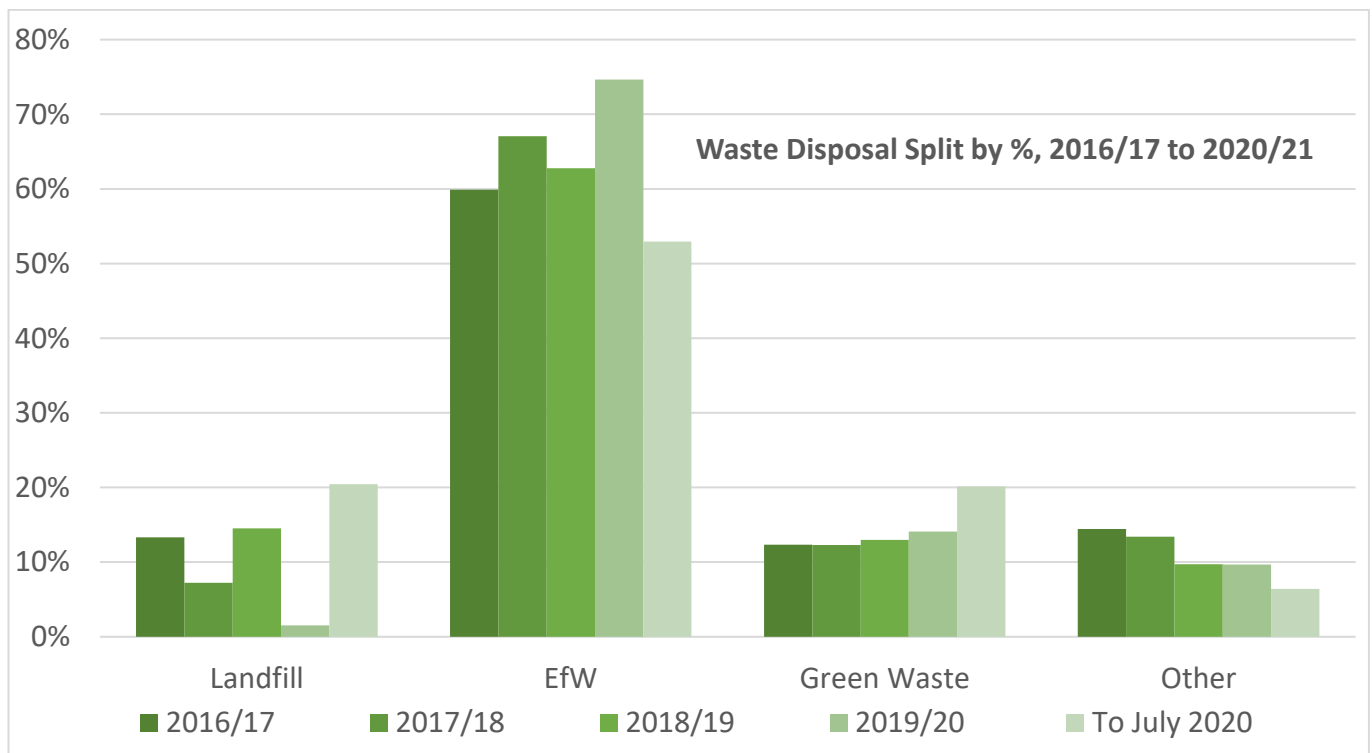
4.4.16 Fleet Management is now forecasting an improved saving of £0.010m, moving from the previously reported £0.003m saving. The service is assuming reduced maintenance costs and levels will continue to be reviewed.

## Waste Management including Recycling and Disposal

4.4.17 Waste Management is showing an improved £0.120m saving, better by £0.023m since July and fully mitigating operational pressures of £0.011m. The saving is mainly due to vacancy savings in the waste strategy team. As reported in previous cabinet reports recruitment plans to re-energise the waste strategy work have been delayed. This saving has been reduced by additional third-party costs for the waste disposal contract project.

4.4.18 For 2020/21, Waste Management are continuing to review the waste disposal budgets to meet the expected volumes and prices, then realigned budgets where possible to ensure the expected service costs for fleet, bin replacement, green waste and waste strategy are met. Chart 7 below shows the mix of waste disposal between collected and household recycling centre, across types of disposal and finally costs of disposal, to August 2020. Although the profile of waste collected and treatment methods has changed due to the impacts of Covid-19, EHL are expecting the costs to remain on budget.

4.4.19 **Chart 8: Waste Disposal Volumes and Costs Comparison 2016/17 to 2020/21 (at August)**



### Local Environmental Services

- 4.4.20 Local Environmental Services is predicting a saving of £0.138m, an improvement from the last report's forecast saving of £0.122m. The increase is due to increased savings from vacant posts not being filled as the service was not operating to full capacity during lockdown, adding to existing vacancy savings, a reduction in capital financing costs charged to revenue for the cremator replacement of £0.050m and an improved forecast on Bereavement income.
- 4.4.21 Local Environmental Services are transferring out the £0.360m estimated impact of Covid-19 on the service, which mainly relates to lost income in park cafes, additional costs of staffing, signage and PPE and our Authority's contribution towards the region's temporary body storage units in addition to installing a webcast and video/music tribute at Whitley Bay Crematorium.

### Street Lighting PFI

- 4.4.22 The street-lighting PFI contract balances to budget following a planned £0.671m draw-down from reserves, as in previous years. Historical energy cost pressures have been mitigated where possible, reducing the value of the reserve draw-down.

### Consumer Protection & Building Control

- 4.4.23 This area is predicting Covid-19 related costs of £0.226m, mainly for increased enforcement costs and the impact of taxi licencing. Transferring these costs centrally with leaves an expected small staffing saving of £0.020m.

### Transport & Highways

- 4.4.24 This area is forecasting Covid-19 related lost income from car parks of £1.179m, which is based on complete closure to mid-July then reduced ongoing pressure of 90% lost income in June for off-street parking leading to full recovery from August onwards. On-street parking is forecasting 70% lost income in June reducing to 20% from August until December, followed by full recovery from February 2021. There are also reduced engineering fees, streetworks fees and road permit income of £0.631m due to reduced works being carried out during 2020/21. Transferring out these costs to the Covid-19 central cost centres leaves a small forecast operating saving of £0.019m.

### Technical Partnership

- 4.4.25 EHL contains the Engineering, Planning, Consumer Protection and Building Control element of the Capita North Tyneside Technical Partnership. This area of the partnership has been significantly impacted Covid-19, with £2.282m of pressures identified as a result of the pandemic primarily relating to car parking income losses. With these pressures allocated to the Covid-19 codes within Central Items, the partnership is managing business as usual pressures of £0.606m. However, as in previous years, the Partnership is working to manage the pressures and as such is projecting to deliver a balanced managed budget by year-end.

## General Fund Housing

4.4.26 The planning service is expecting to carry additional Covid-19 related costs due to increased costs of homelessness, though transferring these costs centrally will leave a small saving of £0.019m.

### **4.5 Regeneration and Economic Development**

4.5.1 Regeneration and Economic Development (RED) is forecasting a pressure of £0.209m at September 2020, an improvement of £0.007m since July, as shown in Table 15 below. This is after moving the expected Covid-19 impact of £0.055m (Table 14) into Central Items in relation to lost income at Swan Hunters.

#### **4.5.2 Table 14: Forecast Impact of Covid-19 on RED for 2020/21**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Regeneration	0.000	0.055	0.055	0.055	Estimated lost rental income at Swan Hunters site

#### **4.5.3 Table 15: Forecast Variation for Regeneration and Economic Development**

Service Area	Budget £m	Forecast Sept £m	Variance Sept £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance July £m	BAU Change Since July £m
Business & Enterprise	0.734	0.733	(0.001)	0.000	(0.001)	0.023	(0.024)
Regeneration	0.421	0.639	0.218	0.055	0.163	0.140	0.023
Resources & Performance	0.197	0.244	0.047	0.000	0.047	0.053	(0.006)
<b>Total</b>	<b>1.352</b>	<b>1.616</b>	<b>0.264</b>	<b>0.055</b>	<b>0.209</b>	<b>0.216</b>	<b>(0.007)</b>

4.5.4 The pressures in Regeneration result mainly from a forecasted inability to achieve staff capitalisation & recharge income targets of £0.132m following the decrease in regeneration capital projects and changes to how projects are delivered. This loss of recharge income is then further impacted by combined income generation shortfalls at both Swans-related sites making up the remaining pressure.

4.5.5 Resources and Performance is carrying historic staffing pressures resulting in a forecast £0.041m pressure. The remaining forecast pressure comes from nominal overspends against the Private Sector Housing service.

### **4.6 Corporate Strategy**

4.6.1 Corporate Strategy is forecasting a pressure of £0.097m as set out in Table 17 below, after transferring out Covid-19 related costs totalling £0.093m (Table 16).

The position reflects an improvement of £0.035m since the last Cabinet reported pressure of £0.132m.

4.6.2 **Table 16: Forecast Impact of Covid-19 on Corporate Strategy for 2020/21**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Marketing	0.000	0.080	0.080	0.060	Marketing income lost
Marketing	0.013	0.000	0.013	0.011	Production of Covid-19 leaflets and guidance
Policy, Performance & Research	0.001	0.000	0.001	0.001	SMAP report
<b>Total</b>	<b>0.013</b>	<b>0.080</b>	<b>0.093</b>	<b>0.072</b>	

4.6.3 **Table 17: Forecast Variation Corporate Strategy**

Service Area	Budget £m	Forecast Sept £m	Variance Sept £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance July £m	BAU Change Since July £m
Children's Participation & Advocacy	0.243	0.240	(0.003)	0.000	(0.003)	0.000	(0.003)
Corporate Strategy Management	0.000	0.108	0.108	0.000	0.108	0.107	0.001
Elected Mayor & Executive Support	0.013	0.019	0.006	0.000	0.006	0.007	(0.001)
Marketing	0.272	0.354	0.082	0.092	(0.010)	0.016	(0.026)
Policy Performance and Research	0.104	0.101	(0.003)	0.001	(0.004)	0.002	(0.006)
<b>Total</b>	<b>0.632</b>	<b>0.822</b>	<b>0.190</b>	<b>0.093</b>	<b>0.097</b>	<b>0.132</b>	<b>(0.035)</b>

4.6.4 The remaining pressures in the service are due to shortfall of £0.100m against income targets, plus small staffing and operational pressures across the service. The improvement from the previous report reflects reduced operational expenditure and improved income forecasts.

#### 4.7 **Resources and Chief Executive Office**

4.7.1 The forecast pressure of £0.154m within Resources and Chief Executive Office, is after an adjustment of £1.052m for Covid-19 revenue costs (Table 18). In addition, the service has identified £0.200m of capital Covid-19 costs due to purchase of IT equipment. The service budget pressures, as set out in Table 19 below, mainly relate to additional licence costs within ICT Retained Services, IT Customer Journey costs plus an increased staffing pressure in HR, which are mitigated by savings in Finance (Revenues & Benefits) and the Chief Executive's office.

#### 4.7.2 **Table 18: Forecast Impact of Covid-19 on Resources for 2020/21**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Corporate ICT	0.003	0.000	0.003	0.003	Purchase of IT equipment
Corporate HR	0.005	0.000	0.005	0.005	Additional resource to support HR for Covid-19 issues
Corporate Finance (Benefits)	0.076	0.000	0.076	0.000	Additional costs of homelessness
Corporate Finance (Revenues)	0.000	0.968	0.968	0.178	Lost enforcement income due to courts being closed
<b>Total</b>	<b>0.084</b>	<b>0.968</b>	<b>1.052</b>	<b>0.186</b>	

#### 4.7.3 **Table 19: Forecast Variation Resources**

Service Area	Budget £m	Forecast Sept £m	Variance Sept £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance July £m	BAU Change Since July £m
ICT	2.825	3.019	0.194	0.003	0.191	0.192	(0.001)
Finance	(0.029)	0.959	0.988	1.044	(0.056)	(0.056)	(0.000)
HR & Organisational Development	(0.015)	0.084	0.099	0.005	0.094	0.094	0.000
Chief Executive	(0.090)	(0.165)	(0.075)	0.000	(0.075)	(0.053)	(0.022)
<b>Total</b>	<b>2.691</b>	<b>3.897</b>	<b>1.206</b>	<b>1.052</b>	<b>0.154</b>	<b>0.177</b>	<b>(0.023)</b>

4.7.4 Within ICT, the main pressures relate to continuing pressures associated with the Customer Journey project running to August, plus on-going pressures relating to various new software development and licence costs.



4.7.5 Within the Finance service, Revenues & Benefits is showing an overall saving of £0.056m, which is made up of these factors:

- Enforcement cost and income are no longer showing a pressure of due to lost enforcement income of £1.044m as it has been identified that the pressure is in relation to Covid-19, with this now being forecast in the central Covid-19 cost centre;
- Bank Charges are expected to be £0.030m over budget due to increased costs;
- Overpayments income is forecasting a worsening pressure of £0.369m in month (£1.018m overall) due to the number of overpayments generated during lockdown. Overpayments income is extremely low so far as there have been reduced changes in circumstances and house moves. There have been less fluctuations in wages as people are either in employment or on fixed furlough amounts. As the stages of lockdown ease and recovery progress, these changes are picking up again and this is expected to accelerate as the furlough scheme ends in October. There are a series of reviews planned for the rest of the year for higher risk claims for self-employed, trust and protect claims, main wage earners, and claims below applicable amounts. This is likely to generate additional overpayments and improve the potential to close the gap on the overpayment income target, although it is unlikely to get back to pre Covid-19 and budget levels;
- Subsidy is showing an improved surplus of £0.072m in month (£0.595m overall variance against budget) due to reducing overpayments which increases subsidy yield for North Tyneside Council. As per Overpayments income, throughout the rest of the year, the Authority is likely to see this figure return closer to budget levels as pro-active action takes place to check benefit claims; and,
- Debt is being transferred to the Payment Deduction Programme for recovery by the Department for Work and Pensions which is resulting in a decrease in the bad debt provision by a further £0.099m (£0.497m overall) and as lower numbers of overpayments are being created, the bad debt provision has also been reduced. As with Overpayment income, if targeted action planned for later this year produces more overpayments, then the bad debt provision will have to be adjusted accordingly.

4.7.6 Human Resources (HR) & Organisational Development is showing a pressure of £0.094m due to the full year impact of the restructure, which is offset by small operational savings of £0.010m and increased income (£0.062m) from work on the Step-Up Grant and Health and Safety Insurance recharges. This position does not yet include any impact of the Health & Safety team returning to the control of the Authority.

4.7.7 The Chief Executive's office is showing a saving of £0.075m. The saving is due to an underspend on staffing (£0.023m) and reduced spend on supplies and services (£0.052m). The £0.023m improvement is mainly due to savings from the reduction in planned corporate events for the rest of the year.

## 4.8 Law and Governance

4.8.1 Law and Governance is forecasting a net pressure of £0.251m, a movement of £0.011m since the July report. The pressure reported is after transfer of £0.357m identified Covid-19 costs and £0.120m Covid-19 related savings (see Table 20).

### 4.8.2 **Table 20: Forecast Impact of Covid-19 on Law & Governance for 2020/21**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
Customer, Governance and Registration	0.000	0.170	0.170	0.110	Registrars – lost income due to reduction in numbers of weddings / civil ceremonies / citizenship ceremonies / duplicate certificate requests (April - September 2020)
	0.000	0.025	0.025	0.019	Registrars – lost income due to reduction in venue usage for weddings (April - September 2020)
Legal Services	0.000	0.070	0.070	0.063	Legal Services (Non-Contract) lost income due to lower property/business transactions
Information Governance	0.000	0.092	0.092	0.077	Land Charges - lost income due to lower property transactions in conjunction with market forces
Democratic and Electoral Services	(0.120)	0.000	(0.120)	(0.060)	Election Expenses - Expenditure underspend forecast due to no elections taking place
<b>Total</b>	<b>(0.120)</b>	<b>0.357</b>	<b>0.237</b>	<b>0.209</b>	

#### 4.8.3 Table 21: Forecast Variation for Law and Governance

Service Area	Budget £m	Forecast Sept £m	Variance Sept £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance July £m	BAU Change Since July £m
Customer, Governance and Registration	(0.076)	0.151	0.227	0.195	0.032	0.018	0.014
Democratic and Electoral Services	(0.064)	(0.221)	(0.157)	(0.120)	(0.037)	(0.010)	(0.027)
Information Governance	0.034	0.097	0.063	0.092	(0.029)	(0.038)	0.009
Legal Services	(0.135)	0.119	0.254	0.070	0.184	0.172	0.012
North Tyneside Coroner	0.294	0.395	0.101	0.000	0.101	0.098	0.003
<b>Total</b>	<b>0.053</b>	<b>0.541</b>	<b>0.488</b>	<b>0.237</b>	<b>0.251</b>	<b>0.240</b>	<b>0.011</b>

4.8.4 Alongside the forecast staffing pressures arising from within Legal Service (£0.179m) and the increased costs of the Coroner Service (£0.101m), there are smaller pressures within Customer, Governance and Registration relating to a forecast shortfall against income targets not related to Covid-19. These are partially mitigated by net operational savings across all parts of the service.

#### 4.9 Central Items

4.9.1 The September 2020 business as usual forecast for Central Items is a surplus of £6.265m, an improvement of £0.094m from the July report. This position is after a £12.719m forecasted transfer to reserves relating to a surplus S31 balance generated following additional payments being received from Government as compensation for the increased Retail and nursery reliefs offered to Business Rates in response to the Covid-19 pandemic. The surplus on S31 will be used to partially offset the Collection Fund deficit that will be carried into 2021/22 as a result of the additional reliefs being offered to rate payers. Further details can be found in Section 5.

4.9.2 As described in sections 4.1 to 4.8, the income and expenditure pressures relating to Covid-19 within each service area have been transferred into Central Items to be shown against the Covid-19 Local Authority Support Grant. Total pressures of £24.863m have been identified across the rest of the General Fund as shown in Table 22 below.

#### 4.9.3 Table 22: Summary of Covid-19 Pressures by Service

<b>Service</b>	<b>Total Forecasted Covid-19 Pressure £m</b>
Health, Education, Care and Safeguarding	11.725
Commissioning and Asset Management	3.830
Environment, Housing and Leisure	7.871
Regeneration and Economic Development	0.055
Corporate Strategy	0.093
Chief Executive's Office	0.000
Resources	1.052
Law and Governance	0.237
<b>Total Covid-19 pressures transferred to Central Items</b>	<b>24.863</b>
Covid-19 Pressure within Central Items – bad debts	0.300
Covid-19 Pressure within Central Items – items normally recharged to General Fund from HRA	0.387
Covid-19 Pressure within Central Items - PPE	0.153
Allocation of Local Authority Support Grant and specific grants	(21.444)
<b>Central Items Covid-19 Pressure</b>	<b>4.259</b>

4.9.4 As reported in the July monitoring report, the total Local Support Grant received from Government at that point was £12.531m of which £0.733m was required to offset Covid-19 issues in 2019/20. The remaining £11.798m has been carried forward into 2020/21. A further sum of £1.777m of Local Authority Support Grant was announced in July and a fourth tranche was announced in October of £2.061m. In addition, amounts of £2.205m for Infection Control, £1.140m for Track and Trace and £2.463m for compensation for losses to Sales Fees and Charges between April 2020 and July 2020 have also been included in the reported position to offset some of the Covid-19 pressures identified. The total of grants available is therefore £21.444m and is being applied against the forecasted pressures leaving an amount of £4.259m over and above current grant funding. This compares favourably with a gap of £10.629m at July. This pressure is being partially offset by underspends within Central Items outlined in paragraph 4.9.7 below. Table 23 summarises the position within Central Items.

4.9.5 Note that the Authority's claim of £2.463m (for April 2020 to July 2020) relating to the Government's compensation scheme for sales fees and charges has been submitted and included in the position but is still pending confirmation from Government.

#### 4.9.6 Table 23: Outturn Variation Central Budgets and Contingencies

	Budget £m	Forecast Sept £m	Variance Sept £m	Of Which Covid-19 £m	Of Which BAU £m	BAU Variance July £m	Change in BAU since July £m
Corporate & Democratic Core	1.729	1.734	0.005	0.000	0.005	0.000	0.005
Other Central Items	14.979	(24.614)	(39.593)	(20.604)	(18.989)	(6.171)	(12.818)
<b>Central Items Sub Total</b>	<b>16.708</b>	<b>(22.880)</b>	<b>(39.588)</b>	<b>(20.604)</b>	<b>(18.984)</b>	<b>(6.171)</b>	<b>(12.813)</b>
S31 – Transfer to Reserves	0.000	12.719	12.719	0.000	12.719	0.000	12.719
<b>Total Central Items</b>	<b>16.708</b>	<b>(10.161)</b>	<b>(26.869)</b>	<b>(20.604)</b>	<b>(6.265)</b>	<b>(6.171)</b>	<b>(0.094)</b>

4.9.7 Within Other Central Items there are several budget areas which are partially offsetting the Covid-19 pressures. Continuing from 2019/20, there are contingency budgets totalling £4.416m held for adult and children's social care. Continued savings have been identified in 2020/21 resulting from the application of the Authority's Treasury Management Strategy. There is a forecasted underspend of £1.314m due to interest savings resulting from higher than forecasted cash balances, reduced interest rates and Investment Plan reprogramming. In addition, reprogramming is also forecasted to deliver a credit against Minimum Revenue Provision of £0.279m. The movement of (£0.094m) relates to a procurement rebate of £0.227m partially offset by a reduction in contingency balances following a reconciliation.

## **SECTION 5 – THE COLLECTION FUND**

- 5.1 This section has been added to the report due to the impact of Covid-19 on the Collection Fund. Whilst the impact is anticipated to be felt in 2020/21, the nature of the Collection Fund means it is important to consider the impact Covid-19 will have on future years with regards to budget setting in 2021/22 and medium-term financial planning.

Members will recall when the budget was set on 20 February 2020, the budgeted Council Tax for 2020/2021 was £114.558m, of which the retained share for the Authority is £100.886m. For Business Rates (NNDR) the net for 2020/2021 is £58.435m; following adjustment for the previous year's deficit position on NNDR, the budget retained share for the Authority for 2020/21 is £27.955m. Business Rates income is supplemented by a top-up grant from Government of £20.505m, providing an anticipated combined budgeted income from Business Rates to the Authority of £48.460m.

### **Council Tax**

- 5.2 Cabinet are aware that the Council Tax Base is a key figure used in setting the budget and this is affected by the number of domestic properties in the borough, the level of collection rate expected and the number of households claiming Local Council Tax Support (LCTS). For the 2020/21 Budget, the Council Tax Base was agreed by Cabinet on 20 January 2020. This calculation is based on the number of domestic properties as at the end of November before considering the impact of future housing growth, collection rates and LCTS.
- 5.3 The Covid-19 pandemic has already begun to have a number of impacts on the Council Tax position, most notably through the levels of collection (a 0.98% reduction by August 2020 and 0.81% drop by Sept 2020) and increase in LCTS. Recovery action was restarted, although with a softer approach in August so this position is expected to improve. Table 24 below shows the position of the key statistics through the last seven financial years leading up the budget position set for 2020/21. The statistics show a strong record of growth in the borough combined with a strong collection performance. However, for September 2020, following the impact of Covid-19, the tax base figure is 61,648 which is lower than the budgeted figure of 61,870. The main cause of this has been the increase in the number of LCTS claimants (outlined in 5.4 below). Despite the net collectable debit being higher, increased pressures on collection and increasing LCTS claimants suggest less resources will be generated by the Authority.
- 5.4 Table 25 shows the number of LCTS claimants over a seven-year period. This shows a year on year reduction in the number of claimants in the borough prior to the impact of Covid-19. This impact is shown in the increase seen from the end of 2019/20 to the September position in 2020/21, where the Authority has had an additional 430 claimants, with further claimants expected. A reduced collection rate of 97.5% is now being assumed due to the increased financial difficulties Covid-19 may have had on residents.

**Table 24: Council Tax – Performance through the years**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 Budget	2020/21 End Sept
No of Domestic Properties	95,059	95,563	96,243	96,752	97,698	98,626	99,558	99,407	99,795
Council Tax Base	53,034	55,400	56,424	56,948	58,202	59,048	60,167	61,870	61,648
Net Collectable Debit £m	81.404	82.842	84.868	89.961	97.737	104.048	110.511	114.558	114.036
In year Collection Rate %	96.5	96.4	96.6	96.5	96.2	95.4	95.0	n/a	n/a
Assumed Collection Rate %	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	n/a

**Table 25: Local Council Tax Support Claimants**

Financial Year	Working Age	Pensionable Age	Total Claimants
2013/14	11,551	10,656	22,207
2014/15	11,290	10,032	21,322
2015/16	10,937	9,435	20,372
2016/17	10,434	8,891	19,325
2017/18	10,289	8,435	18,724
2018/19	9,633	8,098	17,731
2019/20	9,372	7,800	17,172
2020/21 – End Sept	9,938	7,664	17,602

- 5.5 The impact of these factors on the Collection Fund position has the potential to push the Council Tax Collection Fund into deficit for 2020/21, which will have a direct impact on available resources for 2021/22.
- 5.6 The Authority has received £2.023m of discretionary funding from Government to support residents who are in financial hardship through Covid-19. This funding came with a clear instruction that Government expected local authorities to provide £150.00 additional Council Tax discount to working age claimants who were in receipt of LCTS. Some claimants did not have that amount of liability which meant that they had nothing to pay in 2020/21, once the discount was awarded. The hardship discount has been paid to 10,067 LCTS recipients at a cost to date of £1.526m.

The guidance from Government states that any new claimants that are awarded LCTS during 2020/21 should also be entitled to up to £150.00 in hardship support. The Authority is anticipating more claimants to come forward once the Government’s furlough scheme comes to an end and there is a potential for job losses if firms either cease trading or reduce staff.

The Authority has allocated £0.100m to Housing to support tenants who are in financial difficulties and require support. Forecasts at this stage suggest that approximately £0.400m of the grant may be left after all the hardship payments are allocated as the Authority’s Recovery Group workstream on Welfare Support is currently looking at criteria and processes for utilisation of the remaining hardship funding.

**Business Rates**

- 5.7 Significant changes have been made by Government to Business Rates in response to the Covid-19 pandemic, in an effort to help support businesses during the crisis. One such measure was the introduction of a grant aimed at supporting businesses in the retail, hospitality and leisure sectors, small businesses in receipt of small business rate relief and other organisations such as community associations and sporting clubs during the pandemic. Using records held in the Northgate system, initial estimates were that 3,014 business premises would be eligible to apply for this grant at a cost of £34.270m. At the end of September 2020, the Authority had made payments to 2,849 (94.53%) of the eligible businesses, totalling £32.825m.
- 5.8 Two further discretionary reliefs were introduced, as a response to Covid-19, for Retail Discount and Nursery Discount. At the end of September 2020, these reliefs totalled £27.946m and £0.219m respectively for North Tyneside.
- 5.9 The implications of these reliefs are that the Authority’s net rateable value is reduced, resulting in lower income than budgeted for being generated through Business Rates. Government is compensating Authorities for this through additional Section 31 grants. Section 31 grants are received into the General Fund whereas business rates income retained would be received into the Collection Fund. These extra reliefs will impact the Collection Fund, leaving a greater deficit than expected but a greater S31 surplus will be achieved in the General Fund. The forecasted position for S31 is shown in table 26 below.

**Table 26: Section 31 grants in 2020/21**

	<b>Budget £m</b>	<b>Sept Forecast £m</b>	<b>Difference £m</b>
S31 Grant	(4.916)	(17.635)	(12.719)

- 5.10 Other considerations, resulting from the impact of Covid-19, are not only the ability for businesses to recover and continue to operate in the borough but whether demand for premises will change as businesses adjust to increase levels of home working. With large business parks in the borough, such as Cobalt, Quorum and



Balliol this is a particular concern for North Tyneside. Whilst it is currently very difficult to forecast the implications on the Rates payable by the impacts on business across the borough for illustrative purposes at this early stage a 10% reduction to the overall nets rate payable has been assumed. A further consideration will be the impact of collection rates which have fallen towards the end of 19/20 and into 20/21.

5.11 **Table 27: Rateable Value and Net Rates Payable by Business Type (September)**

Type	Current Rateable Value £m	Nets Rate Payable (100%) £m	Nets Rates Payable (90%) £m
Shop/Retail	60.564	1.209	1.092
Offices	30.803	12.425	11.197
Industrial	35.600	14.291	12.870
Hospitality	1.733	0.014	0.012
Club/Community/Sports	5.042	1.166	1.054
Others	16.369	4.769	4.292
<b>Total</b>	<b>150.111</b>	<b>33.874</b>	<b>30.517</b>

5.12 **Table 28: Business Rates Collection Rates**

Financial Year	Collection Rate (%)
2014/15	97.99
2015/16	98.50
2016/17	97.76
2017/18	98.90
2018/19	99.70
2019/20	97.60
2020/21 (assumed)	97.83

5.13 The overall implications are that the Collection fund could move into significant deficit for 21/22, some of which will be met by the S31 grant for the reliefs issued in 20/21 and is illustrated in Table 29 below.

**Table 29: Summary position for Business Rates**

	Difference £m
Additional S31 Grant (table 26)	(12.719)
North Tyneside Projected Deficit	14.433
<b>Additional Deficit</b>	<b>1.714</b>

## **SECTION 6 - SCHOOLS FINANCE**

### **Update on School Monitoring**

- 6.1 Cabinet will recall that in July it was reported that schools submitted initial budgets for 2020/21 reflecting a total forecast deficit of £6.689m. These budgets were revised, mainly following discussions with schools showing deficit balances, to an expected deficit of £6.681m. This compared to a 2019/20 budget plan forecasting £4.661m deficit, whilst school balances carried forward from 2019/20 totalled a £0.165m surplus balance.
- 6.2 Schools are normally required to carry out formal monitoring at least twice a year, normally in Autumn then again early in the new year. All maintained schools have now completed the first monitoring, supported by Finance, with the results by phase shown in Table 30 below. Forecast results across all school phases now reflect a forecast deficit of £5.734m, which is an improvement against budget of £1.022m.

### **6.3 Table 30: School Summary Positions at First Monitoring**

<b>PHASE</b>	<b>BUDGET 2019/20 OUTTURN £m</b>	<b>ACTUAL OUTTURN 2019/20 £m</b>	<b>BUDGET 2020/21 OUTTURN £m</b>	<b>MONITORING 1 2020/21 £m</b>	<b>Variance £m</b>
Nursery	0.002	0.127	0.053	0.086	0.034
First	0.412	0.746	0.665	0.624	(0.042)
Primary	2.346	3.497	2.271	2.630	0.359
Middle	0.369	0.437	0.276	0.338	0.063
Secondary	(8.028)	(5.549)	(9.679)	(9.766)	(0.087)
Special/PRU	0.238	0.907	(0.267)	0.353	0.695
<b>TOTAL</b>	<b>(4.661)</b>	<b>0.165</b>	<b>(6.681)</b>	<b>(5.734)</b>	<b>1.022</b>

### **Covid-19 Impact on Schools**

- 6.4 Cabinet will recall schools across North Tyneside initially identified an impact of additional costs relating to Covid-19 of £0.797m for March to September. In April, the Department for Education (DfE) issued advice that they would be providing additional funding to support these costs in schools, limiting the initial funding around additional cleaning for Covid-19 cases, keeping schools open outside normal hours and costs of providing meals outside the normal schemes.
- 6.5 DfE have now identified two tranches of funding in relation to costs incurred between March and August, the first for £0.081m which is included in the first monitoring forecasts, in addition a further £0.108m which was received after the monitoring process was completed. The DfE are still reviewing outstanding claims for other additional costs and are planning to provide a further opportunity to update claims for the period up to the start of term in September. The Finance service will be working with schools to reassess the total expected impact of Covid-19, to report back to Cabinet in due course.

## School Deficits

6.5 In July twelve schools were identified to cabinet as expecting to be in deficit during 2020/21, including two schools that were in structural deficit. Following the allocation of falling rolls and headroom funding in July, another school has now moved out of deficit and another three schools are being considered for Schools in Financial Difficulty funding, to be agreed in November at Schools Forum. Before any adjustments relating to this agreement, the total balances of these deficit schools are expected to total £12.516m with individual school deficit values shown in Table 31 below.

6.6 **Table 31: Schools in an expected deficit position 2020/21**

School	BUDGET PLAN 2020/21 £m	MONITORING 1 2020/21 £m	VARIANCE 2020/21 £m	Status
Beacon Hill	(0.699)	(0.679)	0.020	In Deficit
Forest Hall Primary	(0.014)	(0.015)	(0.000)	In Deficit
Holystone Primary	(0.032)	0.020	0.052	Out of Deficit
Ivy Road Primary	(0.300)	(0.245)	0.055	In Deficit
Marden High	(0.494)	(0.475)	0.018	In Deficit
Monkseaton High	(5.164)	(5.090)	0.073	Structural Deficit
Norham High	(3.193)	(3.189)	0.004	Structural Deficit
Longbenton High	(2.610)	(2.586)	0.024	In Deficit
Benton Dene Primary	(0.022)	(0.010)	0.012	New Deficit
Greenfields Primary	(0.120)	(0.178)	(0.058)	New Deficit
St Marys RC Primary N/S	(0.033)	(0.039)	(0.005)	New Deficit
Marden Bridge Middle	(0.067)	(0.042)	0.025	New Deficit
Burradon Primary	0.017	(0.016)	(0.033)	New Forecast
Rockcliffe First	0.003	(0.007)	(0.010)	New Forecast
Western Primary	0.061	(0.045)	(0.106)	New Forecast
<b>TOTAL</b>	<b>(12.667)</b>	<b>(12.516)</b>	<b>0.151</b>	

6.7 Most of the schools in deficit have managed to improve their forecast position. Where schools have not improved their position, the impact of Covid-19 has been identified as the reason for their worsening forecasts. In addition, there are three schools with emerging forecast deficits following the first monitoring: Burradon Primary, Western Primary and Rockcliffe First School. These schools had not submitted a request for deficit approval at budget setting and have highlighted additional costs of Covid-19 as a factor in the downturn. Further work continues with all these schools to support and challenge their leadership teams with the target of moving them out of deficit as soon as possible.

## Early Years Block

- 6.8 The Early Years block outturn for 2019/20 was a surplus of £0.432m. Initial indications for 2020/21 show that services can be delivered within the budget available.

## High Needs Block

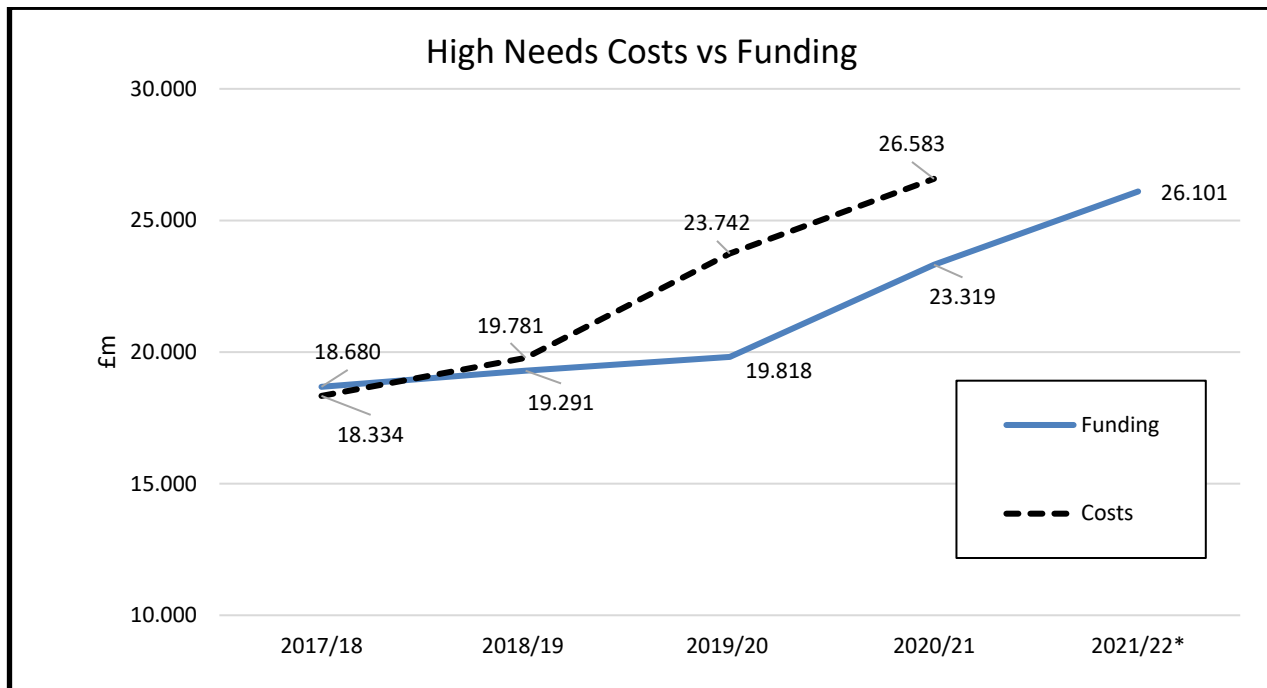
- 6.9 Cabinet will recall at July that the High Needs block reported an expected in-year pressure of £2.470m, a cumulative pressure of £7.012m. Cabinet should note that the High Needs block forms part of the Dedicated Schools Grant (DSG) which is ring-fenced and does not form part of the General Fund.
- 6.10 The forecast for the High Needs Block is now an anticipated in-year pressure of £3.457m reflecting an upswing in numbers of children with Education Health and Care Plans (EHCP) identified when schools returned. This will give a £7.999m cumulative balance at the end of the year. A breakdown of the revised in-year pressure is shown in Table 32 below:

### 6.11 Table 32: Breakdown of High Needs Pressures at September 2020

Provision	Budget	Forecast September	Variance	Comment	Variance July
	£m	£m	£m		£m
Special schools and PRU	13.000	14.866	1.866	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder	1.627
ARPs/Top ups	4.005	4.996	0.991	Pressures in pre 16 top ups e.g. Norham ARP, Melrose ARP	0.507
Out of Borough	2.165	2.730	0.565	Increased number of children placed outside North Tyneside Schools	0.301
Commissioned services	3.957	3.991	0.035		0.035
<b>Subtotal</b>	<b>23.127</b>	<b>26.583</b>	<b>3.457</b>		<b>2.470</b>
2019/20 b/f			4.542		4.542
<b>Subtotal</b>			<b>7.999</b>		<b>7.012</b>

- 6.12 Chart 8 below shows the relative increases in costs versus funding for the High Needs Block since 2017/18. Costs are forecast to increase by 45% since 2017/18, whereas funding has increased by only 25% in the same period. The expected funding increase for next year will bring the increased funding up to 40%, which is still below the expected costs for this year.

6.13 **Chart 9: High Needs Funding versus costs 2017/18 to 2020/21**



**Autumn Term School Finance Plan**

6.14 The Authority is continuing to work with schools and the Schools Forum to review the modelling of the conversion of the Authority’s Local Funding Formula towards the National Funding Formula. In addition, Schools Forum have been asked to consider the introduction of a Growth Fund Policy to support schools with increasing pupil numbers due to bulge classes or increases in pupil published admission numbers (PAN) as approved by the Authority. The process will continue in line with the key milestones outlined in Table 33 below:

6.15 **Table 33: Process to Agree the Schools Allocation Formula and Growth Policy for 2020/21**

<b>Date</b>	<b>Activity</b>
July 2020	Department for Education (DfE) guidance issued for 2021/22
October / November 2020	Local consultation documents issued to stakeholders
20 November 2020	Consultation returns received and reviewed
26 November 2020	Schools Forum considers consultation response and agrees proposals for local funding allocation formula to individual schools, de-delegated and centrally retained budgets and any transfers between funding blocks
December 2020 / January 2021	Local Government Finance Settlement announced including school funding amounts
January 2021	Additional Schools Forum meeting (if required)
21 January 2021	Deadline for submission of final local School Allocations to DfE (the Authority Proforma Tool)
28 February 2021	Deadline for confirmation of schools budget shares to maintained schools (in North Tyneside the intention is to issue in advance of this deadline)

## **SECTION 7 - HOUSING REVENUE ACCOUNT**

### **Forecast Outturn**

7.1 The forecast set out in Table 34 below is based on the results to September 2020. Currently the HRA is forecasting a saving against budget of £1.361m before the impact of identified HRA Covid-19 costs and a £0.259m pressure after including Covid-19 costs. Throughout the year costs will be monitored closely across all areas, but with additional focus on Rent Arrears and the related impact on the bad debt provision, rental income, Council Tax voids and staffing vacancies, which could lead to further improvements in the forecast position.

### **7.2 Table 34: Forecast Variance Housing Revenue Account**

	<b>Budget £m</b>	<b>Current Forecast £m</b>	<b>Current Variance £m</b>	<b>Last cabinet report £m</b>
HRA Management Costs	10.227	10.098	(0.129)	(0.151)
HRA Repairs	12.247	11.320	(0.927)	(0.713)
HRA Other Costs	40.415	40.665	0.250	0.000
HRA - Rental Income	(60.299)	(60.854)	(0.555)	(0.450)
<b>Total before Covid-19 pressures</b>	<b>2.590</b>	<b>1.229</b>	<b>(1.361)</b>	<b>(1.314)</b>
HRA Covid-19 pressures	0.000	1.620	1.620	1.916
<b>Total after HRA Covid-19 pressures</b>	<b>2.590</b>	<b>2.849</b>	<b>0.259</b>	<b>0.602</b>

7.3 The £1.620m Covid-19 costs for HRA mainly relate to unproductive workforce costs resulting from restrictions during lockdown, but also include costs of PPE. In addition, HRA services have identified costs relating to the general fund. The reduction in Covid-19 pressures since the July report is mainly due to a reduction in the forecast impact of non-productive time following an updated timesheet analysis.

7.4 **Table 35: Forecast Impact of Covid-19 on HRA for 2020/21**

Service Area	Covid Cost Impact Sept £m	Covid Income Impact Sept £m	Total Covid Impact Sept £m	Total Covid Impact July £m	Description
HRA – PPE	0.033	0.000	0.033	0.085	HRA PPE and Staff involved in procuring, receiving, packaging and delivering PPE for the entire authority being acquired as a direct result of the Covid-19 Pandemic - HPC Stores staff, Procurement staff and staff driving vans for delivery.
HRA – Workforce	1.587	0.000	1.587	1.514	Costs of carrying unproductive staff resource and related support costs during downtime, for staff delivering HRA-related work
HRA - Other	0.000	0.000	0.000	0.167	Rental income has mitigated early lost income due to slow turnaround of empty properties
HRA – Other	0.000	0.000	0.000	0.150	No longer reflecting increased Bad Debt Provision
<b>Total</b>	<b>1.620</b>	<b>0.000</b>	<b>1.620</b>	<b>1.916</b>	

7.5 Rental income is currently performing well ahead of target. Dwellings rent figures are forecasted to perform ahead of budget (£0.352m) due to an improvement in the empty homes position across both general needs and sheltered accommodation; service charge income is currently forecasted to also perform ahead of budget (£0.109m) due to the improved income in Sheltered Accommodation resulting from the lower than forecast empty homes position. There was a slight rise in the number of empty homes early in the period due to the suspension of works resulting from Covid-19 restrictions, but these works have now recommenced, and work has been accelerated. Therefore, the current rental forecasts may well improve as the year progresses. Although the Authority strives to try and minimise the continuing impact of the implementation of Universal Credit, the actual level of arrears has not increased at the rate initially witnessed



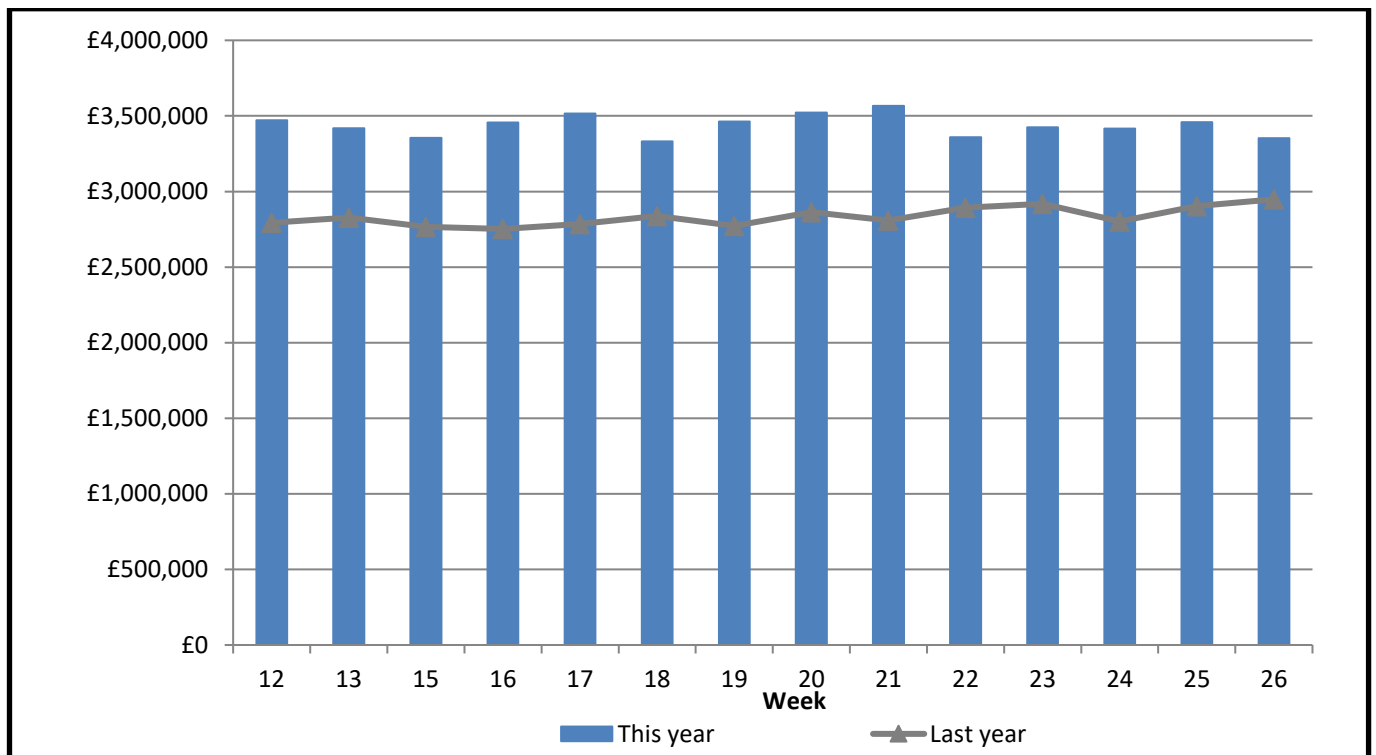
at the start of the Coronavirus pandemic, this has seen a reduction in the forecast impact on the in-year Bad Debt Provision which has been brought back in line with budget. There has also been an estimated increase in Council Tax void costs (£0.021m) due to the initial rise in empty properties along with the budgeted empty property assumptions for the remainder of 2020/21. All of these will continue to be closely monitored throughout the year.

- 7.6 It is anticipated that savings in management costs will be realised due to delays in recruitment to several vacancies as a result of the Covid-19 pandemic (£0.129m). The recruitment to these vacancies could result in further savings if posts are recruited internally within the HRA. The Repairs budget is showing an over-spend of £0.695m currently, this is because all of the anticipated Covid-19 impact within the Housing Property and Construction Service is shown against this line, so it incorporates the impact of staff across revenue repairs, and those teams delivering Capital works within the Decent Homes programme as well as Adaptations. The costs mainly represent the impact of Covid-19 and the fact that most areas of the in-house construction service were stood down during the initial months of 2020/21 and as a result, have not been recovering their costs against delivered works.
- 7.7 A number of delegated decisions have been made over the past few years to utilise PFI Reserve funds to support other areas of the HRA, namely, the purchase of the new fleet for the Housing Property and Construction Service, and payment of a settlement agreement with PFI Contractors S4NT and Galliford Try. These were accompanied with plans to restore the balance on the reserve over the following seven years. However, the opportunity was taken last year to make additional contributions into the reserve to bring that timeline down and reduce the risk to the reserve. An additional contribution to the reserve of £0.250m has been identified this year in line with the same principle applied last year, and this should reduce the time taken to bring the reserve back into balance by at least a further year.

### **Rent Arrears**

- 7.7 The first half of the year has seen rent arrears rise however, the overall rate of increase does not appear to be sharper than the previous year, prior to the Coronavirus pandemic. There was an initial spike in the first few months which seemed to indicate that the virus might have a significant impact, but this has not materialised as the year progresses. Chart 9 below shows the value of rent arrears in 2020/21 compared to the same period in 2019/20. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. For the past two years there has been a pressure on the bad debt provision (the prior 15 years had seen no such pressure), which was mainly in relation to changes caused by Universal Credit, but currently we are now predicting that bad debt provision will be contained within budget.

7.8 **Chart 10: Rent Arrears in Weeks 12-26 (July-Sept) 2020/21 compared to 2019/20**

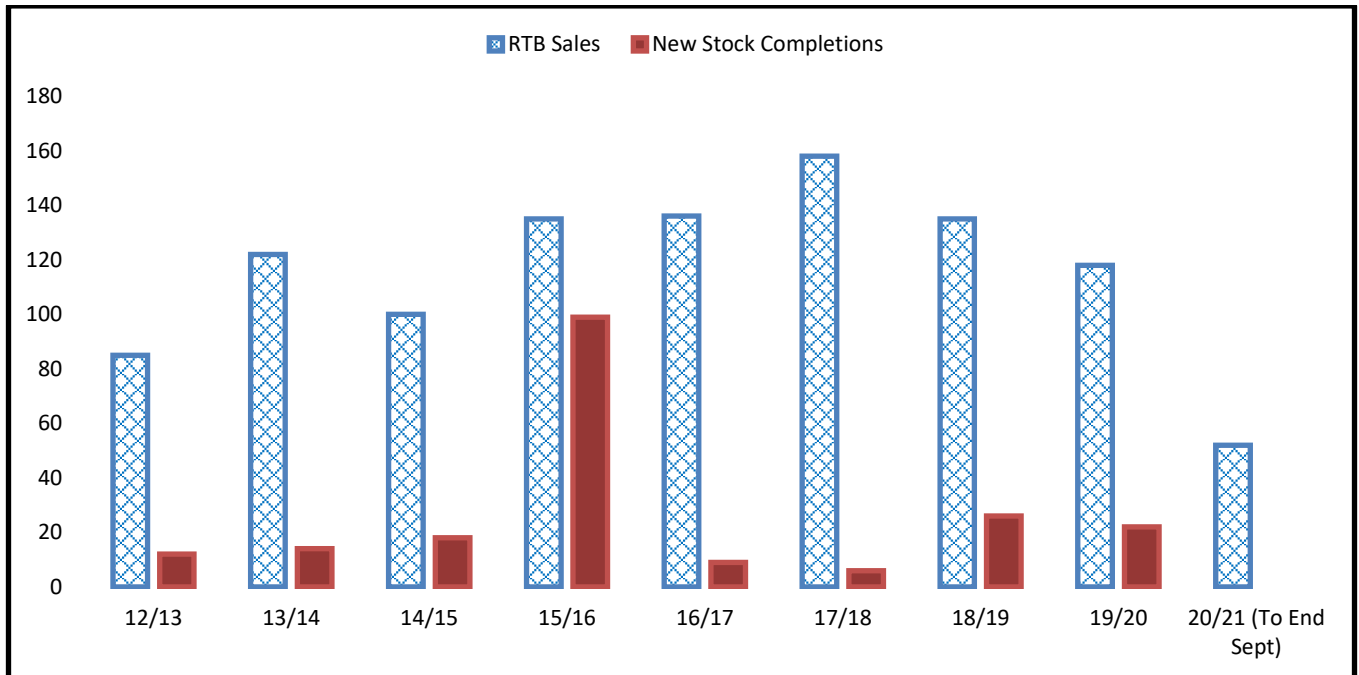


7.9 Universal Credit was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. At 30 September 2020, there were 2,972 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.525m. This is up by 398 and £0.315m from the beginning of the year when there were 2,574 tenants on UC with arrears of £2.210m, but actually is down from the end of August when there were 3,011 tenants on Universal Credit (reduction of 39 tenants) with related arrears of £2.529m (reduction of £0.004m).

**Right to Buy (RTB) Trends**

7.10 The impact of RTB is critical to long-term planning for the HRA. Prior to the introduction of self-financing in 2012, average RTB sales had dropped to around 25 per annum, mainly due to the capped discount (£0.022m) which had remained static as property values had increased, making RTB less attractive financially to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £0.075m and then subsequently annual inflation was added to the maximum. Chart 10 below shows the trend in RTB sales since that time.

### 7.11 Chart 11: Trend in Right to Buy Sales



## **SECTION 8 - INVESTMENT PLAN**

### **Review of Investment Plan - Position Statement**

8.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers will continue to plan the delivery of those key projects included within the 2020/21 Investment Plan and regularly review the impact of Covid-19. The variations shown in paragraphs 8.8 through to 8.10 below include the expected impact of Covid-19 on the delivery and financing of the Investment Plan at this stage. This position is being regularly reviewed and any further changes will continue to be reported through the budget monitoring process.

Some of the key highlights of the Investment Plan due to be delivered during 2020/21 are summarised below:

### **Affordable Homes New Build and Conversion Works**

8.2 There are currently 3 affordable home projects that will progress during 2020/21, these include:

- The construction of 3 new affordable homes at Edwin Grove, Howdon;
- The construction of 12 new affordable homes on the former site of the Cedars, North Shields;
- The construction of 9 new affordable homes on the former site of Bawtry Court, Battlehill; and,
- In addition to the above projects that will be complete in year there will be a number of other schemes progressed through the design, planning and procurement process during 2020/21 that will subsequently complete in future financial years.

### **Housing Investment Work**

8.3 The Housing Capital delivery programme will see the following works delivered across the borough during 2020/21:

- Kitchens and bathrooms to 195 homes;
- Heating upgrades to 461 homes;
- Electrical upgrades to 50 homes;
- Boundary improvements to 1,601 homes;
- Roof replacements to 398 homes;
- External Brickwork Repairs to 337 homes;
- External refurbishment works to 9 non-traditional homes;
- Damp Proof Course restoration works to 18 homes;
- Footpath repairs throughout the borough; and,
- Fire door replacement to 344 flats within communal blocks.

### **Education Investment Works**

8.4 Delivery of the priority condition related projects across the school estate as part of the Schools Condition Investment Programme.

## **Asset Investment works**

- 8.5 Delivery of the priority condition related projects across the asset property estate as part of the Asset Condition Investment Programme.

## **Highways and Infrastructure Works**

- 8.6 The main Highways & Infrastructure works include:
- Delivery of the LTP, including the annual resurfacing programme and integrated transport projects. Larger projects will include the construction phase of the Pier Road stabilisation scheme and the demolition of Borough Road Bridge;
  - Delivery of the Additional Highway Maintenance Programme including footway improvements in line with the Mayor's priorities; and,
  - Construction of the Southern Promenade sea wall scheme.

## **Regeneration Works**

- 8.7 Regeneration Works for 2020/21 include:
- Swans – the next phase consists of:
    - CFI Phase 2 – completion of works; and,
    - Sale of the Swans site.
  - North Shields – a grant from Historic England for the North Shields Heritage Action Zone scheme for Northumberland Square and Howard Street. The scheme will have a total project value of £1.900m. The consultation draft masterplan was approved by Cabinet on 3 August 2020. Engagement will conclude on 16 October 2020.

## **Variations to the 2020-2025 Investment Plan**

- 8.8 Variations of £6.923m credit to the Investment Plan and reprogramming of £0.260m from 2020/21 have been identified and are included in tables 36 and 37 below. Further details are provided in paragraph 8.9:

8.8.1 **Table 36: 2020 - 2025 Investment Plan changes identified**

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	Total £m
<b>Approved Investment Plan – Council 3 February 2020</b>	<b>67.307</b>	<b>50.773</b>	<b>41.303</b>	<b>84.937</b>	<b>244.320</b>
<b>Previously Approved Reprogramming/Variations</b>					
2019/20 Monitoring	8.866	4.000	0.000	0.000	12.866
2019/20 Outturn	6.751	0.000	0.000	0.000	6.751
August 20 Cabinet	(8.828)	12.089	0.738	0.272	4.271
September 20 Cabinet	2.699	0.089	0.028	0.056	2.872
<b>Approved Investment Plan</b>	<b>76.795</b>	<b>66.951</b>	<b>42.069</b>	<b>85.265</b>	<b>271.080</b>
<b>Aug/Sep 20 Monitoring Variations</b>					
Variations	(1.660)	(5.263)	0.000	0.000	(6.923)
Reprogramming	(0.260)	1.094	(0.460)	(0.374)	0.000
<b>Total Variations</b>	<b>(1.920)</b>	<b>(4.169)</b>	<b>(0.460)</b>	<b>(0.374)</b>	<b>(6.923)</b>
<b>Revised Investment Plan</b>	<b>74.875</b>	<b>62.782</b>	<b>41.609</b>	<b>84.891</b>	<b>264.157</b>

8.9 Details of the variations and reprogramming are shown below:

- (a) **DV066 Investment in North Tyneside Trading Company £3.377m** – Section 106 affordable housing monies to be transferred to the Trading Company in the form of share capital which will allow the purchase of properties for letting at affordable rents. It anticipated that £0.840m of this money will be spent in the 2020/21 financial year, with the remaining £2.537m spent in 2021/22;
- (b) **DV072 Royal Quays Enterprise Park £10.300m credit** – The Authority was approached by the NELEP to provide a capital loan to facilitate a North East Growth and Infrastructure Fund grant for the provision of improved infrastructure on and to the site. Following discussions with Port of Tyne, given the current economic climate, it is no longer considered appropriate to continue with this project at present. Therefore, it is requested to remove this scheme from the Investment plan; and,
- (c) **DV074 North Shields Heritage Action Zone £0.260m reprogramming** – To reflect the expected delivery of the project the funding has been reprofiled over four financial years with the majority of the budget now allocated to 2021/22.

8.10 The impact of the changes detailed above on capital financing is shown in table 37 below.

### 8.10.1 Table 37: Impact of variations on Capital financing

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	Total £m
<b>Approved Investment Plan</b>	<b>76.795</b>	<b>66.951</b>	<b>42.069</b>	<b>85.265</b>	<b>271.080</b>
Council Contribution	(2.631)	(7.251)	(0.230)	(0.188)	(10.300)
Grants and Contributions	0.711	3.082	(0.230)	(0.186)	3.377
HRA Capital Receipts	0.000	0.000	0.000	0.000	0.000
HRA Revenue Contribution	0.000	0.000	0.000	0.000	0.000
<b>Total Financing Variations</b>	<b>(1.920)</b>	<b>(4.169)</b>	<b>(0.460)</b>	<b>(0.374)</b>	<b>(6.923)</b>
<b>Revised Investment Plan</b>	<b>74.875</b>	<b>62.782</b>	<b>41.609</b>	<b>84.891</b>	<b>264.157</b>

### Capital Receipts – General Fund

8.11 General Fund Capital Receipts brought forward at 1 April 2020 were £1.773m. The capital receipts requirement for 2020/21, approved by Council on 3 February 2020, was £0.423m (2020-25 £1.100m). To date, £0.673m capital receipts have been received in 2020/21, of which £0.356m will be used to repay capital loans. The receipts position is shown in table 38 below.

#### 8.11.1 Table 38: Capital Receipt Requirement – General Fund

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	2020-25 Total £m
Requirement reported to February 2020 Council	0.423	0.423	0.254	0.000	1.100
Receipts Brought Forward	(1.773)	(1.667)	(1.244)	(0.990)	(1.773)
Total Receipts received 2020/21	(0.673)	0.000	0.000	0.000	(0.673)
Receipts used to repay capital loans	0.356	0.000	0.000	0.000	0.356
<b>Net Useable Receipts</b>	<b>(0.317)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.317)</b>
<b>Surplus Receipts</b>	<b>(1.667)</b>	<b>(1.244)</b>	<b>(0.990)</b>	<b>(0.990)</b>	<b>(0.990)</b>

### Capital receipts – Housing Revenue Account

8.12 Housing Capital Receipts brought forward at 1 April 2020 were £8.313m. The housing receipts are committed against projects included in the 2020-2025 Investment Plan. The approved Capital Receipt requirement for 2020/21 was £3.117m. This, together with the reprogramming and variations reported to Cabinet, gives a revised requirement of £0.727m. To date, receipts of £2.529m have been received in 2020/21 of which £0.469m has been pooled as part of the quarterly returns to Central Government. In total, subject to future pooling, this leaves a surplus balance of £9.646m to be carried forward to fund future years.

### 8.12.1 Table 39: Capital Receipt Requirement - Housing Revenue Account

	2020/21 £m	2021/22 £m	2022/23 £m	2023-25 £m	2020-25 £m
Requirement reported to February 2020 Council	3.117	3.329	2.970	6.990	16.406
Reprogramming 2019/20 Outturn	0.167	0.000	0.000	0.000	0.167
Reprogramming 2020/21	(1.702)	1.702	0.000	0.000	0.000
Variation 2020/21	(0.855)	(0.855)	(0.855)	0.000	(2.565)
<b>Revised Requirement</b>	<b>0.727</b>	<b>4.176</b>	<b>2.115</b>	<b>6.990</b>	<b>14.008</b>
Receipts Brought Forward	(8.313)	(9.646)	(5.470)	(3.355)	(8.313)
Receipts Received 2020/21	(2.529)	0.000	0.000	0.000	(2.529)
Receipts Pooled Central Government	0.469	0.000	0.000	0.000	0.469
<b>(Surplus)/ Balance To be generated to fund future years (subject to further pooling)</b>	<b>(9.646)</b>	<b>(5.470)</b>	<b>(3.355)</b>	<b>3.635</b>	<b>3.635</b>

*The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2020/21.*

### Investment Plan Monitoring Position to 30 September 2020

8.13 Actual expenditure for 2020/21 in the General Ledger was £15.220m; 20.33% of the total revised Investment Plan at 30 September 2020. This is after adjusting for £0.184m of accruals relating to 2019/20 expenditure.

### 8.13.1 Table 40: Total Investment Plan Budget & Expenditure to 30 September 2020

	2020/21 Revised Investment Plan £m	Actual Spend to 30 Sept 2020 £m	Spend as % of revised Investment Plan %
General Fund	49.648	11.218	22.60%
Housing	25.227	4.002	15.86%
<b>TOTAL</b>	<b>74.875</b>	<b>15.220</b>	<b>20.33%</b>



## **SECTION 9 – TREASURY MANAGEMENT, CASH POSITION & MID-YEAR UPDATE**

### **Current Cash Position**

9.1 As at 30 September 2020 the Authority had £20.000m placed with the DMO, and £5.000m invested on an instant access basis with Lloyds Bank and with £40.500m invested externally with other UK Local Authorities.

#### **9.2 Table 41: Investment Position as at 30/09/2020**

<b>Counterparty</b>	<b>Type</b>	<b>Amount (£m)</b>	<b>Maturity</b>
DMO	Term	20.000	n/a
Lloyds Bank	Call	5.000	Call
Barclays Bank	Current	3.916	n/a
Inter – LA	Fixed	40.500	21 June 2021*

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

9.3 Short-term cash investment rates are amongst all-time lows and an opportunity has been taken to maximise investment returns by investing longer and locking in investment returns by undertaking forward dated transactions. As a result, the Authority has locked in £0.159m in interest income to be received by year end.

9.4 The approach of maintaining low cash balances has been part of the strategy for several years and has generated substantial savings year on year. The government's Debt Management Office (DMO) and other deposit investment rates are at all-time lows; taking into account CHAPS transfers fees and principal invested, it can cost the Authority to invest surplus cash. Therefore, the Authority is investing longer to reduce transactional costs as well as maximise returns. The temporary borrowing market is currently very liquid with significant cash available at very low rates. A summary of rates available is shown in table 42 below. PWLB rates also continue to remain low due to low Gilt yields, which they are tracked against.

#### **9.5 Table 42: Summary of Borrowing Levels**

<b>Temporary Market</b>		<b>PWLB</b>	
<b>Tenor</b>	<b>Level</b>	<b>Tenor</b>	<b>Level</b>
1 week	0.01%	2 years	1.94%
1 month	0.01%	5 years	1.94%
3 months	0.03%	10 years	2.22%
6 months	0.15%	20 years	2.71%
9 months	0.25%	30 years	2.75%
12 months	0.35%	50 years	2.60%

9.6 Any shortfalls in cashflow are covered by in year temporary borrowing, which is a quick and cost-effective method of cash management in the current environment.

## Borrowing Position

9.7 Table 43 shows the Authority's current debt position, with total borrowing maturing in 2020/21 of £64.470m.

**Table 43: Debt Position 2020/21**

	<b>PWLB (£m)</b>	<b>LOBO (£m)</b>	<b>Temp (£m)</b>	<b>Total (£m)</b>
Total Outstanding Borrowing Debt	358.443	20.000	68.610	487.053
Debt Maturing 2020/21	1.000	10.000	53.470	64.470

*\*£10.000m LOBO has a call date in 2020/21 and subject to agreement between the Authority and the lender, the LOBO can be repaid. It is unlikely that the lender will call due to the current spread on interest rates vs Bank of England base rate.*

## Covid-19 Impact on Cash

9.8 The impact of Covid-19 on cashflow for the Authority has resulted in several large grants being front loaded to the Authority. In March 2020, the Authority drew down £25.000m of PWLB to bolster the Authority's cash position, de-risk our borrowing requirement and take advantage of historically low levels in PWLB, and by doing so has contributed to the surplus cash balance. Whilst a proportion of this is currently invested out for a fixed term, the Authority is currently carrying a cash surplus balance. However, it is anticipated this surplus will unwind as Covid-19 restrictions are reduced. Projected reduced revenue streams, increased costs and repayment of outstanding debt is forecast to utilise cash balances within the year. It is therefore prudent to assume the Authority will be in a deficit cash position to the amount of the projected budget pressure.

The Authority is under-borrowed to the value of £57.655m as at 31 March 2020, and whilst the Authority cannot borrow to fund this revenue pressure, it can look to utilise reserves, unwind its under-borrowed position and externalise borrowing.

## Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2020/21

9.9 In line with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) a Treasury Management mid-year report detailing the requirements as laid out within the Code are set out and addressed in Appendix 3.

## Municipal Bonds Agency (MBA)

9.10 The MBA have since the last mid-year update have undertaken two bond issuances with Lancashire County Council (LCC). The first bond issuance undertaken in February 2020. A £350m inaugural five-year floating rate bond which is linked to SONIA was successfully issued. The second issuance was a £250m ultralong maturity (40 year) fixed rate bond. As noted by the bond denominations bond issuances are particularly useful for raising large amounts of capital, and whilst the return of bond issuances is a favourable development for Local Authorities the

application in particular to North Tyneside Council is limited. Nonetheless, the development of UK Local Authority bond market will be watched closely.

### **Development of Derivatives in the Local Authority Space**

- 9.11 A recent development in the Local Authority Treasury space has been Plymouth City Council who have undertaken the first interest swap deal since a high court ruling in 1991 banned Local Authorities from undertaking such transactions. That ruling declared that local authorities had no power to engage in interest rate swap agreements because they were beyond the council's borrowing powers.

Plymouth Council undertook a £75m swap citing the Localism Act 2011 gave councils in England a "general power of competence". Section 1 of the act says: "A local authority has power to do anything that individuals generally may do." The legislation has enabled Plymouth to go through with the swap transaction.

CIPFA and Link Asset Services, advisors to North Tyneside Council are under the view that the derivative is ultra vires and is not something Local Authorities should be undertaking.

### **Negative investment rates**

- 9.12 While the Bank of England has said that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the Covid-19 crisis; this has caused some local authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.
- 9.13 As for money market funds (MMFs), yields have continued to drift lower. Some managers have suggested that they might resort to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a glut of money swilling around at the very short end of the market. This has seen a number of market operators, now including the Debt Management Account Deposit Facility, offer nil or negative rates for very short-term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions.
- 9.14 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

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	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<b>General Fund</b>						
<b>Maintaining Our Assets</b>						
BS026 Asset Planned Maintenance						
Council Contribution	1,691	1,500	1,500	1,500	1,500	7,691
Football Foundation Grant	17	0	0	0	0	17
Section 106	12	0	0	0	0	12
Contribution from Reserves (Insurance)	367	0	0	0	0	367
Contribution from Reserves (Leisure)	251	0	0	0	0	251
<b>BS026 Asset Planned Maintenance Total</b>	<b>2,338</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>8,338</b>
BS029 Wallsend Customer First Centre						
Council Contribution	488	0	0	0	0	488
Public Health England	384	0	0	0	0	384
Northumbria Violence Reduction Unit Intervener	76	0	0	0	0	76
<b>BS029 Wallsend Customer First Centre Total</b>	<b>948</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>948</b>
CO076 Lockey Park Environmental and Play Improvements						
Section 106	23	0	0	0	0	23
<b>CO076 Lockey Park Environmental and Play Improvements Total</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>
CO080 Burradon Recreation Ground						
Council Contribution	336	0	0	0	0	336
Section 106	171	0	0	0	0	171
<b>CO080 Burradon Recreation Ground Total</b>	<b>507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>507</b>
CO082 Sport and Leisure Facility Improvements						
Contribution from Reserves (Leisure)	80	0	0	0	0	80
<b>CO082 Sport and Leisure Facility Improvements Total</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>
CO083 Whitley Bay Crematoria						
Council Contribution	366	1,175	0	0	0	1,541
<b>CO083 Whitley Bay Crematoria Total</b>	<b>366</b>	<b>1,175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,541</b>
CO084 Rising Sun Sports Ground2						
Section 106	22	0	0	0	0	22
<b>CO084 Rising Sun Sports Ground2 Total</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>
ED075 Devolved Formula Capital						
Education Funding Agency (Devolved)	1,463	1,079	579	579	579	4,279
Education Funding Agency (30 Hours)	60	0	0	0	0	60
<b>ED075 Devolved Formula Capital Total</b>	<b>1,523</b>	<b>1,079</b>	<b>579</b>	<b>579</b>	<b>579</b>	<b>4,339</b>
ED120 Basic Need						
Education Funding Agency (Basic Need)	277	2,014	113	113	113	2,630
<b>ED120 Basic Need Total</b>	<b>277</b>	<b>2,014</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>2,630</b>
ED132 School Capital Allocation						
Education Funding Agency (SCA)	3,535	5,171	3,534	3,534	3,534	19,308
<b>ED132 School Capital Allocation Total</b>	<b>3,535</b>	<b>5,171</b>	<b>3,534</b>	<b>3,534</b>	<b>3,534</b>	<b>19,308</b>
ED186 Backworth Park Primary						
Council Contribution	-800	0	0	0	0	-800
Section 106	800	0	0	0	0	800
<b>ED186 Backworth Park Primary Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
EV034 Local Transport Plan						
Dept for Transport LTP ITA	958	958	958	958	958	4,790
Dept for Transport LTP Maint	2,427	2,000	2,000	2,000	2,000	10,427
Section 106	650	90	0	0	0	740
Public Transport Funding	28	28	28	28	28	140
<b>EV034 Local Transport Plan Total</b>	<b>4,063</b>	<b>3,076</b>	<b>2,986</b>	<b>2,986</b>	<b>2,986</b>	<b>16,097</b>
EV055 Surface Water Improvements						
Environment Agency Grant	364	0	0	0	0	364
NWL Contribution	40	0	0	0	0	40
<b>EV055 Surface Water Improvements Total</b>	<b>404</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>404</b>
EV056 Additional Highways Maintenance						
Council Contribution	2,101	2,000	2,000	2,000	2,000	10,101
<b>EV056 Additional Highways Maintenance Total</b>	<b>2,101</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,101</b>
EV069 Vehicle Replacement						
Council Contribution	895	1,274	762	1,248	0	4,179

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<b>Gei Mair</b> EV069 Vehicle Replacement Total	895	1,274	762	1,248	0	4,179
EV095 Emergency Active Travel Tranche 1						
Dept for Transport Covid19 Emergency Travel	306	0	0	0	0	306
EV095 Emergency Active Travel Tranche 1 Total	306	0	0	0	0	306
IT020 ICT Strategy						
Council Contribution	1,102	1,000	1,000	1,000	1,000	5,102
IT020 ICT Strategy Total	1,102	1,000	1,000	1,000	1,000	5,102
Maintaining Our Assets Total	18,490	18,289	12,474	12,960	11,712	73,925
Corporate						
EV076 Operational Depot Accommodation Review						
Council Contribution	3,909	551	0	0	0	4,460
ERDF	2,089	551	0	0	0	2,640
EV076 Operational Depot Accommodation Review Total	5,998	1,102	0	0	0	7,100
GEN03 Contingencies						
Council Contribution	5,276	500	500	500	500	7,276
GEN03 Contingencies Total	5,276	500	500	500	500	7,276
Corporate Total	11,274	1,602	500	500	500	14,376
Education						
ED189 School Nursery Capital Fund						
Education Funding Agency (Devolved)	25	0	0	0	0	25
Education Funding Agency (SNCF)	77	0	0	0	0	77
ED189 School Nursery Capital Fund Total	102	0	0	0	0	102
Education Total	102	0	0	0	0	102
Housing General Fund						
DV064 Council Property Investment						
Council Contribution	1,678	60	0	0	0	1,738
DV064 Council Property Investment Total	1,678	60	0	0	0	1,738
HS004 Disabled Facilities Grant						
Better Care Fund	810	2,281	0	0	0	3,091
HS004 Disabled Facilities Grant Total	810	2,281	0	0	0	3,091
HS051 Private Sector Empty Homes						
Council Contribution	106	393	393	0	0	892
Homes & Communities Grant	258	0	0	0	0	258
HS051 Private Sector Empty Homes Total	364	393	393	0	0	1,150
Housing General Fund Total	2,852	2,734	393	0	0	5,979
Investments						
DV066 Investment in North Tyneside Trading Co						
Council Contribution	2,934	1,074	0	0	0	4,008
Section 106	1,460	2,537	0	0	0	3,997
DV066 Investment in North Tyneside Trading Co Total	4,394	3,611	0	0	0	8,005
Investments Total	4,394	3,611	0	0	0	8,005
Regeneration						
CO079 Playsites 2019/20						
Section 106	50	0	0	0	0	50
CO079 Playsites 2019/20 Total	50	0	0	0	0	50
DV054 Spanish City Dome						
Council Contribution	2	0	0	0	0	2
DV054 Spanish City Dome Total	2	0	0	0	0	2
DV058 Swan Hunters Redevelopment						
Council Contribution	232	0	0	0	0	232
DV058 Swan Hunters Redevelopment Total	232	0	0	0	0	232
DV067 Northern Promenade						
Council Contribution	340	0	0	0	0	340
Section 106	334	0	0	0	0	334
Capital Receipts	350	0	0	0	0	350
DV067 Northern Promenade Total	1,024	0	0	0	0	1,024
DV068 Southern Promenade						

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Gei Rege DV068 Southern Promenade Environment Agency Grant	626	0	0	0	0	626
DV068 Southern Promenade Total	626	0	0	0	0	626
DV072 Royal Quays Enterprise Park						
Council Contribution	0	0	0	0	0	0
DV072 Royal Quays Enterprise Park Total	0	0	0	0	0	0
DV073 Ambition for North Tyneside						
Council Contribution	849	864	654	1,225	2,000	5,592
Capital Receipts	73	423	254	0	0	750
Revenue Contribution (??)	577	577	746	500	0	2,400
Historic England - Heritage Action Zone	0	0	0	0	0	0
DV073 Ambition for North Tyneside Total	1,499	1,864	1,654	1,725	2,000	8,742
DV074 North Shields Heritage Action Zone (Ambition)						
Council Contribution	20	685	116	87	0	908
Historic England - Heritage Action Zone	20	679	115	86	0	900
DV074 North Shields Heritage Action Zone (Ambition) Total	40	1,364	231	173	0	1,808
DV075 Town & Neighbourhood Centres (Ambition)						
ERDF	101	0	0	0	0	101
DV075 Town & Neighbourhood Centres (Ambition) Total	101	0	0	0	0	101
EV084 A189 Improvements Haddricks Mill to West Moor						
DFT National Productivity Fund	302	0	0	0	0	302
Section 278	1,554	0	0	0	0	1,554
EV084 A189 Improvements Haddricks Mill to West Moor Total	1,856	0	0	0	0	1,856
EV087 Air Quality Early Measures Fund						
Transforming Cities Fund	7	0	0	0	0	7
EV087 Air Quality Early Measures Fund Total	7	0	0	0	0	7
EV088 Tyne View Terrace Cycleway						
Transforming Cities Fund	8	0	0	0	0	8
EV088 Tyne View Terrace Cycleway Total	8	0	0	0	0	8
EV090 S278 Avant Homes at Killingworth Village						
Section 278	66	0	0	0	0	66
EV090 S278 Avant Homes at Killingworth Village Total	66	0	0	0	0	66
EV094 Transforming Cities Tranche 22						
Transforming Cities Fund	200	0	0	0	0	200
EV094 Transforming Cities Tranche 22 Total	200	0	0	0	0	200
GEN12 Local Infrastructure						
Council Contribution	176	100	100	100	100	576
GEN12 Local Infrastructure Total	176	100	100	100	100	576
HS052 Killingworth Moor Infrastructure						
Housing Infrastructure Fund	6,000	4,000	0	0	0	10,000
HS052 Killingworth Moor Infrastructure Total	6,000	4,000	0	0	0	10,000
Regeneration Total	11,887	7,328	1,985	1,998	2,100	25,298
Climate Emergengy						
EV083 Street Lighting LED						
Council Contribution	500	0	0	0	0	500
EV083 Street Lighting LED Total	500	0	0	0	0	500
EV091 Other Initiatives Climate Change						
Council Contribution	73	74	0	0	0	147
EV091 Other Initiatives Climate Change Total	73	74	0	0	0	147
EV092 E-Cargo Bikes2						
DFT E-Cargo Grant	76	0	0	0	0	76
EV092 E-Cargo Bikes2 Total	76	0	0	0	0	76
Climate Emergengy Total	649	74	0	0	0	723
General Fund Total	49,648	33,638	15,352	15,458	14,312	128,408
HRA						
Housing						
HS015 Refurbishment / Decent Homes Improvements						
See HRA Financing	20,473	20,893	20,183	21,003	21,491	104,043
HS015 Refurbishment / Decent Homes Improvements Total	20,473	20,893	20,183	21,003	21,491	104,043

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
HR/ Housing						
HS017 Disabled Adaptations See HRA Financing	880	1,233	1,072	1,083	1,094	5,362
HS017 Disabled Adaptations Total	880	1,233	1,072	1,083	1,094	5,362
HS039 ICT Infrastructure Works See HRA Financing	192	108	109	109	110	628
HS039 ICT Infrastructure Works Total	192	108	109	109	110	628
HS041 Housing PFI See HRA Financing	154	0	0	0	0	154
HS041 Housing PFI Total	154	0	0	0	0	154
HS044 HRA New Build See HRA Financing	3,528	6,910	4,893	5,040	5,191	25,562
HS044 HRA New Build Total	3,528	6,910	4,893	5,040	5,191	25,562
Housing Total	25,227	29,144	26,257	27,235	27,886	135,749
HRA Total	25,227	29,144	26,257	27,235	27,886	135,749
Total £000	74,875	62,782	41,609	42,693	42,198	264,157

### Investment Plan Financing

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
General Fund						
Council Contribution	22,274	11,250	7,025	7,660	7,100	55,309
Council Contribution - Capital Receipts	423	423	254	0	0	1,100
Grants & Contributions	25,676	21,388	7,327	7,298	7,212	68,901
Revenue Contribution	577	577	746	500	0	2,400
Contribution from Reserves	698	0	0	0	0	698
General Fund Total	49,648	33,638	15,352	15,458	14,312	128,408
HRA Financing						
HRA Capital Receipts	727	4,176	2,115	3,922	3,068	14,008
HRA Revenue Contribution	10,470	10,092	10,403	9,093	10,100	50,158
HRA MRR	12,826	14,876	13,739	14,220	14,718	70,379
HRA House Building Fund Reserve	1,204	0	0	0	0	1,204
HRA PFI Reserve	0	0	0	0	0	0
HRA Financing Total	25,227	29,144	26,257	27,235	27,886	135,749
Total£000	74,875	62,782	41,609	42,693	42,198	264,157



## 1. Prudential and treasury indicators

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2020, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2020. The Head of Resources reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

<b>1. PRUDENTIAL INDICATORS</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>budget</b>	<b>estimate</b>
	<b>£m</b>	<b>£m</b>
<b>Capital Expenditure</b>		
Non – HRA (General Fund)	£40.445	£49.648
HRA	£26.862	£25.227
<b>TOTAL</b>	<b>£67.307</b>	<b>£74.875</b>
<b>Ratio of financing costs to net revenue stream</b>		
Non – HRA (General Fund)	23.62%	17.09%
HRA	29.24%	28.91%
<b>Ratio of financing costs for Prudential Borrowing to net revenue stream</b>		
Non – HRA (General Fund)	12.52%	11.60%
HRA	7.07%	6.88%
<b>Gross borrowing requirement General Fund (CFR excluding PFI)</b>		
brought forward 1 April	£276.399	£274.967
carried forward 31 March	£284.934	£278.935
<b>in year borrowing requirement</b>	<b>£8.535</b>	<b>£3.968</b>
<b>Gross borrowing requirement HRA (CFR excluding PFI)</b>		
brought forward 1 April	£252.129	£249.600
carried forward 31 March	£247.537	£245.008
<b>in year borrowing requirement</b>	<b>(£4.592)</b>	<b>(£4.592)</b>
<b>Gross borrowing requirement (CFR excluding PFI)</b>	<b>£532.471</b>	<b>£523.943</b>

<b>Capital Financing Requirement (including PFI)</b>		
Non – HRA	£400.587	£319.454
HRA	£318.733	£315.730
<b>TOTAL</b>	<b>£719.320</b>	<b>£635.184</b>
<b>Annual change in Capital Financing Requirement</b>		
Non – HRA	£81.830	£2.263
HRA	(£6.042)	(£6.042)
<b>TOTAL</b>	<b>£75.788</b>	<b>(£3.779)</b>
<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>budget</b>	<b>estimate</b>
	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt -</b>		
borrowing	£1,080.000	£1,080.000
other long term liabilities	£270.000	£150.000
<b>TOTAL</b>	<b>£1,350.000</b>	<b>£1,230.000</b>
<b>Operational Boundary for external debt -</b>		
borrowing	£540.000	£540.000
other long term liabilities	£220.000	£130.000
<b>TOTAL</b>	<b>£760.000</b>	<b>£670.000</b>
<b>Actual external debt</b>	£480.721	£460.901

<b>Maturity structure of fixed rate borrowing during 2020/21</b>	<b>upper limit</b>	<b>lower limit</b>
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	25%
20 years and within 30 years	100%	25%
30 years and within 40 years	100%	25%
40 years and within 50 years	100%	25%

## Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2020/21

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management stipulates that the Chief Finance Officer should set out in advance the Treasury Management Strategy for the forthcoming financial year, and subsequently report the treasury management activities during that year.
- 1.2 The primary requirements of the Code are as follows:
- (a) forecast the likely activity for the forthcoming year (in the Annual Treasury Management Strategy Report);
  - (b) a mid-year review report; and,
  - (c) review actual activity for the preceding year, including a summary of performance.
- 1.3 This section of the document contains the required mid-year review report for 2020/21. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
- An economic update for the first six months of 2020/21;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy for 2020/21;
  - A review of the Authority's investment portfolio for 2020/21;
  - A review of the Authority's borrowing strategy for 2020/21; and,
  - A review of compliance with Treasury and Prudential Limits for 2020/21 (detailed in Reference to appendix 2).

### Economic Performance and Outlook Summary

- 2.1 Economic performance has been driven by Covid-19 and the continued fallout for this worldwide pandemic. The Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10% and has remained at this level since. The Bank of England has committed to quantitative easing (QE) of £745bn. The fall in GDP in the first half of 2020 was revised from 28% to 23% and then subsequently to (21.8%), one of the largest falls in output in any developed nation. Peak unemployment has been revised down from 9% in Q2 to 7.5% by Q4 2020. It is currently forecast that there would be excess demand in the economy by Q3 2022 causing CPI inflation to rise above the 2% target in Q3 2022.
- 2.2 Any possibility of negative rates has been reduced in at the least the next six months of so, negative interest rates will be less effective when other methods are available.

## Interest Rate Forecast

- 3.1 Link Asset services currently forecast Bank of England base rate to remain unchanged for the immediate future. The sentiment driven by continued weighing of the Coronavirus pandemic.

**Table 1: Link Asset Services BoE base rate forecast**

Month	Dec-20	Dec-21	Dec-22
BBR Rate	0.10%	0.10%	0.10%

The Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6 August 2020 (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary

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

- 4.1 Conditions for low bond yields are driven by the growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields.
- 4.2 Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields spiked up during the initial phases of the health crisis in March, we have seen these yields fall sharply to unprecedented lows as major western central banks took rapid action to deal with excessive stress in financial markets, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close of the day on 30 September 2020, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were at only 0.76% and 50 year at 0.60%.
- 4.3 From the local authority borrowing perspective, HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019-20 without any prior warning. The first took place on 9 October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11 March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this was to end on 4 June 2020, but that date was subsequently put back to 31 July 2020. It is clear HM Treasury will no longer

allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield).

- 4.4 North Tyneside Council has previously relied on the PWLB as its main source of long-term funding; it now must consider alternative sources of borrowing as necessary. At the current time, this area is still currently developing. The market has seen financial institutions entering the long-term borrowing market and make borrowing products available; however, this remains suitable for larger capital drawdowns in and around £50m+. Therefore, whilst this has limited appeal to North Tyneside Council, we continue to watch this space for future developments.
- 4.5 The MBA have, since the last mid-year update, undertaken two bond issuances with Lancashire County Council (LCC). The first bond issuance undertaken in February 2020. A £350m inaugural five-year floating rate bond which is linked to SONIA was successfully issued. The second issuance was a £250m ultralong maturity (40 year) fixed rate bond. As noted by the bond denominations bond issuances are particularly useful for raising large amounts of capital, and whilst the return of bond issuances is a favourable development for Local Authorities the application in particular to North Tyneside Council is limited. Nonetheless, the development of UK Local Authority bond market will be watched closely.
- 4.6 A detailed interest rate and PWLB rate forecast is available as a background paper to this report.

### **Balance of Risk to the UK**

- 5.1 The overall balance of risks to economic growth in the UK is probably relatively even but is subject to major uncertainty due to the virus. There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

A background paper 'Risks to UK Economy' is available detailing upside and downside risk to the UK economy as detailed by Link, our treasury advisors.

### **Annual Investment Strategy**

- 6.1 The Treasury Management Strategy Statement (TMSS) for 2020/21, which includes the Annual Investment Strategy, was approved by the Council on 20 February 2020. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.
- 6.2 The 20 February 2020 Council approved TMSS sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield.

- 6.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions.
- 6.4 The approved limits within the Annual Investment Strategy were not breached during the period to 30 September 2020.
- 6.5 During the six months of the financial year, Treasury Management activities have predominantly been to manage the large surplus cash balances which has been generated by the front loading of government grants in response to Covid-19 as well as borrowing the Authority undertook in March 2020 which was to reduce the liquidity risk as Covid-19 took priority across the world.

**Table 2: Investment performance at 30 September 2020**

Investments	30/09/2020 £m	Average rate of Return %	Interest Earned period to 30/09/2020
Debt Management Office	20.000	0.02%*	£3,100
Other Local Authority	40.500	0.59%	£69,723
Bank Deposits	5.000	0.05%	£623

\* Average rate for DMO investments since 01 Apr 2020

- 6.6 As shown by the interest rate forecasts in background paper 'LINK Interest rate forecasts', it is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates are barely above zero now that Bank Rate is at 0.10%, while some entities, including more recently the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31 March 2023, investment returns are expected to remain low.
- 6.7 Short-term cash investment rates remain at all-time lows and an opportunity has been taken to maximise investment returns by investing longer and locking in investment returns by undertaking forward dated transactions. As a result, the Authority has locked in £0.159m in interest income to be received by year end.

## Borrowing

- 7.1 The Authority's total capital financing requirement (CFR) including PFI for 2020/21 is £635.200m. The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority may borrow from the PWLB or the market (external borrowing) or from internal balances on a

temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The summary table provided below provides the borrowing position as at 30 September 2020. Total external debt including PFI's is £568.166m.

- 7.2 There was net increase in borrowing during the quarter ended 30 September 2020.

**Table 3: Total External Debt 30 September 2020**

<b>Principal £m</b>	
<b>External Borrowing</b>	
358.443	Public Works Loan Board (PWLB)
20.000	Lender Option Borrower Option (LOBO)
45.300	Other Local Authorities
<b>423.743</b>	<b>Total</b>
<b>Other External Debt</b>	
113.899	PFI & Finance Lease (as at 01 Apr 20)
<b>568.166</b>	<b>Total External Debt</b>
<b>Split of External Borrowing</b>	
263.506	Housing Revenue Account
180.237	General Fund
<b>443.743</b>	<b>Total</b>

- 7.3 Following introduction of self-financing for the Housing Revenue Account, from 1 April 2012, loans were split between General Fund and Housing. However, decisions on borrowing for both General Fund and Housing will continue to be made within the overall Treasury Management Strategy and will be reported jointly.
- 7.4 The difference between the CFR and external borrowing is known as internal borrowing. The level of internal borrowing is determined within the Treasury Management Strategy, by a number of factors including market conditions for investments and the level of the Authority's reserves and balances.
- 7.5 The Authority's borrowing strategy has been to borrow short term due to the relatively low interest rate levels. Short term temporary borrowing remains pertinent to the strategy due to the ongoing PWLB consultation.

### **Debt Rescheduling**

- 8.1 Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields

which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

### **Compliance with Treasury and Prudential Limits**

- 9.1 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2020, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2020. All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.



## North Tyneside Council Report to Cabinet Date: 30 November 2020

### Title: 2021-2025 Financial Planning and Budget Process: Cabinet's Initial Budget proposals

<p><b>Portfolio(s):</b> Elected Mayor</p> <p>Deputy Mayor</p> <p>Finance and Resources</p> <p>Housing and Transport</p> <p>Community Safety and Engagement</p>	<p><b>Cabinet Member(s):</b> Mrs Norma Redfearn</p> <p>Councillor Bruce Pickard</p> <p>Councillor Ray Glindon</p> <p>Councillor Steve Cox</p> <p>Councillor Carole Burdis</p>
<p><b>Report from Service Area:</b> Senior Leadership Team</p>	
<p><b>Responsible Officer:</b> Janice Gillespie, Head of Resources (Chief Finance Officer)      <b>Tel:</b> (0191) 643 5701</p>	
<p><b>Wards affected:</b> All</p>	

#### PART 1

##### 1.1 Executive Summary:

- 1.1.1 On 3 August 2020, Cabinet agreed its 2021-2025 Financial Planning and Budget Process incorporating the associated Engagement Strategy. This report represents a key milestone in the development of the 2021/22 Budget and 2021-2025 Medium-Term Financial Plan (MTFP), as it sets out Cabinet's initial Budget proposals for the next financial year and beyond.
- 1.1.2 Due to the significant level of uncertainty in relation to local government finance, an initial report is submitted at this stage to allow time for consideration to be given to the latest Budget announcements from the Government which are due on 25 November 2020. The announcements are expected to have a direct impact on Cabinet's initial Budget proposals which are contained within this report.
- 1.1.3 A supplemental report detailing Cabinet's initial Budget proposals will be circulated to all members of Cabinet as soon as possible after the Budget announcement is made.

### 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

## North Tyneside Council Report to Cabinet Date: 30 November 2020

### Title: Adult Skills Funding

<b>Portfolio(s):</b> Children, Young People and Learning	<b>Cabinet Member(s):</b> Councillor Peter Earley
<b>Report from Service Area:</b> Health, Education, Care and Safeguarding	
<b>Responsible Officer:</b> Jacqui Old	<b>Tel:</b> (0191) 643 7317
<b>Wards affected:</b> All	

#### PART 1

##### 1.1 Executive Summary:

The purpose of the report is to seek approval to accept the annual funding and contracts offered by the North of Tyne Combined Authority (NTCA) through new devolved arrangements, the Education and Skills Funding Agency (ESFA) and the sub-contract offered by Barnardo's for the provision and delivery by the Authority of post-16 education, training, apprenticeships and work experience. This funding will enable the Authority to deliver a programme of skills provision that targets low-skilled, unemployed and disadvantaged young people and adults thus narrowing the gap in skills attainment and unemployment levels.

The contract period is one year from 1 August 2020 to 31 July 2021 and the aggregate contract value is £2.54 million.

The report also seeks approval for delegated authority to the Head of Health, Education, Care and Safeguarding to negotiate and accept future offers of funding subject to consultation.

##### 1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) approves 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 with responsibility for Children, Young People and Learning;
- (2) authorises the Head of Health, Education, Care and Safeguarding in consultation with the Cabinet Member for Children, Young People and Learning and the Chief Executive in consultation with the Head of Resources to take all necessary steps to

manage the associated funding and deliver the education and training programmes for residents; and

- (3) authorises the Head of Health, Education, Care and Safeguarding 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 and the Head of Resources and the Cabinet Member for Children, Young People and Learning.

### **1.3 Forward Plan:**

28 days' notice of this report has been given and it first appeared on the Forward Plan that was published on 9 October 2020.

### **1.4 Council Plan and Policy Framework**

The Authority is committed to ensuring young people, adults and families are helped to gain the vocational and key skills to enter and/or thrive at work, secure their economic well-being and support their children's aspirations and attainment.

This report and the funding contracts on offer support delivery that makes a significant contribution to the aspirations and outcomes set out in Our North Tyneside Council 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 needs.

Our Economy – Grow by supporting new businesses and building on our strengths, including our existing world class companies, and small and growing enterprises. Be business friendly, ensuring the right skills and conditions are in place to support investment, and create and sustain new high-quality jobs and apprenticeships for working age people.

The two key outcomes that will be positively affected by the funding and associated delivery are:

- The gap in educational attainment across the borough has been reduced
- Local employers find it easier to recruit the skilled workforce they need from the local area.

### **1.5 Information:**

#### **1.5.1 Background**

1.5.2 The contracts and funding from the North of Tyne Combined Authority (the "NTCA"), Education and Skills Funding Agency (the "ESFA") and the sub-contract with Barnardo's will be annually renewed to all providers. In the North of Tyne area, the three Constituent Authorities receive the main funding streams. This offer covers the period of 1st August 2020 to 31st July 2021.

1.5.3 NTCA took 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 will enable a greater control of skills provision delivered across North of Tyne to respond to residents and business needs, has been allocated to 29 education providers across 10 Grant Agreements and 21 Contracts for Services. The

ESFA has retained control of other funding streams covered by this report including apprenticeships, 16-19 Education, AEB for learners who reside outside of the NTCA area but who are educated by providers in the area and Advanced Learner Loans.

- 1.5.4 The initial funding offer is set by the NTCA and ESFA and therefore no further negotiation is required. However, through the devolved arrangements for AEB to the NTCA and as part of the response to the Covid-19 pandemic, additional funds are 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)) are already included in this offer.
- 1.5.5 The contracts will be paid on a monthly basis in arrears based on submission of monthly data returns to the ESFA indicating the numbers of learners enrolled and the qualifications and support delivered and via a monthly invoice to NTCA and Barnardo's in line with the ESFA data reports.
- 1.5.6 Annually the Authority's Adult Learning Service (the "ALS") delivers training and learning with over 2500 enrolments equating to around 600 learners. The vast majority of the learners are either unemployed or low skilled, i.e. do not possess qualifications at level 2 (GCSE equivalent). Additionally, around 23% of learners live in the most deprived areas of the borough or have a learning difficulty or disability. The proportion of learners with Special Educational Needs or Disabilities (SEND) rises to 64% amongst 16-18-year-old learners.
- 1.5.7 The Authority via the ALS has been delivering these contracts for over 20 years. In recent years the funding has been offered with increasing focus on qualifications, formal skills development and performance. The Authority has responded well to these changes by improving the quality and range of formal qualifications offered to residents.
- 1.5.8 This funding will 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.
- 1.5.9 The focus of the Authority's programme is on low skilled, unemployed or disadvantaged young people and adults. A wide range of provision is offered including apprenticeships (at 16-18 and 19 plus), study programmes, community and family learning, first steps engagement to support disadvantaged adults and families, English, Maths and ICT basic skills, work experience, volunteering and provision for the unemployed and for adults with learning difficulties and disabilities.
- 1.5.10 The service has developed a range of vocational provision in areas such as construction, hospitality and catering, retail, early years and teaching and has 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 has increased the range of Distance Learning courses available to support blended learning approaches and in direct response to Covid-19 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 has 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.

- 1.5.11 The direct impact of this level of skills provision targeted to low skilled, unemployed or disadvantaged is that the Authority offers a routeway or an alternative to more formal Further Education establishments, including colleges. Many learners progress onto extended learning programmes with colleges or directly access 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 continues to ensure that learners can 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.
- 1.5.12 All of the provision will be delivered by the Authority's direct delivery arm, the ALS; the ALS does not currently sub-contract any provision to third party providers, but instead works closely with the Authority's partners and funders at a strategic level to ensure that any gaps in provision are identified and can be filled through the targeting of funding.
- 1.5.13 Delivery will be provided by existing Authority employees who are fully funded from these funding streams and therefore are not a pressure on the Authority's Budget. Any changes in delivery will be met from the available funding.
- 1.5.14 The most recent Ofsted inspection (April 2018) graded the ALS as good with outstanding features and particular attention was 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.
- 1.5.15 The overall contract funding has an aggregate value of £2.54m and this is broken into a number of specific funding streams:

<b>Funding Stream</b>	<b>Value</b>	<b>Funding Body</b>
Adult Education Budget (North of Tyne)	£1,889,704	NTCA
Contract for Services – Digital Outreach	£149,764	NTCA
Sector Based Work Academies	£59,511	NTCA
Adult Education Budget (Out of Area)	£18,856	ESFA
Apprenticeships Carry-In	£3,000	ESFA
16-19 Education including High Needs	£348,806	ESFA
Advanced Learner Loans Facility	£45,830	ESFA
16–19 Education	£20,000	Barnardo's ETSN
<b>Total</b>	<b>£2,535,471</b>	

- 1.5.16 Whilst there are annual changes to the funding lines above 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 has remained relatively stable for a number of years. The main change this year is in the funder arrangements with the NTCA receiving an overall delegated package of AEB of £24m to allocate to providers. This is a positive development that enables more responsive provision to be delivered to meet the needs of the local economy rather than a nationally designed set of priorities. The ESFA will continue to allocate funds for 16-19 Education, legacy Apprenticeship payments, Advanced Learner Loans and AEB for learners who live outside of the North of Tyne area. The ALS receives a small number of enrolments for out of Borough learners mainly for Distance Learning courses.
- 1.5.17 Annual business planning takes place in the Spring/Summer term to plan staffing and delivery requirements for the Academic year that this funding relates to. Any changes to resource requirements are addressed prior to the commencement of the Academic year. The key resource is tutor costs, tutors are employed on a range of full and part time

contract arrangements that offers the service flexibility to changing demand from learners and changes in funding, but that also offers job quality, security and satisfaction for staff in the service.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet:

### Option 1

Cabinet may approve the recommendations as set out in paragraph 1.2 of this report

### Option 2

Cabinet may decide not to approve the recommendations in this report and may request officers to develop alternative options.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

1. 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.
2. 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.
3. 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.
4. 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.

## **1.8 Appendices:**

None.

## **1.9 Contact officers:**

Jacqui Old, Head of Health, Education, Care and Safeguarding; tel. (0191) 643 7317  
Mark Barrett, Senior Manager – Employment and Skills; tel. 07970 227094  
David Dunford, Senior Business Partner – Finance; tel. 0191 6437027

## **1.10 Background information:**

Follow hyperlink to:

[North of Tyne Combined Authority Adult Education Budget Strategic Skills Plan September 2019](#)

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

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

The North of Tyne Combined Authority and Education Skills Funding Agency will fully fund the programmes; there is no additional cost to the Authority. Other financial implications in terms of small changes to grant allocations for 2020-21 will be managed as described in the main body of this report.

### **2.2 Legal**

Appropriate contracts and/or Funding Agreements will be entered into with those bodies providing funding to the Authority as required.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

Consultation has been carried out with the Cabinet Member for Children, Young People and Learning.

#### **2.3.2 External Consultation/Engagement**

Engagement and consultation with the wider partnership for Employment, Learning and Skills has been undertaken.

### **2.4 Human rights**

Under Article 2 of the First Protocol of the Human Rights Act 1998 a person shall not be denied the right to education.

### **2.5 Equalities and diversity**

The programme is available to all eligible adults and young people resident in the borough. Eligibility varies across each element of the programme and is determined by funding rules provided by the funding body. Disadvantaged, unskilled, unemployed and young people are able to access the provision.

### **2.6 Risk management**

Any proposals agreed would be appropriately risk managed to ensure the Authority and any partners are not exposed to unmanageable operational risks.

### **2.7 Crime and disorder**

A proportion of the learner cohort will be drawn from referrals from young people who are Not in Education, Employment or Training (NEET) in contact with the Connexions Service and the Youth Justice Service. Engaging these young people in productive training and work experience



and progressing them into mainstream Further Education provision, apprenticeships and or/work will help reduce rates of re-offending. The Cabinet Member for Children, Young People and Learning and the Senior Manager for Employment and Skills are members of the North Tyneside Youth Justice Board.

## 2.8 Environment and sustainability

There are no environmental and sustainability implications directly 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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## North Tyneside Council Report to Cabinet Date: 30 November 2020

### Title: Adoption of updated Northumberland Square Conservation Area Character Appraisal

<b>Portfolio:</b> Deputy Mayor	<b>Cabinet Member:</b> Councillor Bruce Pickard
<b>Report from Service Area:</b> Environment, Housing and Leisure	
<b>Responsible Officer:</b> Phil Scott – Head of Environment, Housing and Leisure	<b>Tel:</b> (0191) 643 7295
<b>Wards affected:</b> Riverside and Tynemouth	

#### PART 1

##### 1.1 Executive Summary:

An updated Character Appraisal has been prepared for the Northumberland Square conservation area. Character Appraisals are used to define the special character and appearance of conservation areas and are useful tools in supporting planning decisions. In this case, the updated Character Appraisal is also necessary to support the implementation of Historic England grant funding through the High Streets Heritage Action Zone (HAZ) programme. Only a small number of minor changes are proposed.

A draft updated Character Appraisal has been subject to four weeks of consultation with the public and relevant consultees. Only Historic England responded to the consultation, welcoming the review at the start of the HAZ programme.

This report informs Cabinet of the feedback received to the consultation and asks that the updated Character Appraisal is adopted as planning guidance.

##### 1.2 Recommendation(s):

It is recommended that Cabinet

- (1) Note the feedback received to the public consultation on the draft updated Northumberland Square Conservation Area Character Appraisal and the suggested amendments; and
- (2) Agree to adopt the updated Northumberland Square Conservation Area Character Appraisal as planning guidance.

### **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 18 September 2020.

### **1.4 Council Plan and Policy Framework**

This report relates to the 'Our North Tyneside' Council Plan 2020-2024 priorities, including:

- Our people will be listened to so that their experience helps the Council work better for residents.
- Our places will be great places to live, provide an attractive, safe and sustainable environment and be a thriving place of choice for visitors.

Updating and adopting the Northumberland Square Conservation Area Character Appraisal would support the vision, objectives and policies of the North Tyneside Local Plan 2017. The key policies are:

- S6.5 Heritage Assets
- DM6.6 Protection, Preservation and Enhancement of Heritage Assets
- DM6.1 Design of Development
- DM6.2 Extending Existing Buildings
- S6.4 Improving Image

These policies commit the Authority to preserve and enhance heritage assets, keep evidence about the Borough's historic environment up-to-date, and deliver well designed development that creates successful places. This is in line with national planning policy as set out in chapter 16 (Conserving and enhancing the historic environment) and chapter 13 (Achieving well-designed places) of the National Planning Policy Framework (NPPF).

### **1.5 Information:**

#### **1.5.1 Introduction**

- 1.5.2 This report brings forward an updated Character Appraisal for the Northumberland Square conservation area. Character Appraisals describe the special character and appearance of a conservation area and are a useful tool in supporting development management decisions, informing planning policy and guidance, and in securing external funding.
- 1.5.3 The conservation area was originally designated in 1975 and includes Northumberland Square itself and the length of Howard Street, forming a key route connecting North Shields town centre and the riverside. The existing character appraisal for the conservation area was adopted by Cabinet in January 2014.
- 1.5.4 The Council has 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.

### 1.5.5 Requirements to update the Character Appraisal

- 1.5.6 As part of the delivery of the HAZ programme, the Council is required to adopt a Management Strategy for the conservation area that sets 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 is provided through Character Appraisals.
- 1.5.7 For Northumberland Square, the adopted 2014 Character Appraisal is not sufficiently up-to-date to support an effective Management Strategy. There have been several physical changes in the area, notably the rescue from risk and refurbishment of 13-16 Northumberland Square and development of the gap site to the rear. Additionally, national and local planning policy and guidance have been updated since 2014.
- 1.5.8 To reflect this, a small number of changes are proposed to the Character Appraisal and its photographs have been updated. However, the majority of the document remains as adopted in 2014. A copy of the draft updated Character Appraisal is available as an **Appendix** to this report.
- 1.5.9 Historic England guidance advises that it is good practise for conservation area reviews to be carried out around every five years, depending on available resources and development pressure within an area.
- 1.5.10 It is recommended that the updated Character Appraisal is 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, as set out in section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990.
- ### 1.5.11 Consultation
- 1.5.12 In accordance with Historic England guidance, the draft Character Appraisal was subject to consultation. The engagement took place over four weeks, ending on 5 October 2020, as follows:
- A briefing note to the Deputy Mayor and Ward Members ahead of public engagement to seek any views or input.
  - A letter to all properties within the conservation area boundary, describing the draft document and how people could provide their thoughts on it.
  - An email to Historic England, the Environment Agency and Natural England to invite comments.
  - The draft Character Appraisal was available to view on the Council's website.
  - In response to the Covid-19 pandemic, hard copies were available to be sent to individuals without internet access.
  - Comments were invited in writing via email or letter.
  - Planning Officers were available via phone or email to answer queries.
- 1.5.13 Historic England provided some comments on the draft Character Appraisal. These comments, with the Planning team's response, are summarised below.

<b>Historic England comment</b>	<b>Planning team response</b>
The draft appraisal is very good and successfully follows our guidance in <i>Conservation Area Appraisal, Designation and Management (second edition)</i> .	Comments noted.
As the adopted appraisal is six years old, reviewing it now, at the start of the High Street HAZ programme, is welcome.	Comments noted.
The appraisal will need reviewing soon after the High Street HAZ programme has ended to take account of the enhancements the programme will bring, and as part of HAZ legacy planning.	Reference added on the need to update following completion of the HAZ programme.
The emerging management strategy should be mentioned in the Introduction as well as in the Management section from p53.	References added.
On p5, the number of conservation areas in England is now estimated to be over 10,000.	Figure updated.
The new development almost complete on the long-standing Albion Road gap site should be mentioned.	References added on p20 and p54.
On p53, the section on boundary review could refer back to the section on setting and the significance of individual buildings nearby discussed on pp8-9.	Boundary review section now refers back to Setting section.
On p53, it would be worth adding the dates of the High Street HAZ programme - April 2020 to March 2024.	Dates added.
More could be said about the need to consider whether control of permitted development rights (PDRs) should be extended, particularly due to the changes in land use expected as a result of the High Street HAZ programme and the general changes to PDRs in recent years.	A discussion on Article 4 Directions and the effect of permitted changes of use added to Management section.

## 1.6 Decision options:

The following decision options are available for consideration by Cabinet:

### Option 1

Agree with the recommendations as set out at paragraph 1.2 of this report.

### Option 2

Do not approve the recommendations as set out at paragraph 1.2 of this report.

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Having an up-to-date Character Appraisal in place supports the Council 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.

## **1.8 Appendices:**

Appendix: Draft Updated Northumberland Square Conservation Area Character Appraisal

## **1.9 Contact officers:**

Martin Craddock, Team Leader Planning Policy (0191 643 2310)  
Jackie Palmer, Planning Manager (07711425574)  
Colin MacDonald, Senior Manager, Technical & Regulatory Services (0191 643 6620)  
David 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) [North Tyneside Local Plan 2017](#)
- (2) [Planning \(Listed Buildings and Conservation Areas\) Act 1990](#)
- (3) [National Planning Policy Framework 2019](#)
- (4) [Conservation Area Appraisal, Designation and Management \(second edition\), Historic England Advice Note 1, Historic England 2019](#)

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

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

The staff, printing and other costs to publish the Character Appraisal will be met from within the existing budgets. The document will be placed on the Authority's Web Site.

### **2.2 Legal**

There are no legal implications arising from this report.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

The matter has been subject to dialogue and engagement with the Deputy Mayor and the affected Ward Members.

#### **2.3.2 External Consultation/Engagement**

The engagement methods are outlined from paragraph 1.5.11 of 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 direct implications arising from this report.

## 2.6 Risk management

The Character Appraisal is a document used to guide planning decisions and is part of the evidence base that underpins planning policy. A significant factual error in the Character Appraisal could therefore lead to challenge. Any risks arising will be monitored through the Service's usual risk management process.

## 2.7 Crime and disorder

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

## 2.8 Environment and sustainability

Conservation practice is consistent with the aims of promoting environmental sustainability as it advocates the re-use of buildings and the use of locally sourced traditional materials. The draft Character Appraisal also encourages sensitive improvements to the area and provides information that can increase the understanding of the historic environment.

### PART 3 - SIGN OFF

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



# NORTHUMBERLAND SQUARE CONSERVATION AREA CHARACTER APPRAISAL NOVEMBER 2020

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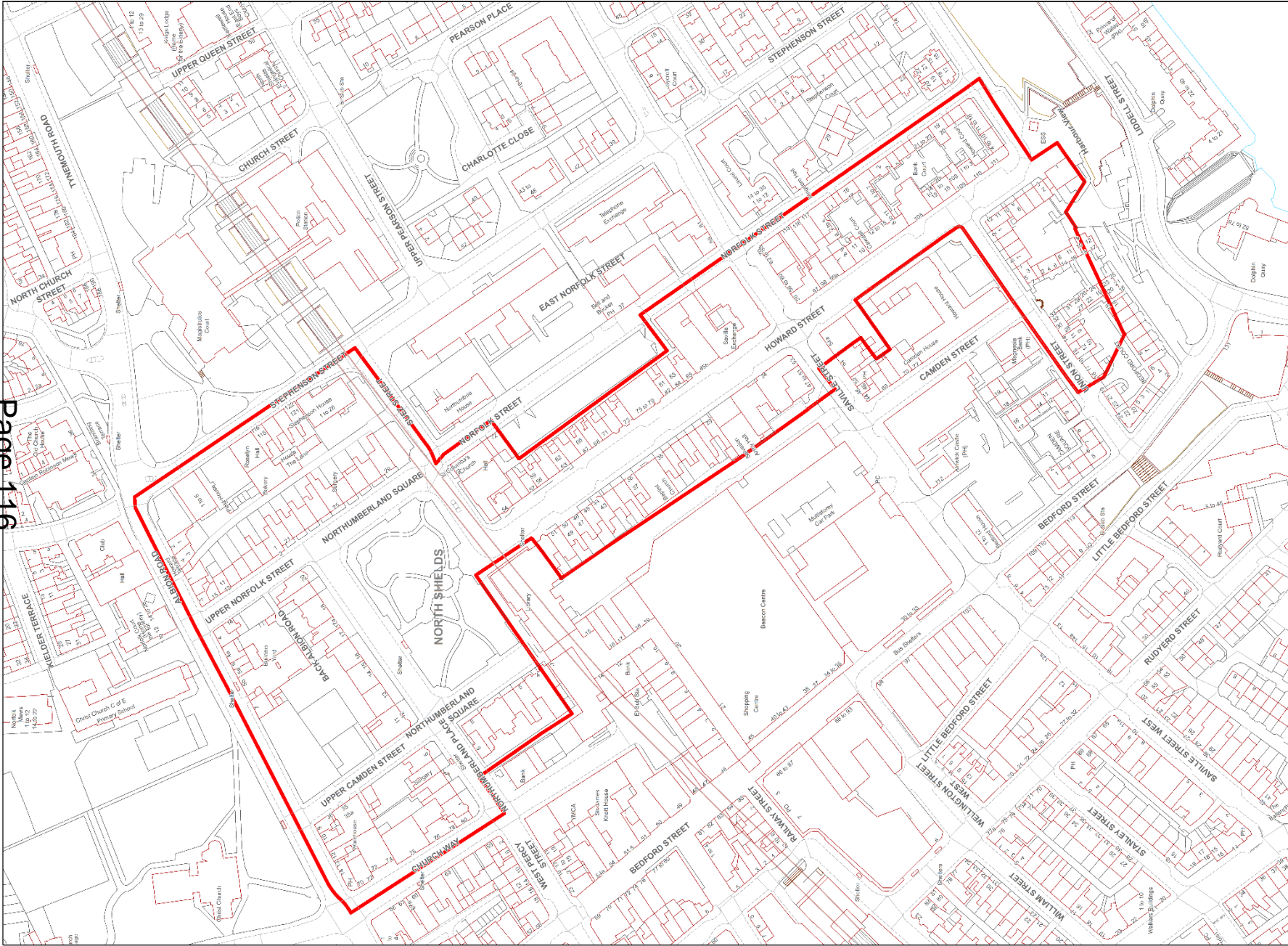
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**NORTHUMBERLAND SQUARE  
 CONSERVATION AREA**

## Introduction

### Conservation Areas

Conservation areas are “areas of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance”<sup>1</sup>. They are designated by the local planning authority.

Conservation areas are about character and appearance, which could be derived from many factors including individual buildings, building groups and their relationship with open space, architectural detailing, materials, views, colours, landscaping, street furniture and so on. Character can also draw on more abstract notions such as sounds, local environmental conditions and historical changes. These things combine to create a locally distinctive sense of place worthy of protection.

Conservation areas do not prevent development from taking place. Rather, they are designed to manage change, and the way new development and other investment reflects the character of its surroundings.

The first conservation areas were created in 1967 and now over 10,000 have been designated across England and Wales, varying greatly in character and size. There are currently 17 conservation areas in North Tyneside.

### Planning Policy Context

Current government policy is set out in the National Planning Policy Framework (NPPF) (2019) and includes paragraph 187 that requires local planning authorities to “have up-to-date evidence about the historic environment in their area”. The NPPF sets out that conservation areas are “designated heritage assets”, that is, they have “a degree of significance meriting consideration in planning decisions, because of [their] heritage interest.”

The development plan for North Tyneside is the Local Plan 2017. Within the Local Plan are policies S6.5 *Heritage Assets* and DM6.6 *Protection, Preservation and Enhancement of Heritage Assets*, which set out the authority’s approach in guiding decisions affecting heritage assets. The approach is one that aims to sustain, conserve and enhance the significance, appearance, character and setting of heritage assets.

The Council has a duty in exercising its planning powers to pay special attention to the preservation or enhancement of conservation areas. It also has a duty, from time to time, to draw up, consult upon and publish proposals that would assist in the enhancement of such areas. The local planning authority also has extra powers in conservation areas over demolition, minor developments, and tree protection<sup>2</sup>.

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<sup>1</sup> Planning (Listed Buildings and Conservation Areas) Act 1990, s69(1)(a)

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<sup>2</sup> Planning (Listed Buildings and Conservation Areas) Act 1990, s71 and s72

## This Character Appraisal

This Character Appraisal was prepared by North Tyneside Council in the summer of 2020 and was subject to public consultation in the autumn of 2020. Previous versions of the Character Appraisal adopted in 2006 and 2014 will be superseded by this revision.

This document cannot be exhaustive. Omissions should not necessarily be regarded as having no special interest or making no positive contribution to the character and appearance of the area.

Historic England guidance advises that it is good practise for conservation area reviews to be carried out around every five years, depending on available resources and development pressure within an area<sup>3</sup>. This Character Appraisal may benefit from a review soon after High Street Heritage Action Zone programme has ended (see page 53 for more information).

Reviews can help to identify threats and opportunities that can be developed into a Management Strategy. A Management Strategy is currently being prepared for this conservation area that will look to set out a framework for preservation and enhancement based on the elements of special character and appearance, and threats and opportunities, discussed in this Appraisal. Management for Northumberland Square conservation area is discussed from page 53.

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<sup>3</sup> Conservation Area Appraisal, Designation and Management Second edition, Historic England Advice Note 1 (2019) Historic England

## Location and Setting

### Location

The conservation area is part of North Shields, one of the principal towns of North Tyneside, part of the Tyne & Wear conurbation in the northeast of England. It is in the south-east of the Borough, just north of the river bank, at the mouth of the Tyne. The Fish Quay conservation area adjoins it immediately to the south and Camp Terrace conservation area adjoins to the north.

Northumberland Square conservation area is part of the mixed commercial and residential quarter, east of the town centre's main retail section. It has an economy based on offices, plus support retail. The area is part in Riverside ward and part in Tynemouth ward.

### Boundary

Northumberland Square conservation area was designated in 1975 and the boundary has not changed since designation. The boundary is based on the best surviving elements of the Georgian "new town" that became North Shields town centre after its early riverside beginnings. It excludes other development of a similar age and pattern to the north-west, which has less surviving, intrinsic, special interest (Map, page 4).

Starting in the north-west corner at the junction of Church Way and Albion Road, the boundary heads east following the centre line of Albion Road, then turns south down Stephenson Street to Suez Street where it turns west to the corner Northumberland Square at Norfolk Street. The boundary then turns south to follow the centre

line of Norfolk Street, apart from turning to exclude a car park on the west side behind Nos. 58-85 Howard Street.

At Tyne Street the boundary turns west and briefly south to include the Stag Line Building (but not all of the open space to the front) where it runs contiguous with the boundary of the Fish Quay conservation area. It then follows a somewhat arbitrary line through late twentieth century housing development on the south side of Union Street at Union Stairs and Bedford Court, generally excluding those parts facing out of the conservation area towards Liddell Street and Bedford Street. The boundary turns back east along Union Street and then north along Howard Street, including the streets themselves but excluding development on the north and east sides, until turning briefly west to include buildings on the corner of Saville Street.

The boundary then runs north along the back lane of development on the west side of Howard Street until the North Shields Customer First Centre, which it turns to exclude. It then follows the back lane of development on the west side of Northumberland Square to Northumberland Place, where it turns briefly west before continuing north along the centre line of Church Way back to Albion Road.

### Geology

The local geology has influenced the character of the conservation area. Local sandstones are the basic building material used for several buildings and early boundary walls, with brick largely taking over in the nineteenth century, much probably made locally from the glacial clay deposits.

The impact of coal-related industries and transport routes in wider North Tyneside is important to understanding North Shields' growth as an affluent nineteenth century town.

### Setting and External Relationships

The conservation area's setting is characterised mostly by eighteenth and nineteenth century terraced development on a grid-iron pattern, mostly ordinary and altered. There has also been considerable twentieth century redevelopment, much of it undistinguished and visually over-dominant.

Along Howard Street, the junction between the conservation area and adjoining development is anonymous back lanes, but to the north and south of the conservation area the boundary tends to follow the centre line of roads, meaning development inside and outside the conservation area faces each other across the street. Only at the north-west and south-west edges are these facing developments similar in character.



The Beacon Centre, to the west of the conservation area



Magistrates Court and surrounding open space, to the east of the conservation area

The commercial town centre core around Bedford Street and Saville Street to the west sees nineteenth century terraced shops and dominant twentieth century insertions. The dominance of the blank boxes of the Beacon Centre shopping mall and multi-storey car park is overwhelming compared to the more traditionally styled brick properties surrounding it. The side of the Centre also feels out of place opposite the small-scale rears of Howard Street. To the north, across Albion Road, is Christ Church in its large green churchyard, plus eighteenth and nineteenth century suburban housing beyond. To the east is mainly mid to late twentieth century housing redevelopment and large municipal buildings including the Magistrates' Court in a large open space. To the south are the



steep green banks and sections of dense trees down to the lively riverside between the Fish Quay in the east and the New Quay in the west.

There are several interesting buildings with strong townscape presence immediately on the boundary of the conservation area, for example the Garrick's Head on Saville Street, Magnesia Bank on Camden Street, Bell and Bucket (a converted nineteenth century fire station) on Norfolk Street, Nos. 59-61 Saville Street, and a hall, club and church on Albion Road at the end of Stephenson Street. Parts of Bedford Court and Union Stairs adjoin the boundary in the south-west corner due to the arbitrary nature of the boundary here. There are also some fragments of similar eighteenth and nineteenth century terraces further to the north-west and similar late twentieth century development to the south and east.

The conservation area's streets are part of the town centre's main road network with east-west through traffic along Albion Road, and north-south traffic along Northumberland Square and Howard Street. Local traffic feeds off these onto Northumberland Place, Stephenson Street, the lower end of Howard Street and Union Street. Some of these are bus routes and were once shared with trams. The coast-bound Metro line runs in an east-west tunnel underneath the south side of Northumberland Square.

### Views out of the Area

Due to the introspective nature of the development pattern, and the inferior character of much surrounding development, views out of the area to the east and west are not significant. Views out along Saville Street, Northumberland Place, Suez Street and Union Street

are not notable apart from emphasising the grid-iron development pattern and the relative quality of the conservation area's appearance to that around. Long views along Norfolk Street and Stephenson Street are particularly disappointing. The assortment of cleared plots, intrusive boxy buildings and more recent housing here fail to generate an appealing scene in dramatic contrast to Howard Street's sharp north-south enclosed vistas.

Views out of the area to the north are enlivened by trees, green space and landmark buildings along Albion Road and Tynemouth Road, notably the former memorial church tower and spire at Brandling Terrace. The view of Christ Church and churchyard north of Upper Camden Street is particularly pleasing, framed by the bow-fronts of No. 5 Northumberland Place and No. 12 Northumberland Square, and channelled by their brick return elevations.



Christ Church, to the north of the conservation area

The distant horizon of the channelled vista along Howard Street is formed by the Cleadon Hills, far across the river south of South Shields. Nearer views south from Tyne Street are much more striking. At the Stag Line Building vantage point, 180° panoramic elevated views east, south and west are extensive and exciting, dominated to the east by the lighthouses and ice tower of the Fish Quay, but partly obscured by riverside development at Dolphin Quays directly below. The detail of extensive commercial and residential development on both sides of the river and lively river traffic is a considerable attraction at this point and a reason to linger before being drawn east along Tyne Street towards views of the river mouth.



Fish Quay, to the south of the conservation area

## Historical Development

### Early Development of North Shields

Although the earliest spelling of the place we now know as North Shields was Chelis in 1268 (from the Middle English *schela* meaning a temporary hut or shed), the area may have been of some importance at a much earlier date. The county Historic Environment Record mentions (HER 179 and 180) the possibility of a Roman camp or fortlet at a place near North Shields called Blake (Black) Chesters. Its actual site is unknown but possible locations are near Billy Mill farm, north or west of Preston Colliery, or near to Camp Terrace. Tomlinson, writing in 1888, reports that the remains of the fortlet “were to be seen till lately”.

However, the documented story of the town begins c.1225 when Prior Germanus of the monastery of Tynemouth began a village of fishermen’s huts, or shielings, around the natural harbour at the mouth of the Pow Burn, in the area now known as Fish Quay. The land surrounding the monastery at Tynemouth had been in the ownership of the monastery even before the Norman Conquest and, after 1083 when Robert de Mowbray, Earl of Northumberland, invited the Benedictine monastery at St. Albans to take control at Tynemouth, even more lands were granted to the Prior.

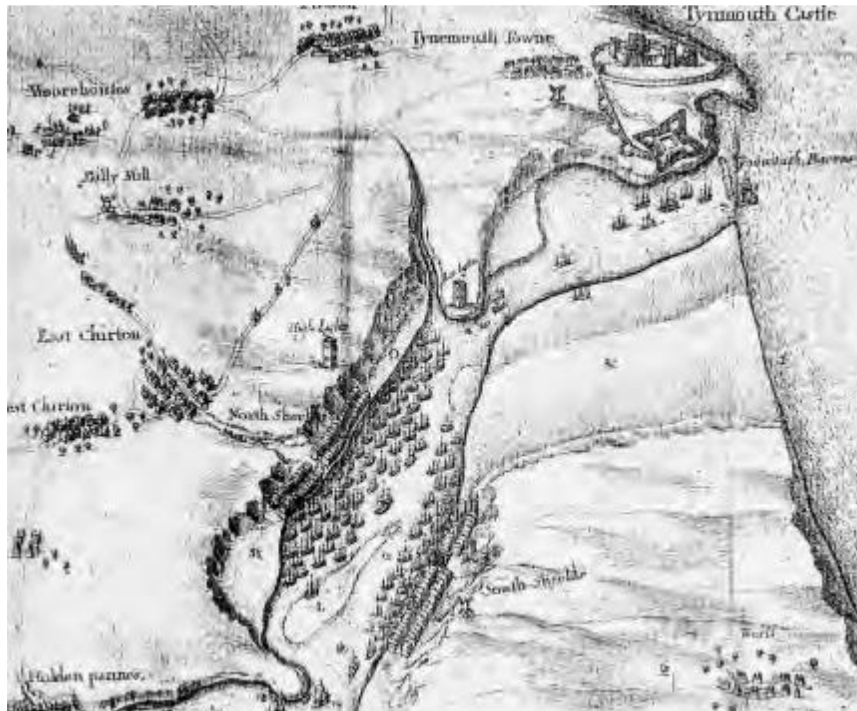
In a relatively short time, this village of shielings had grown beyond just use by the local fishermen, who regularly supplied the Priory, into a small port visited by traders taking advantage of its closeness to the mouth of the Tyne. This growing competition was not acceptable to the merchants of Newcastle, further upstream, who began legal as well as physical attacks on the town that were to last

for centuries. A legal attack in 1290 claimed that the Prior was building a town “where no town ought to be” and was consequently depriving both Newcastle and the Crown of their just revenues. Although the Prior lost this case, it did not stop expansion and, by the end of the century, there were a hundred houses huddled in the Pow Burn valley and along the banks of the Tyne.

The continuing depredations of the burgesses of Newcastle and the Dissolution of the Tynemouth monastery on 12 January 1539 saw gradual decay of the town on the banks. The constraints on trade were getting the better of the town and severely overshadowing its future.

### Ralph Gardener's Map of 1655

Ralph Gardner, a brewer of nearby Chirton Village, was the hero of his time as far as the people of “North Sheels” were concerned. After personal battles and periods in Newcastle jails, in 1655 he took the case for free trade on the Tyne to the government in a pamphlet with the stirring title of England’s Grievance Discovered. This treatise included a decorative bird’s eye view of the Tyne and its surroundings that illustrated clearly the size and busyness of the inland settlements and ports trading within the river corridor. “North Sheels” appears as a single street of buildings crowded along the riverside, with little or no development between the High and Low lights and up Pow Dene. The banktop – where this conservation area now sits – is shown totally devoid of development except for the main Newcastle to Tynemouth road far from the river, and the High Light clinging to the edge of the river scarp.



Ralph Gardener's Map of 1655

At exactly the same time as Gardner's petition was being served, the town took one of its earliest steps in the eventual colonisation of all of the banktop – it began the construction of Christ Church, a new parish church to replace the decaying parish chapel at Tynemouth Priory, on a new site above the town on the main road, a location more central to the whole of the Parish of Tynemouth.

### John Fryer's Map of 1773

Over one hundred years later, the town was still mainly confined to the narrow riverside strip at the bottom of the steep banks. Clifford's Fort of 1672, replacing previous makeshift defences of 1642, had occupied an excellent low-level defensive position between the Pow Dene and the Tyne. But, on the banktop above both town and fort, were the first signs of the Georgian "new town" which, although never laid out to an overall masterplan like Edinburgh New Town, would progressively transform both the size and the image of North Shields over the next 50 years.



John Fryer's Map of 1773

The names of the banktop landowners on Fryer's map are a catalogue of the prime movers who were to shape the future of the town. Already on Rev Dr Dockwray's land is the beginnings of

Dockwray Square, one of Tyneside's great Georgian squares which, after 150 splendid years of being in favour, was eroded between the Wars and finally cleared by 1960, just too late for the national "age of conservation" to effect any kind of rescue. The square has been rebuilt twice since then – the latest in 1986-7 – and survives in plan form within the Fish Quay conservation area.

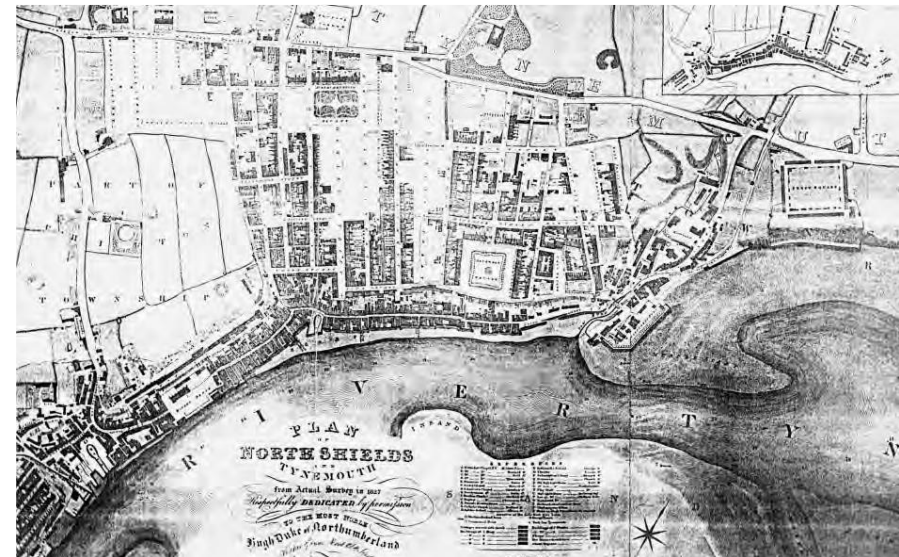
### John Rook's Map of 1827

In the top right-hand corner of this map is an earlier one of 1789 that shows further progress in the development of Dockwray Square. The rest of the banktop has only a few long, narrow rope-works established there during the eighteenth century. The rope-works were all orientated north-south to suit the pattern of local field ownerships, a pattern that was soon to determine how the forthcoming new town would be laid out on the banktop.

Rook's map is drafted at the half-way point of the new town's development and, comparing it with Fryer's map of 50 years earlier, the huge part played by individual ownerships in determining the Georgian town's plan form can be seen.

To the east, Rev Dockwray had subdivided the rest of his land into a simple grid iron with its longest dimensions orientated north-south; the grid squares slowly filled up with buildings and gardens from the back of Dockwray Square northwards. Next west are two long narrow plots of Mrs Pearson's and Mr Stephenson's "grounds and ropery", which would become cleared and replaced with what would finally become very long, continuous terraces, mainly of houses, running north-south. The Earl of Carlisle owned the next few plots to the west that gave him a much wider holding, so that

when he sold on to John Wright in 1796, Wright was able to plan a more ambitious townscape that included a grand processional way starting at the dramatic banktop edge and terminating in an elegant Georgian square. This is the first glimpse of Howard Street (named after the Earl's family name) and Northumberland Square in this series of historic maps.



John Rook's Map of 1827

After these grand planned gestures, the development pattern, still governed by individual land ownerships rather than an overall masterplan, rather peters out into another grid-iron, this time of fairly small units. The grid finally grinds to a halt at the boundary of the township of Chirton. Development crept northwards from the old town through this grid and, within 30 years, had filled almost all the

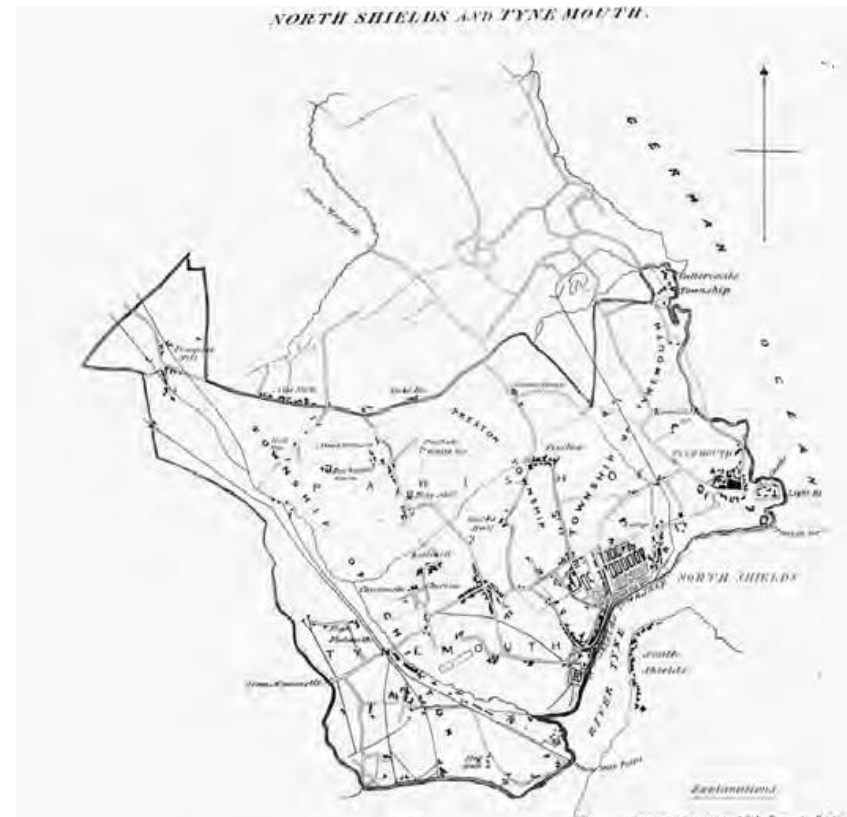
waiting development plots at Howard Street and Northumberland Square, starting at the south end of Howard Street. Street after street of the “new town” received two storey brick housing with stone doorways of Tuscan pilasters and heavy straight entablatures. Within this, grander statements were made at Northumberland Place, the north side of Northumberland Square (in polished ashlar with quoins) and around, into this sea of housing, the most famous local architects of the time would soon be called upon to insert public buildings and those of high street commerce such as banks and friendly societies.

Although similar in age and concept, North Shields new town cannot compare with Newcastle’s Grainger Town for grandeur, drama and imagination, but its beginnings do pre-date Richard Grainger’s work by over 50 years. The North Shields new town is surprisingly successful on the ground considering it was never in a single ownership and was the product of several different minds and budgets, operating over a good number of years – all of this at a time when new development was generally only controlled by the Building Acts. Grainger was at least able to own all the sites that he developed, keep personal control of the whole scheme, and attract sufficient capital to complete in about seven years.

### Cooper's Map of 1831

Although this map is at a small scale (2 inches to 1 mile) and was produced for the purpose of assessing administrative boundaries, it clearly shows the pattern and spread of settlements and individual developments across the whole of the Parish of Tynemouth, as it was known in 1831. The size and nature of North Shields’ growth is not matched anywhere else in the area, easily overtaking the size

and importance of Tynemouth itself, which had been the local spiritual and temporal power base for so many years. North Shields was now so much the economic centre and soon, in 1849, the Council of the new Borough of Tynemouth would sit in John Dobson’s 1844 Town Hall on the corner Saville Street and Howard Street for the very first time.



Cooper's Map of 1831

### First Edition OS Map c.1865



First Edition OS Map c.1865

On this map, the new town was virtually finished. Howard Street was all but complete and several important buildings by prominent local architects had added both formality and considerable visual interest. Northumberland Square was finished on the north side and almost finished to the east, but the west and south sides remained unfinished, stifled by the insertion beneath it of the tunnel for the railway that had arrived in the town in the early 1840s.

This map also shows a fault in the town's plan layout at the time, probably the result of that lack of an overall masterplan. It proved a

great irritant that there was no east-west route through the dominant north-south linear footprints originally defined by field ownerships and rope-works. The route of the railway tunnel provided the opportunity to lay out Suez Street to the north, but it was not until after the Council came into existence that, in 1884, land could be acquired to break through and connect Charlotte Street with Saville Street.



Looking east along Saville Street at the junction with Howard Street with no through-route, c.1880.

### Second, Third and Fourth Edition OS Maps c.1899 and c.1937

The Second Edition shows all sides of Northumberland Square were as complete as the railway tunnel would allow, with the west side and the east end of the south side in place. The convention of maps of this period to show public buildings in solid black clearly indicates the preponderance of North Shields' public buildings on or

close to Howard Street and Northumberland Square. Some significant alterations to terraced buildings were made during the first decades of the twentieth century.

Third and Fourth Editions show little fundamental change, although development adjoining the area to the south and east was beginning to get more sparse, with some cleared gap sites appearing in the tight industrial development around Tyne Street and Stephenson Street.



Second Edition OS Map c.1899

### Modern Map, 2020

For map, please see page 4. Except in one case, the layout of Howard Street and Northumberland Square remained unchanged, although modern buildings had been inserted into it. The single case is the final completion of the south side of Northumberland Square by the insertion of a new public library at its south-west corner (now known as the North Shields Customer First Centre). Its siting encroached into the space of the Square itself, damaging its essential formal integrity. Further modern public buildings were dropped into the periphery of the conservation area (for example, on the corner of Suez Street and Stephenson Street), as failing industry and commerce continued to be cleared.

The demise of industry to the east and south of the area continued apace during later decades of the twentieth century and it was partly this economic downturn which prompted the designation of the conservation area, to help protect what was left. It was also to prompt a period of major capital regeneration by the Tyne & Wear Development Corporation (TWDC), one of a series of autonomous development quangos established in the 1980s, which heralded significant development change to the city regions in which they were established, change not always well received locally. But TWDC's impact here in the conservation area was overall to be enhancing, with stylish new housing inserted around the southern end of Howard Street and Union Street, even if many buildings, particularly smaller rear buildings, were cleared as a result.



## Conclusions



Aerial photograph c.1974

Northumberland Square and Howard Street are undoubtedly the flagship developments of North Shields new town, laid out in the Georgian tradition and pre-dating Newcastle's Grainger Town by over a quarter of a century. Even into the twenty first century, the

streets, Square and much of their original fabric have remained generally intact, despite the process of replacement and modification which has happened since the end of the nineteenth century.

## Archaeology

There are no scheduled ancient monuments in the conservation area and no other known archaeological remains. There are several entries in the Historic Environment Record within or on the edge of the area (see page 56) but many of these relate to existing listed buildings or lost chapels. Most of the area is too far north to relate to the medieval settlement on the riverbanks of North Shields. Some parts, for example, the far south edge on Tyne Street, could however have some below-ground archaeological potential where early development was cleared incrementally in the second half of the twentieth century.

## Spatial Analysis

### Development Pattern

The conservation area is based on a formal Georgian road layout, designed as a grand gesture amongst a more regular grid iron of street, but not to an overall town-wide masterplan.

The development pattern has two axes:

- a north-south axis, originally defined by nearby land ownerships and ropeworks. Howard Street, Norfolk Street and Camden Street follow this axis;
- an east-west axis, originally defined by the main Newcastle to Tynemouth road in the north that runs parallel with the river. Albion Road, Union Street, Saville Street, Northumberland Square and the railway beneath follow this axis.

The street layout is caught between the riverbanks in the south and Albion Road in the north. Howard Street was to become the principal north-south axial route through the burgeoning town centre, starting at the best vantage over the riverbanks on a prominent scarp overlooking a slight bend in the river below, and leading north to enter the rectangular Northumberland Square centrally on its south side. The Square, the finale of Howard Street's ceremonial rise from the river view, was laid out as a classic Georgian square, a simple rectangle of formal gardens enclosed on all sides by streets to be lined with elegant townhouses. The shorter sides were intended as parts of continuous north-south streets (Norfolk Street and Camden Street)

which ran through the square from Albion Road, emphasising the prevailing north-south development pattern, despite the east-west shape of the square itself.

The dimensions of Howard Street, Saville Street (this part), and the road around the Square are generous, and notably wider than any around, including streets feeding the Square. The building line even steps back at the end of Upper Norfolk Street as it enters the Square. The impact of the open spaces at either end of Howard Street is definitive of the area – the river vantage point at the south end, and the substantial gardens at the north end afforded by the wealth the river created. Together, the roads and spaces combine to create a sophisticated urban place laid out with great ceremony and status.

Northumberland Square is one of only a very small number of Georgian squares built on Tyneside and is now the most intact in the conurbation. It was the natural next step after nearby earlier Dockwray Square, to which it was similar in concept but without the need for an open south side for river views. Dockwray survives in plan form only, essentially the same fate as Newcastle's once-grand Eldon Square. Newcastle's Charlotte Square was never as complete, whilst a range of other sub Georgian squares across the conurbation are either not as ambitious in planning (for example, Sunnyside Gardens, Sunderland) or are more ad hoc amalgams of terraces rather than formal squares with designed gardens in the middle (for example, at Summerhill or Brandling in Newcastle). Northumberland Square's basic planned form is a classic example of these simple but highly effective urban spaces, rare in the region

and the closest thing on Tyneside to the iconic Georgian squares of Edinburgh, Dublin, London and Bath.

The impact of the road layout is profound but, despite its invisibility, the line of the railway is also crucial to the development history of the area. The railway arrived in North Shields in the 1840s, continuing on to Tynemouth and, like many Victorian railways, drove through the existing development pattern to do so. However, in North Shields its route was largely hidden in an east-west tunnel which, in the conservation area, runs beneath the south edge of Northumberland Square and Suez Street, at a slight angle to them. As the tunnel is relatively shallow it has stifled development along its line ever since, with three key negative impacts:

- Suez Street (laid out over the top of the tunnel) altered the north-south dominance of Norfolk Street, and has never had any substantial buildings lining it, creating a poorly defined corner at Northumberland Square compared to the emphasised corners on the north side and on Northumberland Place.
- The long south side of the Square could not be developed with the same unity of statement as the north side, robbing Howard Street of strong symmetrical corner developments at its entrance into the Square.
- It left a gap in the south west corner of the Square that lay undeveloped (and set out as gardens) until engineering advancements of the late twentieth century made development over the railway tunnel viable. The building that resulted, the 1960s Central Library (now known as the North Shields Customer First Centre), finally finished off the

south side of the Square. However, through a combination of the prevalent planning ethos and architectural tastes of the period, and the position of the tunnel beneath, the building is forced to straddle the tunnel, spread over the line of both roads in the south-west corner of the Square, and truncate Camden Street. But, even though it breaks the Square's intended symmetry and confuses its formal plan, overall the Customer First Centre is neutral to the area (see page 45). It is currently outside the conservation area boundary.



North Shields Customer First Centre

### Layout, Grain and Density

The layout is typical of the late Georgian and early Victorian periods, particularly north of Saville Street. Terraced buildings wrap around the outer edges of blocks, presenting a formal face to the street and functional rears to back lanes and enclosed courtyards. This communal layout, with most buildings sited openly to the front of their plots and facing each other across the streets, creates a strong townscape edge. This edge is generally continuous and is characterised by strong right-angled corners. Around the Square and the top end of Howard Street, the perception of density is reduced by giving each plot a front garden – terraces elsewhere are to the back-of-pavement.

The grain of this layout is small-scale and regular due to the original residential use of most buildings. Peppered into this is a slightly coarser grain of landmark buildings intended to create the public focus of the new town.

North of the formal core is a fringe of more informal layout along Albion Road. Here, a mix of plots, many once gardens, have been developed incrementally to leave a jumble of buildings and artificial spaces that struggle to create a coherent urban edge to balance the large open space opposite, at Christ Church.

Elsewhere, the consistency of the development pattern is generally good, but it does vary. The buildings were developed incrementally by separate landowners and builders over many decades. Nonetheless, there was a crucial understanding that each development should be true to the overall ideal, with buildings designed together to form uniform terraces, and terraces in turn

planned together (with landmark buildings) to form consistent streets. Each component part was laid down with an understanding of the contribution it made to the whole layout. In such formal development it is impossible to separate the building from the contribution it makes to the street without causing harm to the whole.

This has proven true in some of the later alterations to layout and grain. The North Shields Customer First Centre, discussed above, not only interrupts the development pattern but has the largest building footprint around. Similar intrusion has come from Stephenson House on Suez Street (and others just outside the conservation area) discussed below (starting page 45). The loss of buildings and plot sub-divisions also causes harm to the development pattern, notably in the courtyard between Upper Norfolk Street and Stephenson Street where a large barren space has replaced a once dense group of buildings and yards. However, late twentieth century regeneration changes have respected the development pattern at the south end of Howard Street and Norfolk Street, and enhanced its layout and grain by inserting intricate, organic courtyard layouts behind (re)created urban terraces with strong edges and corners. Similarly, the recently completed development on Albion Road and Upper Camden Street's junction has introduced a strong corner in the place of a weak, harmful gap site.

### Views within the Area

Views within the conservation area are controlled by the introspective, grid-iron development pattern. The two main types of view are:

- linear views along streets and terraces, and,
- wider scenes across the open space of the Square.

The linear views are generally long and emphasise the formal, grand-plan nature of the area. Oblique views of the terraces bring the architecture to life, the steps in their form and their various recessed and moulded features creating attractive visual rhythms. Where they survive, garden subdivisions also add to this rhythm. Similar oblique linear views to the rear of the terraces are less intrinsically attractive except where groups of surviving offshoots echo the grain and rhythm of the front elevations, seen in places behind both sides of Howard Street and Stephenson Street.

Approaching the Square from Upper Camden Street, Upper Norfolk Street or Northumberland Place, a degree of anticipation is created by the tell-tale presence of so many trees in the distance, signifying something quite different is approaching. As a result, the sense of arrival at the Square is very effective, inviting a pause in the journey to take in the views, before being led south down Howard Street by the vista ahead. The arrival into the Square along Suez Street and Norfolk Street is less dramatic due to the lack of tight development edges and corners here. Wide views across the Square are particularly pleasing with the backdrop of smart buildings and green foreground filtered by the Square's railings and trees (and even filtered quite attractively by the full height glass corner of the North Shields Customer First Centre). The simple geometry of the layout and streets leading off the Square means that diagonal views across it have an inherently attractive perspective.

Views along Howard Street in both directions become designed vistas, definitive of the conservation area. The northern vista is terminated by the north side of Northumberland Square, and the southern by the four flag poles and memorial outside the Stag Line building. Simple geometry also creates other attractive closed vistas, such as east along Northumberland Place to the east end of Northumberland Square, and east along Union Street towards Howard Street.



View down Howard Street from Northumberland Square

The tighter, less formal development at the north and south ends of the conservation area creates some more spontaneous views, such as glimpses through carriage arches into internal courtyards at Howard Terrace, along the south east side Norfolk Street, and through eye-catching gaps designed into in the late-twentieth century terraces at Union Stairs and Bedford Court. Such casual glimpses add intrigue and charm to these zones, emphasising their interesting, intricate layout.

The skyline throughout the area is formed by rooftops. There are a few alien features do intrude above some views, notably the flat boxy rooflines of Stephenson House, Northumbria House and, on Church Way, the YMCA – all bristling with antennae.

## Character Analysis

### Character Zones

Although the conservation area is essentially a single set-piece plan, there are notable differences in character. These differences are not enough to define distinct sub-areas within the whole, but three general character zones can be identified:

- North Zone: smaller, less grand, late Georgian building groups and twentieth century redevelopment, mainly between Northumberland Square, Northumberland Place, Albion Road and Stephenson Street (blue area);
- Central Zone: formal, grand, high quality late Georgian and Victorian terraces, on Northumberland Square, Northumberland Place and the north half of Howard Street (green area);
- South Zone: more eclectic mixed terraces of Georgian and Victorian development, plus twentieth century imitation of this, on Saville Street, the southern half of Howard Street and Union Street (orange area).

These zones tend to bleed into each other, and the differences between them can be subtle, particularly along Saville Street. Similarities and differences are highlighted in the discussion below.



## Use and Hierarchy of Buildings

The hierarchy of buildings in the conservation area is defined as much by their use as their form and materials. Particular land use was fundamental to the original concept of the area with high quality, high class terraced housing being the reason for the typical late Georgian residential square. As part of the town centre, key civic, religious and commercial uses were also prevalent, creating a high level of incident amongst the terraces.

The hierarchy of buildings is typical of the Georgian urban tradition. Most buildings are similar terraces of matching housing, all alike in their presence on the street, the aim to achieve a polite, yet impressive backdrop to everyday life in the heart of the town.

Emphasis is made against this backdrop with a series of landmark churches, halls, institutes, municipal buildings, banks and clubs at key points amongst the terraces – to emphasise corners, as punctuation along their length, or as clusters to add weight to junctions. The result is a harmonious whole, with a planned balance between terraces and a peppering of landmarks, neither overpowering the other. Landmark buildings include:

- Subscription Library, Howard Street (1806-7, known as the Stag Line building)
- Salvation Army Chapel, Howard Street (1811) by John Dobson
- Baptist Church, Howard Street (1846) by John Dobson
- Church of St Columba, Northumberland Square (1853-8) by John Dobson
- Town Hall and Treasurer's Department, Howard Street / Saville Street (1844-5) by John Dobson and Green

- Mechanics' Institute, Saville Street (1857-8) by John Johnstone (now the North Shields Business Centre)

Other landmark buildings include the Pub and Kitchen public house on Albion Road, the North Shields Customer First Centre (just outside the boundary) and, because of their architectural quality and relationship between Howard Street and Northumberland Square, the central houses on the north side of the Square also form a landmark in their own right.

Changes in use in the Central Zone have had a profound effect on this balanced hierarchy, mainly changes from residential to business use. All the zones' terraces, particularly Howard Street, have seen the commercial demands of corporate presence and economics lead to (sometimes radical) alterations to the street front of individual buildings, to the detriment of the unity of the terraces. The impact of this on the buildings' fabric and appearance is discussed below (starting page 45).

Within the South Zone, the balance becomes more mixed, the planned hierarchy between backdrop and landmarks blurred by a more eclectic blend of styles, heights and forms, with less continuity. This has resulted from the incremental re development of this zone during the Victorian period with banks and halls, and its subsequent regeneration in the late twentieth century. No less characterful for it, the southern half of Howard Street is an exciting, visually stimulating mix of strong Georgian and Victorian civic grandeur and playful Post-Modern recreation. Importantly, unlike the Central Zone, changes in use here have not altered this hierarchy; since regeneration in the 1980s, land use is now less



obviously related to the individual building's presence on the street, with mixed use buildings side-by-side with offices that look like shops, and flats that look like banks. Only in the south-west corner of Howard Street and on Union Street has a conscious effort been made to repeat the backdrop and landmark effect of the Central Zone, with new terraced housing using the Stag Line building and a façaded bank as landmark bookends.

The North Zone as a whole appears lower down the hierarchy of the area, with much development once being incidental to that at the front on the Square (i.e. stables and outhouses) or secondary commercial in nature (for example, former bakeries on Albion Road and the lane behind Stephenson Street, and a builder's yard behind Northumberland Square). Such a jumble of land uses (dwellings, businesses, offices, pubs, shops, yards, parking) leaves little logical hierarchy on Albion Road, Church Way or Stephenson Street, but this is part of this zone's organic, piecemeal character.

## Architectural Qualities

### Form, Height and Scale

In the Central Zone and North Zone, two storey buildings predominate whilst three storeys are more common in the South Zone. The number of bays (width) of the houses also varies from modest two bay houses and Tyneside flats mostly in the North Zone, to much grander three bay and double-fronted five bay houses around the Square. Height and scale also vary, for example Victorian buildings tend to have generally larger proportions than late Georgian ones (but one of the earliest houses, Field House, is

also one of the largest). Some of the larger terraces are also raised on half-sunken basements.



Three bay terraces with half-sunken basements on the east side of Northumberland Square

The form of much of this survives in three-dimensions. The earliest houses were built without offshots (they are not a feature of late Georgian architecture) but most later ones were built with a half-width rear offshoot stretching into a yard. Where they survive, original offshots and yards add authenticity to the development pattern and, in a few places, add to the traditional character of back lanes. In many others, however, loss, addition or major alteration of offshots and yards has radically altered character to the rear. One

or two separate outbuildings do survive, most in the North Zone (for example, the former stable behind No.5 Northumberland Place).



Former stable, Camden Place

The three dimensional nature of buildings in the South Zone is crucial to the character of the internal courtyards at the south end of Norfolk Street – the traditional rears of the taller main buildings interact with the varied two storey shapes and smaller scale of new-build behind, creating an attractive service courtyard or mews character. The apparent two storey height of buildings at Union

Stairs and Bedford Court is just an illusion, with only the top parts of much taller buildings being visible, their foundations several storeys below the level of Howard Street, at Liddell Street.

Landmark buildings tend to be both taller and larger in scale. A few are similar to the housing just with bigger proportions, but most have wholly different shapes and are dramatically different in scale. They also use interesting massing to their advantage, notably the symmetrical Church of St. Columba and its adjoining wings, and the interesting asymmetrical accumulation of blocks, shapes and silhouettes of the former Town Hall and Treasurer's Department- a lively scene from all angles. Landmark buildings also survive in three dimensions, the often-blank bulk of many rear elevations very prominent along back lanes, particularly in the Central Zone.



Former Town Hall and Treasurer's Department

## Periods and Styles

There is a range of styles in the area but the dominant one is a simple, Classically-informed domestic architecture that has late Georgian beginnings and developed during the Victorian period. It is very much illustrative of what was originally residential architecture, found from these periods across Tyne and Wear, and can be linked to the bolder late Georgian “Tyneside Classical” tradition practiced in grander terraces, buildings and country houses in the region. Landmark buildings adopt a range of revival styles also from the late Georgian and Victorian periods.

The main architectural periods in the conservation area are:

- Late Georgian: The main architectural style of the late eighteenth and early nineteenth centuries was based on Classical style and proportions, and was simple and usually symmetrical. Georgian urban planning was represented with grand streets, crescents and squares. The Georgian development here is late, the earliest surviving houses being from the 1780s and 1790s (Nos.97-100 Howard Street) followed by the north side of Northumberland Square (before 1811).
- Victorian: Dating from the mid nineteenth century to the turn of the twentieth, Victorian architecture is very varied with many sub-categories, but much is based on showy, confident themes designed to demonstrate the wealth and power of the building owner. Rich, traditional materials are used – often brick, stone, timber and iron – with good quality, solid construction and plenty of flare. The three

strongest revival styles were Gothic (defined by vertically, asymmetry, pointed arches, gables and carving), Italianate (with low roofs, bracketed eaves and some stucco) and Queen Anne (red brick with Dutch gables, white joinery, doorcases and terracotta). There were also other revival styles with Tudor, Romanesque or Greek influences. The Arts and Crafts style also began in the late nineteenth century.

- Mid to Late Twentieth Century: The second half of the twentieth century saw a wide range of stylistic approaches develop and merge. Much in the 1960s and 70s was based on the purist, functional forms of Modernism or the International style (stark, concrete and steel, flat-roofed boxes with no decoration and large windows). During the 1980s, Post-Modernism sought to reconnect Modern architecture to people and place, with greater reference to traditional styles and features. This reference was sometimes so superficial that it created only insensitive pastiche.

A few buildings in the area have also been re-fronted, in the following periods:

- Edwardian: Smart and attractive, Edwardian architecture is a less-flamboyant continuation of Victorian grandeur in the early decades of the twentieth century. It is concerned with presenting an impressive face to the public with thoughtful, well-designed buildings with plenty of fine detailing. The elegant, flowing, organic lines of late Victorian Art Nouveau also developed as an influence.

- Early to Mid-Twentieth Century: Architecture of the 1920s and 1930s developed along several different styles such as “Tudorbeathan”, Georgian revival, Moderne / International style. Art Deco also developed with geometry, abstract shapes, and smooth, sleek lines; watered-down Art Deco influence is sometimes known as British Modern.

Buildings from the late Georgian and Victorian periods can be some of the most valuable and well-built in town centres but can also suffer lack of attention as a result of commercial cost-cutting in areas that are under economic pressure. Most of what was originally housing in the conservation area is characteristic of these periods, whilst the landmark buildings are excellent, high quality examples of the various styles they adopt, showing plenty of talent in their design. This mix of periods and styles is reflected in the Post-Modern approach of the South Zone, whilst other high-quality alterations, mainly re-fronting of existing buildings, was carried out using Edwardian or Art Deco styles.

Early Georgian architecture, from the 1720s, pioneered the division of terraces into individual plots. These were then long-leased to builders who accepted conditions that ensured a degree of unity in the design, keeping the layout and quality of the landlord’s estate attractive and valuable. The terraces in the conservation area used this theme, being designed incrementally, but with a subtle balance between the individuality of each house and the unity of the terrace. The grandest examples of this urban approach would skilfully arrange the fronts of terraces as one unit, disguising individual houses to look like a single “palace” as seen here on the north side of Northumberland Square and Northumberland Place where

bowfronted houses anchor the unified terraces at either end. Howard Street did not receive such a strict approach to its buildings; buildings vary in age and character but nevertheless the overall impression was originally one of unity and harmony, particularly in the Central Zone.

### Features, Detailing and Materials

The unity of the late Georgian, Victorian and Post-Modern architecture relies on a handful of recurring architectural features and detailing, treated in slightly different ways throughout, as influenced by the staged development of the area.

Many of these details have been altered over time, from the late nineteenth century to the late twentieth century. These include Victorian shopfronts inserted into Georgian houses, Edwardian and Art Deco re-fronting of buildings, or modern cladding and window openings in the 1960s and 70s. The most negative of these alterations are discussed below (starting page 45).

### Masonry

Most of the area’s terraces and some of its landmark buildings are in brick. Brickwork is key to the character of the conservation area and is the basis of the warm, well matured visual appearance of the buildings. The bricks used vary considerably, many of the earlier ones being produced locally. Most bricks used are rough in texture, mottled in appearance, and have stained and weathered to a warm, uneven tone. Broadly, bricks tends to be darker/red/purple brown Georgian bricks or slightly redder, crisper bricks used in many Victorian and all the Post-Modern buildings.

Usually, facing bricks are used to the front and common brick to the rear. Bricks are predominantly laid in English garden wall bond in Georgian and Victorian buildings. Flemish bond is also found in places. Newer terraces in the South Zone use simple stretcher bond with modest use of polychromatic (multi-coloured) decorative brickwork to enliven elevations. Pointing, the way mortar is finished off between the bricks, is generally flush or slightly recessed. As common brick in the older buildings is rougher, pointing tends to be more prominent; the crisper lines of the later Victorian and Post-Modern brickwork makes the pointing finer and less visually prominent.

Natural, local sandstone is the other main masonry material in the area and is key to the high status and mature, rich texture of many of its landmark buildings. Ashlar (smooth, fine cut) stone is used on the main façades of many landmark buildings with the sides and rears often in coarser or rubble sandstone, or common brick. This presentation effect is also achieved in the terraced housing on the north side of the Square. Sandstone is also worked to great effect with confident, rich mouldings and carvings used to emphasise a variety of architectural styles – Tudor Gothic at the Former Town Hall, Palladian at the Church of St Columba, Romanesque at the Baptist Church, Greek Doric at the Salvation Army Citadel, and Italianate at No.105 Howard Street's former bank.

Moulded ashlar is used in brick buildings for plinths, string courses, eaves, watertabling, quoins, window dressings, door surrounds, steps, porches, chimneys, shopfronts and other features including, in one or two places, entire ground floor elevations. Terracotta is used in place of sandstone in one or two of the Victorian buildings.

The Post-Modern terraces use artificial stone for new work. All sandstone was originally unpainted and, where it remains so, has patinated to an attractive rich, textured appearance.

Natural stone masonry is also used in some of the Edwardian and Art Deco re-frontings: smooth white Portland stone detailing at No. 73 Howard Street, and an entire elevation of polished black granite at No. 25 Northumberland Square, the latter being a well-informed, high quality and rare Art Deco inspired composition.



No. 25 Northumberland Square

Render is used sparingly as an eaves and bay window detail in the South Zone. The Stag Line building has a striking rendered roundel in its riverside gable, a prominent landmark from below.

Replacement masonry and cladding used in the later twentieth century, often in modern or artificial materials, are discussed below (starting page 45).

### Doorways

Doors and door surrounds are one of the definitive features of the area in both the terraces and the landmark buildings, particularly the latter which make dramatic statements of wealth or status at their main entrances.

Most doorways in the late Georgian terraces of the Central Zone and North Zone have Tuscan surrounds in sandstone, a simple Classical detail typical of the period, incorporating flat pilasters and a simple moulded entablature. Several of the larger houses have much grander doorcases, with triangular pediments, circular columns and more detailed mouldings. Urns carved in relief are a recurrent detail of some earlier doorcases across the area.

Victorian doorcases tend to be more flamboyant and there is more variation in the detail of the pilasters, brackets and cornice. On the west side of the Square, two of the large late Victorian houses have open sandstone porches instead.

Nearly all door surrounds incorporate an overlight (a traditional feature rather than having glass in the door), some square, many earlier ones rounded. Most houses in the Central Zone are raised

up on semibasements and so have a flight of stone steps to the front door that increases the visual importance of the doorway. Most other houses in all zones have one or two steps up. Many of the smarter steps are round-nosed. Some doorways in the North Zone are altogether plainer.



Georgian doorway at Northumberland Place, left, and Victorian porch at Northumberland Square, right

Few original timber doors survive but where they do, they are integral to the historic presence of the doorways, particularly heavy unglazed panelled doors in dark, rich colours in the Central Zone and South Zone. Many of the larger houses and most landmark buildings have double doors, another show of importance; some single leaf doors even have a central bead to look like double doors. Edwardian and Art Deco doors follow their style. A small amount of traditional door furniture survives, mainly knobs, letter

boxes and footscrapers, which add richness to doorways. Many of the grander buildings extend the use of smart, natural materials into the lobby, often with coloured floor tiles – such a feature is even found outside No. 6 Northumberland Place on the steps, a delightful flourish to the street scene.

Doorways in the landmark buildings tend to have bigger proportions and are more dramatic, using all of these features – sandstone surrounds, steps, overlights, doors, door furniture – to create vigorous statements of the building’s importance and grandeur. Even side and service doors on landmark buildings can be expertly emphasised. The grand full-width steps of the Salvation Army Citadel are a particularly impressive flourish which elevate the building both physically and spiritually, giving its entrance an almost theatrical presence.



Salvation Army Citadel

Many of these features have been recreated in the South Zone’s Post-Modern terraces, notably the strong Classically-inspired surrounds and flights of steps at Nos. 2-12 Howard Street, and the rounded overlights of communal doors in the internal courtyards. Emphasis is also made with flat hoods on courtyard doors and on Tyne Street. Most modern doors do not however have true panels, only beading to make them appear panelled.

Unfortunately, original back gates have been lost over time, along with yard walls, reducing the original character of the rear areas. Larger openings into yards, outhouses and commercial buildings in the North and South Zones still exist, many with arched heads and emphasised keystones. Several have been altered with late twentieth century shopfronts or roller shutters whilst others now have replica joinery or surviving historic joinery, revealing something of their robust, functional past (for example, the former stable behind No. 5 Northumberland Place).

Doors and door surrounds have been frequent casualties in alterations, replaced with nineteenth century shopfronts and twentieth century modernisation, discussed below (starting page 45).

### Windows

Window openings are strongly vertical, one of the defining features of the area’s character and they are strongly emphasised in landmark buildings following the architectural style used.

Stone Nos.12-20 Northumberland Square have plain window openings and sill string courses. Most other window openings in

earlier buildings in the Central Zone have flat tops with angled natural sandstone lintels (some are square) and square stone sills, often combined with a string course. Later ones tend to be larger throughout, and many are emphasised with full decorative stone surrounds, illustrative of the wealth and status of these town centre buildings. Large stairwell windows, usually with rounded tops, are also a traditional recurrent feature, effectively echoed in the South Zone's Post-Modern terraces. In the North Zone, many openings are plainer and have brick lintels.

Many window openings in the South Zone (and a few elsewhere) have Classical proportions, i.e. second floor openings are smaller than the ground and first floor ones. In such cases, ground and first floor windows are often emphasised further, perhaps with arched tops and keystones. The North Zone has more variety in window shape and size; many are altered. One or two of the Art Deco openings across the area are more horizontal, typical of the style. A few circular windows are used in the South Zone, perhaps giving a nautical theme.

Landmark buildings make significant play of window openings, most with decorative stone surrounds following the building's architectural style, for example, mullions and transoms with square drip moulds or pointed arches at the Tudor Gothic Former Town Hall, and round arches at the Romanesque Baptist Church and the Treasurer's Department. Some use aprons and brackets. The Stag Line's large tripartite Venetian-style window is particularly striking and is regularly repeated symbolically in the Post-Modern terraces nearby.



Vertical window openings, Northumberland Square



Striking windows at the Stag Line Building



The simplicity of the Central and North Zones' earliest architecture means that bay windows are not a recurrent feature, but they are used sparingly for emphasis. The elegant double-height bow windows at Nos. 1 and 5 Northumberland Place and Nos.12 and 20 Northumberland Square are particularly attractive features that emphasise these end-of-terrace houses and are definitive of their graceful late Georgian style. A similarly elegant ground floor bow at the back of No.18 Northumberland Square, in stone, is an important reminder that the terrace once had open gardens to the north.

A variety of moulded single and double-height bays with square or angled sides enliven the later Victorian terrace on the east side of the Square, and bays are a feature of the Edwardian re-frontings on Howard Street in the Central Zone. Later Victorian buildings in the South Zone also use bays for emphasis, but only at first and second floor level, i.e. oriel windows or 'hanging' bays. This feature has been successfully exploited in many of the Post-Modern terraces, including the particularly striking three-storey octagonal corner bay at No.111 Howard Street. Repeated bays along Tyne Street and the bottom end of Norfolk Street add an attractive rhythm to oblique views along the terraces. Some bays have lead or zinc pitched roofs; many have flat tops behind parapets. The iron cresting atop the bays of the building adjoining the Business Centre on Howard Street are a rare and important decorative feature.

Of the windows themselves, the majority in the area have now been replaced (see from page 45) but several from all periods in all zones do survive, their rarity crucial to the area's character and appearance. Windows would have been set back from the face of the building in a reveal; the deeper the reveal, the richer the

character of the building (particularly on landmark buildings). Traditional windows are double-hung vertical sliding timber sashes. Earlier windows were often sub-divided with glazing bars, with later ones having larger panes (perhaps with one vertical glazing bar) and therefore 'horns' for added strength. Some later Victorian windows have unequal sashes – taller lower and shorter upper ones, the latter often with glazing bars. The rare Art Deco windows are definitive of the style with geometric glazing bars, horizontal emphasis and some in metal (for example, No. 25 Northumberland Square). Post-Modern windows variously echo those in the South Zone (but with chunkier proportions, and sashes are mostly fake) or are simple casements with vertical emphasis.

Several landmark buildings use painted and/or leaded glass, or intricate glazing bar patterns. Painted leaded glass in No. 97 Howard Street's stairwell window is a particularly unusual for a domestic building in the area.

Late Georgian window frames were often painted off-white; Victorian ones were often the same colour as the front door, off-white, or a combination of both; later window frames are nearly always white.

### Shopfronts

Due to the town centre location, there are several shopfronts in the conservation area, most having been inserted into what were originally houses during the gradual change from residential to commercial quarter in the nineteenth and early twentieth centuries. Some earlier doorcases were retained in such alterations (for

example, Nos. 47-51 Saville Street - "Saville Chambers") but many ground floor elevations were completely altered as a result.

Shopfronts are mainly in the North Zone on Albion Road, Howard Terrace and Church Way, and in the South Zone on Howard Street and Saville Street. Most have traditional timber features along Classical lines, with shop windows above masonry stall-risers, framed by pilasters and brackets, and topped with an entablature of architrave, fascia (containing signage) and cornice. Doorways are mostly recessed, a traditional feature, some with a decorative threshold. Well-designed traditional shopfronts were designed to be in harmony with the rest of the building above, often with an integral side door to an upstairs flat.

In the North Zone, No. 4 Albion Road has the best surviving nineteenth century shopfront, which although has seen some changes, makes a strong contribution to the street scene. Whilst later works have resulted in the loss of traditional features from other shopfronts, Nos. 1 and 9 Albion Road and Roselyn Hall on Stephenson Street have still retained elements that are necessary for maintaining the character of the area. Nos. 4a-b Albion Road are a pair of rare early twentieth century, Art Deco inspired, timber shopfronts with, granite stallrisers and a coloured terrazzo threshold.



Traditional recessed doorways and decorative thresholds on Albion Road

Shopfronts in the South Zone are a mixture of altered and restored nineteenth century shopfronts, and Post-Modern recreations. The much-altered shopfront at No. 51 Saville Street retains its huge decorative brackets. Post-Modern shopfronts use traditional features (including recessed doorways) but in a simplified or exaggerated way, creating lively and robust features that considerably enhance the lower end of Howard Street. Nos. 58-68 Saville Street were part of a relatively recent scheme that unified them through colour and signage. Whilst overall proportions and features, such as recessed doorways, have been retained, unfortunately some unity has been lost through the unsympathetic treatment of fascias.

As well as shopfronts, there are several bank and pub fronts, often in stone and acting as a plinth for the whole building. The Pub and Kitchen public house has enlarged windows with Classical surrounds.

### Roofs

Unaltered roofs are important historic features in the conservation area. Traditional dual pitch roofs are used throughout, enlivened on some of the later Victorian terraces and some landmark buildings with hips and gables. Offshot and outhouse roofs are single or dual pitch depending on their size and age.

In the terraces, roofs provide a degree of unity, even where watertabling is used to divide individual roofs stepping down a slope. Where the terrace is continuous, so too are the roofs, with corners neatly turned by hips. The Pub and Kitchen public house

has a particularly attractive curved hip roof following the shape of the corner elevation below.

The traditional roof covering in all zones is Welsh slate. Original Welsh slate is rough-looking with purple hints slightly uneven edges and subtle variations in shade and tone that helps define the richness and texture of the area's character. No. 19 Northumberland Square uses Lakeland slate, which is thicker, with green tones, and laid in diminishing courses (bigger slates at the bottom, smaller at the top). Until recently, Nos. 13 and 16 had the same treatment. This is an important indication of the terrace's age and the rest would also surely have been the same material when built, to retain unity. Ridges vary; many are grey clay; others are red. Valleys are traditionally lead lined.



Welsh slate with grey ridge, Upper Norfolk Street

Eaves are treated in a variety of ways, the simplest being flat timber boards or stepped brick, used on many rear and some front elevations. A variety of simple and more ornate moulded stone cornices are used on the front of most terraces, variations often indicating the break between stages of the terrace's development. Eaves on landmark buildings are more pronounced, most being stone parapets detailed to follow the style of the building, for example, castellated at the Tudor Gothic Former Town Hall, balustraded at the Palladian Church of St. Columba, and pedimented on the Classical Stag Line Building, Business Centre, and The Pub and Kitchen public house. Post-Modern roofs echo the simpler types found nearby, apart from No.111 Howard Street that makes good use of exaggerated timber bracketed eaves to conceal a fourth storey and to emphasise the corner.



Post-Modern detailing at 111 Howard Street

Verges are plain or finished with stone watertabling. Gables on Victorian buildings, mostly in the South Zone, have stone watertabling, shaped kneeler blocks and finials.

Gables on Nos.1-3 Bank Court, a neat Victorian red brick building on Norfolk Street, are repeated to great visual effect along the street in the recent housing inserted there. They are also the key to the shaped gable design on new housing at Union Street and Bedford Court in this zone. A zinc dome at No.111 Howard Street is an ideal punctuation mark on the prominent corner with Tyne Street.



Gable, 1-3 Bank Court

In the North Zone, roof pitch and height are more varied due to the random nature of development there and a higher level of alterations. A large gable at No.6 Albion Road, a former bakery, is a

prominent feature along the street. Most of the late twentieth century development in the North Zone, and elsewhere, has flat roofs.

Much Welsh slate has been replaced over time and other changes made to roofs, discussed below (starting page 45).

### Chimneys

Chimneys are a recurrent traditional feature in the conservation area and help define the lively appearance of its architecture. They add to the roofscape considerably, particularly in the Central Zone and on Howard Street in the South Zone, where the lie of the land makes them visually prominent on the horizon.

On the terraces, main chimneys are placed at the ridge with secondary ones to the rear or on offshots. In the older properties, they are narrow and deep, stretching across the depth of the house, whilst newer chimneys tend to be smaller and squarer. Most are stout and sturdy in appearance with sizeable proportions. The detail varies considerably but most are in brick with moulded tops. Most pots, many of which survive, are cream or red clay.

Chimneys in the landmark buildings are the boldest, often in stone, the most prominent ones being the tall octagonal Tudor Gothic chimneys at the Former Town Hall, and the heavy stone features at No.105 Howard Street and the Church of St Columba. The North Shields Customer First Centre has a square, flat-topped flue. Most of the new build terraces in the South Zone do not have chimneys, which makes the roofscape rather lifeless compared to the restored chimneys around.

Several chimneys have been altered, discussed below (starting page 45).



Chimneys are missed when they are not present

### Dormer Windows and Rooflights

Lit attic space was generally not part of the original design of the terraces, most being designed with – and still having – “clean” roofscapes, particularly to the front. Some were built with a single dormer to the rear, and one or two of the earlier terraced houses in the South Zone have a single vertically proportioned glazed dormer with a curved roof to the front and/or rear. These have been copied and exaggerated in some of the Post-Modern work there.

Rooflights are not a traditional feature of the area’s architecture, but one or two early small frameless “glass slates” can be seen on rear roof slopes and offshoots. Front slopes, and those to the rear or side where they were designed to be seen, would originally have been kept free of rooflights. Where modern ones have been added, they are notable.

Landmark buildings also tend to be free of dormers and rooflights, although some may be concealed behind parapets. The rear range of the Former Town Hall has a series of large half-timbered pitched roof dormers to the rear, suited to its Tudor revival style. The building adjoining the Business Centre on Howard Street is the only other building that makes significant play of attic space in its original design, using a mansard roof and two large brick dormers with glazed cheeks, stone detailing and iron finials.



Dormer at the Former Town Hall, left, and at the building adjoining the Business Centre, right

A significant number of larger intrusive dormers have been inserted, mostly in the Central Zone, discussed below (starting page 45).

### Rainwater Goods

Gutters and downcomers (drainpipes) are generally not prominent features of the architectural design, and many have been significantly altered. In places, however, downcomers add to the

vertical rhythm of the terraces. There are generally two types of gutter: those concealed within the moulded stone eaves, probably lead lined, and gutters applied directly to eaves. In the first type, the downcomer cuts through the moulded eaves; in the second type, where eaves overhang, the downcomer tends to be shaped around them. Downcomers would have traditionally been cast-iron, most probably painted black. Several original or early hoppers survive, being typical square or conical features. Many of the landmark buildings have concealed rainwater systems; one or two have slightly more decorative square-section downcomers.

### Harmony

The variations in architectural detail described in this section are as a result of the incremental development of the area by separate landowners over many decades, and the influence of the town centre location over the types of building that developed there.

There is considerable variation in the architectural treatment of the area's buildings, but nearly all use a consistent architectural vocabulary and palette of natural materials, with an understanding of the contribution it makes to the whole. Particularly in the Central and South Zones, this originally created unified, balanced architecture with a considerable legacy of status and quality.

### **Contribution of Spaces**

#### Northumberland Square's Central Gardens

Northumberland Square's central gardens are pivotal to the conservation area's late Georgian development pattern and are as important to its civic status as the landmark buildings. Indeed, the

relationship between the gardens and the buildings around them is crucial, one providing a setting to the other; the Church of St Columba in particular benefits from this. The gardens are also a rare tract of large green space in the town centre and so should also be prized for their amenity and potential ecological value.



Northumberland Square from the north west

The gardens would originally have been a private communal area of ornamental walks for use by residents of the houses around. Rook's 1827 plan shows the gardens laid out with four entrances, one centrally on each side, and an elaborate symmetrical pattern of curvaceous paths, also shown on the 1st Edition OS (1865). Subsequent OS plans reveal a gradual erosion of this layout from the inside out and, although a 1970s aerial photo (see page 17) indicates a symmetrical layout somewhat reflecting the historic one, today's layout is informal, organic and with no symmetry. Size and shape have also been eroded, with a series of squared notches

taken out on each side (apparently for street furniture outside the gardens) and a long strip taken for pavement outside the North Shields Customer First Centre due to the building's unbalanced siting in the Square.



"Notches" taken out of the gardens' original shape

The gardens today are a simple, pleasant green space making a key contribution to the character of the area. They comprise many mature trees (mostly around the edges with younger ones in the middle), mown grass, a series of sinuous tarmac paths, and one wide, irregular concrete flag path running north-south. South-centre is an octagonal rose bed (the gardens' only formal planting)

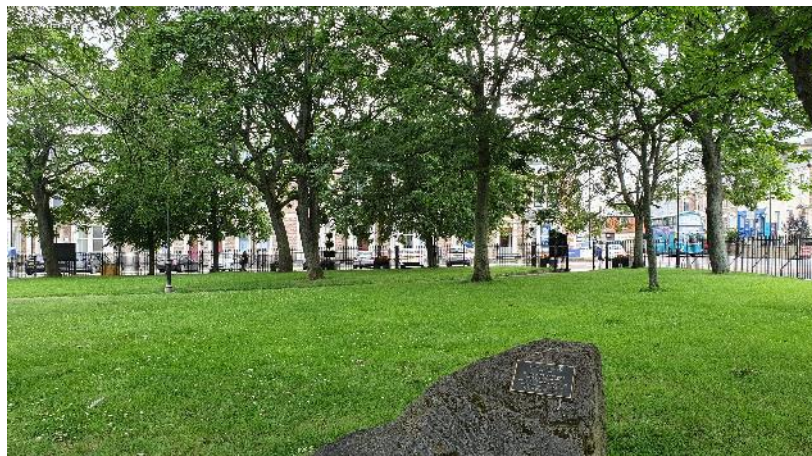
surrounding a recently restored life-size cast statue of a fish wife on a stone and brick plinth, whilst near the north entrance, a large boulder is another commemorative feature. Benches, litter bins and large planters are throughout. The gardens are lit by black Victoriana lampposts and bound by black replica metal railings on a low concrete slab plinth with gates on the north and south sides, and on three corners. The south gateway is emphasised with brick piers and an octagonal paved area outside. Although many people go through the park, they do not always stay to enjoy it. Whilst there are a couple benches and plenty of space for picnics, more seating may encourage people to stay longer, as well as a planted area. The loss of symmetry, original paths, gate positions, railings and plinth have notably reduced the gardens' historical reference – they have a somewhat stripped municipal air to them rather than a high-status civic one. As well as this, attention to some of the street furniture is required, for example repainting the bollards.



Southern entrance

The roads surrounding the Square are frequently used by cars and buses as a popular transport route through North Shields. This coming and going of vehicles can disrupt the tranquillity of the area.

Nonetheless, the (approximate) north-south alignment of entrances, paving and statue reflects that of the whole conservation area, with the statue looking symbolically towards the river. The contribution made by the number and height of the trees is crucial to the gardens' appeal and to their maturity, status and attraction in the town centre, although there may be scope for some thinning of newer specimens to allow for a better appreciation and the health of the more mature trees, and to reflect the historic planting pattern. The gardens are used by shoppers and office workers, and form an attractive route to and from the town centre from the east. They also play host to an annual event in the North Tyneside calendar, the Victorian Christmas Market, when they are filled with a lively array of stalls, fairground rides and a bandstand.



Commemorative boulder and trees within the gardens

### Square outside Stag Line Building

Notionally, the open space at the other end of the area's north-south axis is equally important to its character and history. Despite its pivotal vantage-point position, the square outside the Stag Line building at the foot of Howard Street appears to have originally been no more than a stub turning head at the end of the road (partially built on stilts below). Only during late twentieth century regeneration was it redesigned to give it its own identity as a pedestrian space, paved with a restrained grid of granite blocks, bound to the south by replica metal railings, and emphasised with four flag poles and a huge salvaged anchor and shipping bollard mounted on a stone plinth as a commemorative feature. The small electricity substation sited at an angle on one side makes a positive contribution by helping enclose the space with its neat, Classically-inspired brick skin. Like the Northumberland Square gardens, there are benches and Victoriana lampposts around.



Square outside Stag Line Building



Steps provide access to Liddell Street, in the neighbouring Fish Quay conservation area below. Due to the growth of many mature trees and shrubs growing alongside the steps, this route has become unpleasant and does not appear to be frequently used. From the square, however, these trees add depth to the view and provide a habitat for local wildlife.

As an incidental square, this space now has considerable prominence and is a key link and point of orientation in connecting the town centre and the riverside. Steep banks outside the area to the south and east provide a good green setting, and the flag poles are an inspired addition that reflect the area's civic status, the nautical theme of the riverside below, and anchor views south down Howard Street. The square is regularly used for photography by the Borough Registrar's Office in the adjacent Stag Line building, for which the space also provides an important setting.

### Roads and Pavements

Wide Howard Street is a key space in its own right, linking the two open spaces at either end. In the Central Zone, Howard Street has a scheme of parking bays, tree surrounds, pavements and street furniture. Its symmetrical nature reinforces the street's pivotal axis for the area.

The late twentieth century regeneration in the South Zone saw a similarly high-quality treatment to the lower end of Howard Street, including extensive reclaimed granite setts for parking bays. Here, however, chevron parking on one side of the street has pushed the carriageway off-centre, disjointing the view along the full length of Howard Street and slightly reducing the impact of that single linear

vista. The changing road surface also detracts from the vista as attractive grey setts and slabs alternate with black tarmac.



Reclaimed setts, southern part of Howard Street

Other road and pavement surfaces generally make a poor contribution to the appearance of the area. Most roads are black tarmac; many in the Central Zone are red tarmac extensively patched with black, leaving a confusing and unnecessarily visually prominent character to the road surface. This is compounded where there are extensive road markings, particularly intrusive on the west side of Square.

Pavements are a random mix of grey concrete flags (a reference to what are likely to have once been stone flags), tarmac and concrete patches. Kerbs are mostly standard concrete. Back lanes have also

lost their original setts and are now a patched collection of concrete and tarmac with little merit.

Young street trees make an important contribution to the ceremonial, high status nature of the upper half of Howard Street. A row outside the former Town Hall emphasise this important location, repeated on Norfolk Street where they begin to reverse its misleading 'back lane' character.



Street trees on Norfolk Street

Lampposts are tall black pastiche features in the Central and South Zones; more standard examples are found in the North Zone. A not-so-common double letterbox sits smartly on the corner of Upper Camden Street and Northumberland Square. A few historic road nameplates survive: rare details that should be retained.

There is a considerable amount of other street furniture in the conservation area – parking and road signs, finger posts, plastic planters (which tend towards clutter unless actually brimming with plants), ticket machines, bollards (particularly on Howard Street), various litter bins, grit boxes, barriers, bike stands and bus shelters – much of it black and gold pastiche Victoriana in style, and much being ad hoc in nature and position. In addition to this, much of the furniture requires maintenance.



Street furniture throughout the conservation area

### Central Zone's Front Gardens

Originally prominent, but now badly eroded, are front gardens to the terraces around the Square and along Howard Street. Short but important, these gardens were once an integral part of the original domestic character of each house, providing a green setting to the terraces, and setting this high-class development apart from the surrounding, tighter back-of-pavement terraces. They would originally have been bound and divided by iron railings and stone plinths. The one or two that survive as green gardens still make a positive contribution as historic fragments and can be attractive spaces in their own right. Even where they are no longer green, garden divisions are an important historic reference to the grain of the area, as well as containing some historic railings (one or two on Howard Street) and stone plinths.



Green garden and historic railings on Howard Street

The west side of the Square has some complete carved stone gate piers and stone plinths with replica railings. The north side has a few surviving carved stone piers (including three unusual slender ones at Nos. 19-20). Nos. 2-12 Howard Street, a recreation of the Central Zone's terraces in the South Zone, use modern railings in a traditional way to bound and divide their notional gardens.

Most gardens in the Central Zone, however, have now become completely eroded to become blank forecourts or essentially part of the pavement.

### Back Yards and Internal Courtyards

Like front gardens, divisions between back yards indicate the grain of the area and provide a degree of setting to the buildings. Also like front gardens, they have been extensively eroded. However, where they survive in groups, something of the original character of back yards can be seen. The heavy stone gateway behind No.16 Northumberland Square is a particularly precious remnant of the terrace's original rear garden setting. Several trees on back yard boundaries on the north and east sides of the Square are also a reminder of the conservation area's attractive residential beginnings.

Few of the landmark buildings leave enough room for yards. The former Town Hall's internal yard was attractively redesigned as a dining court during the building's recent restoration.

The created internal courtyards of the South Zone are lively and inviting with an informal mix of brick, tarmac and block surfaces, joinery and brick boundaries, and some planting. Although historic

plot divisions have gone, these courtyards now make an attractive contribution to the Post-Modern regeneration of the South Zone.



Modern created courtyard, Norfolk Street

### Other Spaces

Field House's gardens and trees are an important reminder of its early, low density origins, the orientation originally taking advantage of the southerly aspect before development around it increased. The trees (protected with TPOs) are an attractive counterpoint to the large open space opposite.

Other modern additions to public open space, such as the area outside of Howard House (outside of the conservation area boundary), also add positively to the surrounding area.

### **Atmosphere**

The conservation area's character is gained not only from the built fabric and spaces around them, but also the atmosphere they create. The area's buildings and spaces generate particular types of social use that combine to create a stimulating mood and rhythm to the place – the Customer First Centre, the daytime peak of commercial busyness, the town centre traffic passing through, and the social, religious and civic gatherings in landmark buildings. The grandness and status of the area's layout and many of its buildings create a prestigious, public feel to the place, of an urban quarter with considerable status, albeit a status that has demonstrably slipped from "grand civic" to "municipal" over time. Civic pride that recognises this should be generated and nurtured.

Due to the number of trees, principally in Northumberland Square's gardens, the feel of the place is also heavily influenced by the seasons. A cold winter's morning waiting for a bus in the Square can feel very different from a warm summer's afternoon heading down Howard Street for a gaze out along the river. Trees also contribute pleasing sounds to the experience of the area – bird song and the rustling of leaves – which are a rare respite in a busy urban environment.

In this way, the buildings, spaces, streets and their use combine to generate an area of considerable attraction with an inherently appealing atmosphere. This overall status is however, challenged in the Central Zone and North Zone by the level of alteration and loss to some of the buildings, giving parts a down-at-heel tone.

## Loss, Intrusion and Damage

### Neutral Parts

Parts of the North Zone are neutral in character, particularly some of the more altered development along Albion Road and Church Way. Although this development is essentially historic in nature, the changes affected here have robbed the buildings of all but a few hints of their original character. However, much of it is superficial and is reversible. Re-drawing the conservation area to exclude some of these buildings would make the boundary less coherent to the north and would lead to selective protection to the street scene and of development in the blocks behind.



Properties altered over time retain the potential to be restored

Whilst the form, style and particularly the position of the North Shields Customer First Centre are intrusive, its scale and height (at

the front at least) are no more out of place than the Church of St. Columba opposite. Its bulk does squat rather unkindly in the corner of the Square, and its materials and detailed design are indeed uncompromising, but its use does at least make a key contribution to the civic importance of the area.

The green space at the junction of Northumberland Square and Suez Street is, in theory, a gap site that should be filled with a building to provide a strong corner to the development pattern to match those elsewhere around the Square. However, like the North Shields Customer First Centre and Stephenson House (see below), its development is stifled by the railway tunnel beneath – foundations for a sizeable building here may be difficult to engineer. Consequently, it is laid out as simple gardens with trees, grass, municipal planting and boundary railings, and is a pleasant corner.

### Negative Parts

One building inside the conservation area, Stephenson House, is illustrative of several other negative buildings and sites just beyond the boundary, all of which harm the area's character and appearance. Their appropriate redevelopment – were that ever viable – would provide the opportunity for significant enhancement of the area's gateways and boundaries.

Stephenson House has a form, scale, height, style and materials firmly at odds with the prevailing pattern and character of the area. This intrusive five storey flat-roofed office block is a typically ill-mannered late twentieth century intrusion that pays little attention to its surroundings, preferring to make a statement of its own rather than integrating sensitively into the neighbourhood. Like the North

Shields Customer First Centre, its exact siting is guided by the railway tunnel beneath, leaving a blank car park outside that bleeds across the exposed back lane behind, creating a weak corner to Suez Street. Outside the boundary, this arrangement is repeated twice on the opposite side of Suez Street (Unicorn House and, most intrusively for the Square, Northumbria House) as well as at several other locations to the west of the area (for example, the Beacon Centre). Unlike the integrated landmark buildings of the nineteenth and early twentieth centuries, such buildings do not respect the area of which they are part.

Two other smaller but intrusive boxy buildings are similarly out of place – Nos. 76-78 Church Way and Nos. 75-79 Howard Street.

There are gap sites outside the boundary, along Norfolk Street, where the strong townscape edge has been destroyed by the wholesale clearance of terraces several decades ago.

### Incremental Change and Harm to Unity

Comprehensive change of use away from residential to commercial described above, plus later economic pressures, have been partially responsible for a marked incremental change to architectural features, detailing and materials:

- loss and replacement of original architectural details,
- inappropriate designs, materials and methods for repairs, alterations and new work.

The area is characterised by terraced buildings and gardens that rely on unity for their character and appearance. Even though they were developed incrementally, the area's terraces were designed with an inherent uniformity which was intended to give consistency and balance to the street, creating a whole that is always greater than the sum of its parts. This harmony can be easily damaged through loss or change that alters the intended balance along the street, emphasising individual buildings or parts of buildings to the detriment of the whole terrace.

Many of these incremental changes have entirely changed the appearance of some individual buildings – mainly re-frontings in the Central Zone. In basic terms, all of these have harmed the unity of



Stephenson House and car park, left, and its uncompromising scale, right



Unicorn House, left, and Northumbria House, right

the area by making individual buildings stand out to the detriment of the terrace. Most of the Edwardian and Art Deco ones are of sufficient architectural quality to be of interest in their own right, whilst most of those in the last 20-60 years have involved low quality work, synthetic materials, and now discredited approaches, leaving inherently unattractive façades. In several spots, these changes have accumulated to weaken the character and appearance of the area, and at the north end of Howard Street, have comprehensively distorted it. The most intrusive examples are Nos. 49-51, 54-59 and 62-67 Howard Street, and No. 3 Northumberland Place.



Unattractive work that has harmed the unity of the terrace, Howard Street

Some changes took place before the conservation area was designated in 1975, others may have been given consent in less conservation-minded times, and some have been as a result of

permitted development rights, i.e. works that do not require planning permission.

The continued maintenance of buildings is also an important factor. Although it is not something that can always be directly controlled through the planning system, buildings that are poorly looked after are detrimental to the character and appearance of the conservation area. This is not a widespread issue, but there are some properties that are in need of attention.

It will be important to curtail harmful changes to prevent damage continuing, whilst most existing changes could be reversed over time to restore the architectural and historic qualities that give the area its distinctive character. This would be more easily achieved with detailed guidance and incentives.

#### Loss and Replacement of Original Architectural Details

Some original architectural features that helped define the special interest of the area have been lost incrementally over time. The main losses have been:

- Several enlarged or repositioned window and door openings, and some full-width shopfront windows inserted in ground elevations, which distort the architecture of the building and harm the unity of elevations in the terrace.
- Loss of original front doors, which have been replaced with a variety of modern timber doors in mock reproduction or modern styles that have an insubstantial appearance compared to traditional solid panelled features or replaced in PVCu or with metal and glass “shop” doors.



Inserted shopfront that does not respect the architecture of the building, Northumberland Place

PVCu “glazing bars” are often false strips superimposed onto glazing with a flat, flimsy appearance. PVCu does not take on the patina of time like timber. The result will almost always harm character and appearance. The same is true of “fake” sash windows (top-hung casements) that rarely reflect the particular style of the building. These and other modern window styles, including small top opening lights and those with horizontal proportions, often have clumsy, chunky proportions and are often placed flush with the face of the building rather than being set back into an appropriate reveal, thus losing depth and shadow to the building’s architecture.

- Widespread loss of original windows, replaced with either modern timber or PVCu casements or chunky sashes. The effect that fenestration has on a building’s character and appearance should not be underestimated. Even slight changes to details (such as glazing bar profile or width) can dramatically alter the character and appearance of a building. This can be true if one in a set of windows is changed or if it is repeated across a whole façade. The visual effect of modern materials and inaccurate designs is invariably jarring against a well-aged building in natural traditional materials. The success of PVCu windows that attempt to copy the design and proportions of traditional windows depends on the width and profile of the frames. It is generally the case that PVCu frames are thicker and more angular than timber ones, and cannot accurately incorporate details like mouldings, horns, beading and stained glass.



PVCu windows with flat, flimsy glazing bars and chunky frames, left, compared to traditional timber windows on the right

- Some loss and replacement of timbers on some historic shopfronts that have flattened their appearance, and the



addition of deep plastic fascias, internally illuminated box fascia signs, external roller shutters with shutter boxes, and a few wholesale replacement modern shopfronts, all of which are intrusive features detracting from architectural character and often visually dislocating the shopfront from the rest of the building above.

- Some loss of chimneys that have been removed, capped or dropped in height, harming the contribution they make to the unity of the terraces and the appearance of the roofscape.
- Widespread replacement of iron rainwater goods (including hoppers and downcomers) with plastic ones which, in a few places, affects the contribution they make to the architecture's vertical rhythm.

Such losses of traditional features have accumulated over time to weaken the character of the area in some places and generally begin to erode its special local architectural and historic interest.

### Inappropriate Designs, Methods and Materials

There have been many cases of repairs, alterations and new work using designs, methods or materials that are inappropriate to the area's special local architectural and historic interest. Most of these have not required planning permission or were given consent in less-conservation-minded times. The most harmful of such changes are:

- Several added and enlarged offshots with widths, heights, forms, materials and detailing that do not reflect the main building and that harm the three dimensional designed balance between buildings, offshots and yards.
- Marked use of render, tile cladding, pebbledash or masonry paint to brickwork on main façades. This conceals the historic brickwork that defines the character of the area's buildings, and makes individual buildings stand out visually, to the detriment of the harmony of the terrace (as well as possibly harming the fabric of the building in the long term).
- Widespread painting of sandstone detailing, including bay windows, sills, string courses and door surrounds. This destroys the rich historic patina of time that characterises mature unpainted sandstone, and which, depending on the use of colour, can also make individual buildings stand out visually to the detriment of the harmony of the terrace.



Modern shopfronts with large windows and fascias that harm the buildings' appearance



Painted sandstone sees the loss of the rich, natural material and harms unity

glass slates. Modern rooflights are often placed eccentrically on the roof slope with no reference to the fenestration below and sit proud of the roof plain interrupting the unity provided by the roofscape.



An unsympathetic boxy dormer on the left. The dormer on the right is more appropriate but is joined by rooflights that although small, disrupt the roofline

- The replacement of British slate with artificial slate (that are usually thinner with a flat, shiny appearance at odds with the rich texture of natural slate) or concrete tiles (that are wholly different to slate in shape, size, texture, pattern and colour as well as often being heavier and so possibly causing the roof structure to sag in the long term).
- The addition of dormer windows, in boxy, modern designs with flat roofs. These are often placed eccentrically on the roof slope, interrupting the unity provided by the roofscape, or are full width and rise from the wall head, essentially removing all roof slope.
- Several added Velux-style rooflights that are larger and greater in number than traditional small metal rooflights or

- Unsympathetic access ramps that have altered the rhythm and feel of Howard Street. Whilst important to provide good access for all, it is necessary that the design respects and is sympathetic to the conservation area.
- Brick and stone for repairs and alterations that is poorly matched in size, colour, texture or bond, leaving visual scarring on façades.
- Poorly finished or badly matched pointing that can significantly alter the appearance of brick buildings, by making the pointing more visually prominent.
- Several added metal fire escape stairs that are inherently unattractive features and add to the visual clutter of the rears, when viewed along back lanes.

- Commercial signage, some of which is placed at odds with the architecture of the building and can be oversized and brash in appearance.



Excessive, poorly placed signage has a harmful affect

Such inappropriate changes have accumulated over time to weaken the character of the area in some places and generally begin to erode its special local architectural and historic interest.

### Erosion of Backyards and Central Zone's Front Gardens

The contribution that the Central Zone's front gardens made to the appearance of the area has been extensively eroded. Nearly all have been put over to hardstandings, replacing green nature with flat hard surfaces. Nearly all original iron boundary railings are gone

(most presumably removed during the Second World War as so many reputedly were), as have divisions between gardens. Where there are boundaries, many are an ad-hoc range of non-matching, mostly modern materials that harm the unity of the terraces and reduce the overall attractive appearance of the area (for example timber fences, bricks, blocks, flimsy-looking replica metal railings in pastiche designs, etc.).

Most of these changes have occurred at houses converted to commercial use, where parking, steps and ramps have been inserted instead. This is most intensely felt on the east side of Howard Street where almost any notion of front gardens have been eradicated. Boundaries and subdivisions on the north and east sides of the Square have been comprehensively eroded, most damaging to the setting of the buildings.



Complete loss of front gardens, Howard Street

Rear and dividing walls to back yards have also been eroded, though less comprehensively. Most walls have gone from Howard Street's west back lane and the west and north sides of Northumberland Square. Most dividing walls are also gone or

significantly reduced in length. Where rear walls are missing, yards and back lanes tend to merge into large featureless expanses of tarmac with no character, some of which are quite visually prominent (for example, behind the east side of the Square, in stark contrast to the attractive courtyards of the South Zone).

## Management

Change is an inevitable component of most conservation areas; the challenge is to manage change in ways that maintain and, if possible, strengthen an area's special qualities. The character of conservation areas is rarely static and is susceptible to incremental, as well as dramatic change. Some areas are in a state of relative economic decline and suffer from lack of investment. Often, the qualities that make conservation areas appealing also help to encourage over investment and pressure for development in them. Positive management is essential if such pressure for change, which tends to alter the very character that made the areas attractive in the first place, is to be limited.

Proactively managing Northumberland Square conservation area will therefore be an essential way of preserving and enhancing its character and appearance into the future. Historic England advise using management plans/strategies as a way to manage development pressure and neglect, whilst ensuring the conservation area retains its inherent qualities<sup>4</sup>. A Management Strategy is currently being prepared for this conservation area that will look to set out a framework for preservation and enhancement based on the elements of special character and appearance, and threats and opportunities, discussed in this Appraisal.

Management topics that could be addressed in any management document for this conservation area are briefly discussed below. In addition, issues that relate to all conservation areas in the Borough should be applied to this one, including Borough-wide Local Plan

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<sup>4</sup> Conservation Area Appraisal, Designation and Management Second edition, Historic England Advice Note 1 (2019) Historic England

policies, dealing with enforcement, agreeing a way of monitoring change in the area, agreeing processes for decision-making and community consultation, and addressing the availability of resources to deal with all management issues.

## Regeneration

The Central Zone and North Zone have for some time now been ideal for a comprehensive, partnership-led, restoration initiative, based on capital grant aid and comprehensive public realm improvements.

North Tyneside Council are currently pursuing a range of regeneration initiatives within North Shields, guided by an overall masterplan. The most relevant for this area is the High Streets Heritage Action Zone (HAZ) funding that has been awarded by Historic England, in response to a bid by the Council. The HAZ programme, which will run from April 2020 to March 2024, aims to support physical improvements to the historic and built environment, which in turn would facilitate more varied and vibrant uses for the area, including cultural, leisure and tourism uses. A key focus is for community participation in the implementation of the HAZ programme and for increased understanding of and involvement in the heritage and culture of the area.

There are several good comparators for regeneration in the sub region, the most obvious being the approach taken in the South Zone in the late twentieth century.

## Boundary Review

A boundary review of the conservation area should be a high priority. As discussed under Setting and External Relationships from page 8, much of the immediate surroundings are ordinary but there are some opportunities for review that would serve to rationalise the boundary and include some strong features.

A boundary review should focus on Union Street where the boundary randomly cuts through the centre of Bedford Court due to the development occurring after the conservation area was designated. Extending the conservation area to Bedford Street would be ideal as it would protect views of the Fish Quay and maintain the existing high standard of design.

The boundary could also be extended to include Camden Street and the associated part of Saville Street. This could result in a more coherent reflection of the historic development pattern. It would also include locally significant buildings and development of a high standard, such as the modern Howard House and its public space, and the Magnesia Bank public house. The presence of several interesting buildings with strong townscape presence around Norfolk Street and the associated part of Saville Street means this area could also be worthy of inclusion in the conservation area.

Any proposal to change the boundary would require a full public consultation.

## Buildings at Risk

Work is close to completion on the reuse and restoration of Nos. 13-16 Northumberland Square and development of the gap site to

the rear, meaning those buildings previously identified as being most at risk within the conservation area by the Council are now being rescued.

Nevertheless, there are several other buildings in the area, some listed, some not, that are in poor condition. The Council need to keep the occupancy and condition of buildings in the area under review and consider a strategy to tackle any issues that arise. This should be tied to a regeneration strategy for the area.

## Site Specific Design or Development Briefs

Site specific briefs would be most appropriate for the gap site on Norfolk Street just outside the conservation area and, should the opportunity for redevelopment ever exist, for Stephenson House within the boundary. The briefs should clearly set out the characteristics of the conservation area to which new development should respond, and define the constraints created by the spatial and character traits of the site and area. Briefs would best be prepared in conjunction with a wider regeneration initiative for the area.

## Thematic Policy Guidance

Specific guidance for this conservation area could be beneficial as a proactive way of managing future change. The guidance should ideally focus upon providing appropriate, positive guidance to address those issues identified under the Loss, Intrusion and Damage section of this document.

### Trees, Green Space and Public Realm

A comprehensive restoration plan for the Square could be prepared, based on historically-informed design and planting, combined with an understanding of its modern-day contribution to the civic identity of the town. This is an aim of the HAZ programme. Long term consideration should also be given to how roads, pavements, kerbs, back lanes and street furniture, etc. could be preserved and enhanced, and integrate the area with its surroundings.

An agreed approach to managing trees in the public realm should be a positive step to protecting them well into the future. A review of existing Tree Preservation Orders should also be completed.

### Article 4 Directions

The General Permitted Development Order (GPDO) automatically grants planning consent for a range of developments to properties<sup>5</sup>. These are known as permitted development rights (PDRs). PDRs are slightly more restricted in a conservation area for some types of development. However, this still does not prevent various developments being carried out which, over time, can combine to harm the area's special interest.

The GPDO allows the Council to remove harmful PDRs using an Article 4 Direction<sup>6</sup>. This means consent would be needed for certain developments at properties covered by the Direction. Article 4 Directions are most commonly used in conservation areas on dwelling houses, which benefit from the majority of PDRs relating to

appearance. There are few dwelling houses in the conservation area and so an Article 4 Direction for this purpose may not have much effect. More relevant to this conservation area are PDRs that relate to changes of use<sup>7</sup>. These have become increasingly more flexible in recent years and have the potential to continue to. Many town centre uses are able to change to another (for example, shop to a restaurant and vice versa) without planning permission. Such PDRs can have a marked effect upon the function and character of an area and may be of particular concern in light of the implementation of the HAZ programme.

Being aware of the existence of PDRs and the effect they may have upon the character and appearance of the conservation area is important, with a view to consider an Article 4 Direction if potential for harm is identified.

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<sup>5</sup> Town and Country Planning (General Permitted Development) Order 2015, Article 3

<sup>6</sup> Town and Country Planning (General Permitted Development) Order 2015, Article 4

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<sup>7</sup> The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020

## Other Information and Guidance

### Other Heritage Designations

The following heritage designations are found within the conservation area. For information on what these designations mean, please visit: <https://historicengland.org.uk/>

0	Scheduled Monuments
16	Listed Building entries
2	Locally Registered Assets
1	Tree Preservation Orders
0	Article 4 Directions

### Listed Buildings

Entries on the Statutory List of Buildings of Special Architectural or Historic Interest cover the whole building (including the interior), and other buildings, walls and structures in the building's curtilage. The Council has a statutory duty to ensure the special interest of these buildings is protected.

Name	Grade	Date Listed
1 Howard Street (Stag Line Building)	II	24/10/1985
25 Howard Street	II	19/02/1986
Salvation Army Citadel (Scotch Church)	II	19/02/1986
Baptist Church	II	19/02/1986
Borough Treasurer's Department	II	19/02/1986
Borough Treasurer's Dept and Magistrates Court	II	19/02/1986
Corner building of Borough Treasurer's Dept	II	19/02/1986

97 Howard Street	II	19/02/1986
98, 99 and 100 Howard Street	II	19/02/1986
105 Howard Street	II	19/02/1986
106 Howard Street	II	19/02/1986
1-5 Northumberland Place	II	24/10/1950
12-20 incl. 17a Northumberland Square (No.12 incl. No.1)	II	24/10/1950
Church of St. Columba	II	23/12/1971
Field House, 1-5 Stephenson Street	II	27/04/1978
Wall and piers to east of Field House	II	27/04/1978
North Shields Mechanics Institute and Free Library	II	05/04/2013

### Local Register

North Tyneside Council has a register of buildings and parks that are of local architectural and historic interest (the local register). The entries are of local importance. Unlike nationally listed buildings, local register status does not put any extra planning constraints on a property; rather it would be a material consideration if a development was proposed (i.e. the historical and architectural quality of the building would be taken into consideration when the planning officer was making their decision). To aid decision-making, the Council has adopted the Register of Buildings and Parks of Local Architectural and Historic Interest Supplementary Planning Document (SPD) in 2018.

The following are included in the local register:

Name and Address	Relation to conservation area
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The Pub and Kitchen, 13-14 Albion Road	Within CA
Northumberland Square gardens, Northumberland Square	Within CA
Garricks Head, 44-52 Saville Street	Adjacent to CA
Old Post Office, 63 Saville Street	Adjacent to CA

### Tree Preservation Orders

North Tyneside Council protects trees by making Tree Preservation Orders (TPOs). A TPO aims to protect trees that make a significant contribution to the visual amenity of an area. The Local Planning Authority can make a TPO in respect of a tree, group of trees or woodland. The effect of a TPO is to make it an offence to carry out most works to trees without the Local Planning Authority's consent.

Name	Trees	Species
Field House, Stephenson Street, North Shields, Tree Preservation Order 1993	Seven	ash, elm, lime, sycamore

### Article 4 Directions

Under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015, Article 4 Directions can be imposed in conservation areas. These mean that certain works that could previously be carried out without planning consent would require planning permission.

There are currently no Article 4 Directions in the Northumberland Square conservation area.

### County Historic Environment Record Entries

The following entries from the Tyne & Wear Historic Environment Record (HER) are within, or partly within, the conservation area boundary. The HER is held by the Tyne and Wear Specialist Conservation team.

Records for these entries can be viewed at

<https://www.twsitelines.info/>

No.	Site Name	Period	Site Type
4568	North Shields, Metcalf's Ropery	post medieval	ropery
4570	North Shields, Scotch Church	early modern	non-conf. church
4571	North Shields, Methodist Chapel	early modern	Methodist chapel
4572	North Shields, Secession Church	early modern	non-conf. church
4576	North Shields, Ranter's Chapel	early modern	non-conf. church
4578	North Shields, Baptist Chapel	early modern	Baptist chapel
4584	North Shields, Town Hall	early modern	town hall
6929	North Shields, Chirton Colliery (Shields Colliery)	post medieval	colliery

### North Tyneside Local Plan Policies

The most relevant local planning policies relating to this conservation area are S6.5 *Heritage Assets*, DM6.6 *Protection, Preservation and Enhancement of Heritage Assets* and those within the North Shields Area Specific Strategy. Other Local Plan policies may also be relevant, including those on housing, design, local retail centres, advertisements and highways. More information can be found at <https://my.northtyneside.gov.uk/category/1130/local-plan>

### **The Implications of Conservation Area Status**

The Local Planning Authority has a statutory duty to pay special attention to the desirability of preserving or enhancing character and appearance of conservation areas in exercising their planning powers. In particular, the local authority has extra controls over the following in conservation areas:

- demolition,
- minor developments,
- the protection of trees.

### Demolition

Outside conservation areas, buildings that are not statutorily listed can be demolished without approval under the Town and Country Planning Act 1990 (as amended). Within conservation areas, the demolition of unlisted buildings requires planning consent. Applications for consent to totally or substantially demolish any building within a conservation area must be made to North Tyneside Council or, on appeal or call-in, to the Secretary of State.

Generally, there is a presumption in favour of retaining buildings that make a positive contribution to the character or appearance of the conservation area.

### Minor Developments

Within in a conservation area, legislation<sup>8</sup> states that there are certain cases where permission must be obtained before making alterations that would normally be permitted elsewhere. This is to ensure that any alterations do not detract from the area's character and appearance. The changes include certain types of exterior painting and cladding, roof alterations including inserting dormer windows, and putting up satellite dishes that are visible from the street.

Under Article 4 of the same legislation, there can be further measures to restrict other kinds of alteration that are normally allowed under so-called "permitted development rights". These measures, called Article 4 Directions, can be selective in the buildings they cover within the conservation area, and the types of restriction they impose depending on how they might affect key building elements and so character and appearance. These Directions effectively control the proliferation of relatively minor alterations to buildings in conservation areas that can cumulatively lead to erosion of character and appearance over time. Development is not precluded, but selected alterations would require planning permission and special attention would be paid to the potential effect of proposals when permission was sought.

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<sup>8</sup> The Town and Country Planning (General Permitted Development) Order 2015 (as amended)

Examples might be putting up porches, painting a house a different colour, or changing distinctive doors, windows or other architectural details. The Local Authority has to give good reason for making these restrictions and must take account of public views before doing so. There are currently no Article Directions in place in this conservation area.

To many owners, any extra considerations needed regarding works to their property are more than outweighed by the pleasure they derive from living in such an area.

### Trees

Trees make an important contribution to the character of the local environment.

Anyone proposing to cut down, top or lop a tree in a conservation area, whether or not it is covered by a tree preservation order, has to give notice to the local planning authority. The Authority can then consider the contribution the tree makes to the character of the area and if necessary, make a tree preservation order to protect it.

## Sources and Further Reading

The following sources were used in the preparation of this appraisal.

- Local Plan, North Tyneside Council, July 2017
- History of Shields, William Brockie, 1851
- Wor Canny Toon, J Wallace Black, 1926
- The Buildings of England: Northumberland, John Grundy et al, Penguin Books, London, second edition, 1992
- The Archive Photograph Series: North Shields, Eric Hollerton, 1997
- The Archive Photograph series: Around North Shields, Eric Hollerton, 2000
- Memory Lane: North Shields, John Alexander, 2002
- Northumberland Place-Names, Stan Beckenstall, Butler Publishing, Morpeth, 2004
- Sitelines, the Historic Environment Record website of Tyne and Wear, <http://www.twsitelines.info>
- The Buildings of England: Northumberland, Nikolaus Pevsner, Ian Richmond, second edition, 2002
- North Tyneside Council website, [www.northtyneside.gov.uk](http://www.northtyneside.gov.uk)

Other websites that may be of interest include the following:

- <https://historicengland.org.uk/>
- [www.buildingconservation.com](http://www.buildingconservation.com)
- <https://www.victoriansociety.org.uk/>
- <https://georgiangroup.org.uk/>
- <https://c20society.org.uk/>

- <https://www.nandnsociety.org.uk/>

## Glossary

### Masonry

**Bond:** The way the bricks or stones are arranged in building, a wall, etc. Common examples are Flemish bond, English garden wall bond and stretcher bond.

**English garden wall bond:** Three or four rows of bricks laid with the longer side showing (stretchers), alternating with single rows with the headers showing.

**Flemish bond:** The bricks in each row alternate header and stretcher. The header in each row will be over the middle of the stretcher of the row below.

**Gable:** The part of the wall that fills the end of a pitched roof, often triangular or peaked in shape. Sometimes capped by coping stones to protect the top of the wall from the weather.

**Header:** The end or shortest face of a brick.

**Kneeler:** A large stone on the top corner of a wall and base of the gable that supports the coping stones of the gable and stops them sliding off.

**Pier:** A large support made of masonry, often associated with gates.

**Polychromatic:** Of more than one colour. Seen in some of the brick work in the late twentieth century housing in this conservation area.

**Quoin:** Dressed stones at the angles of a building. They may be alternately long and short. Pronounced "coin".

**Stretcher:** The longest side of a brick.

**Stretcher bond:** Bricks arranged so that all the rows show the long side of the brick. In each row the bricks will lie across the joints between the bricks in the row below.

### Doors

**Door surround:** A decorative element or structure around a doorway

**Overlight:** A horizontal opening over a door or window.

**Pediment:** A formalised gable, derived from that of a temple, that can be used over doors.

**Tuscan surround:** A door surround in the Tuscan style. Tuscan is a style of classical architecture, regarded as the least ornate.

### Windows

**Apron:** Raised panel below a window, sometimes shaped and decorated.

**Horn:** projections of the side frames of the sashes, devised to strengthen them, following the introduction of heavy plate glass.

**Lintel:** Horizontal beam or stone bridging an opening.

**Mullion:** Vertical member between the lights in a window opening.

**Oriel window:** A window that projects from the wall. Unlike a bay window it overhangs so needs to be supported in some way.

String course: A continuous narrow horizontal course or moulding which projects slightly from the surface of a wall and can be an appropriate decorative accompaniment

Transom: A horizontal member between the lights in a window opening.

Window reveal: The side of an opening for a window, or door, between the frame and the outer surface of a wall, showing the wall's thickness.

### **Roof Details**

Bracket: A projecting angled or curved form used as a supporting feature under an eave line or raincap, usually decorative.

Catslide roof: A pitched roof covering one side of a building and continuing at the same pitch over a rear extension.

Gable: The part of the wall that fills the end of a pitched roof, often triangular or peaked in shape. Sometimes capped by coping stones to protect the top of the wall from the weather.

Finial: Decorative top most feature that can be found above a gable.

Kneeler: A large stone on the top corner of a wall and base of the gable that supports the coping stones of the gable and stops them sliding off.

Verge: The top edge of a roof at the top of the slope often covered by a verge board.

Watertable: feature that consists of a projecting course that deflects water running down the face of a building away from lower courses or the foundation. A water table may be found at a transition between materials, such as from stone to brick.

### **Shopfronts**

Architrave: Moulded frame of a door or window.

Cornice: Moulded ledge, projecting along the top of a building or feature.

Fascia: Plain horizontal band, e.g. in an architrave or on a shopfront.

Pilaster: Flat representation of a classical column in a shallow relief against a wall.

Stall riser: Area below the shop window cill.

### **Miscellaneous**

Balustraded: A rail and the row of balusters or posts that support it, as along the front of a gallery.

Castellated: Battlemented. In the style of a castle.

Downcomer: A connecting pipe, often seen externally. Can be referred to as a downpipe.

Entablature: The upper section of a classical building, resting on the columns and constituting the architrave, frieze, and cornice.

Façade: The face or frontage of a building.

Roundel: A circular moulding, as seen on the Stag Line Building.

Sett: Rectangular blocks of stone, often granite, used for paving.

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## North Tyneside Council Report to Cabinet Date: 30 November 2020

### Title: Procurement of Adult Social Care Services – Various Contracts

<b>Portfolio(s):</b> <b>Adult Social Care</b>	<b>Cabinet Member(s):</b> <b>Councillor Gary Bell</b>
<b>Report from Service Area:</b> <b>Health, Education, Care and Safeguarding</b>	
<b>Responsible Officer:</b> <b>Jacqui Old</b>	<b>(Tel: (0191) 643 7317)</b>
<b>Wards affected:</b> <b>All</b>	

#### PART 1

##### 1.1 Executive Summary:

This report sets out a requirement and seeks authority to put in place contractual arrangements for a range of adult social care services. This follows on from a report that was presented to Cabinet on 29 June 2020 with regard to Adult Social Care Action Plan and set of commercial arrangements to support this and ensure services are in place to secure longer term market sustainability and offer an appropriate social care offer to meet the needs of residents.

The purpose of the report is to seek Cabinet approval to undertake procurement exercises for the award of contracts for the following adult social care services:

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

These are all services that are currently in place and the current contracting arrangements will end over the course of the forthcoming year, the details are set out in the main body of this report. New contracts and framework agreements for each of the above services will need to be procured to ensure continuity of service and provision to support people in the community and in care home placements.

In accordance with Contract Standing Orders 8(4), this report requests approval to proceed with the procurement exercises as the aggregated value of the contracts to be procured will exceed £500,000.

## 1.2 Recommendation(s):

It is recommended that Cabinet authorise the Head of Health, Education, Care and Safeguarding in consultation with the Head of Law and Governance and the Head of Resources to:

### Extra care

- 1.2.1 Undertake a procurement exercise to put in place a framework agreement of providers who are able to deliver the identified services, as outlined in section 1.5.2 of this report; and
- 1.2.2 Following the procurement exercise carried out in accordance with 1.2.1 above, to proceed with the award of contracts to the preferred bidders.

### Day services

- 1.2.3 Undertake a procurement exercise to put in place a framework agreement of providers who are able to deliver the identified services, as outlined in section 1.5.3 of this report; and
- 1.2.4 Following the open procurement exercise carried out in accordance with 1.2.3 above, to proceed with the award of contracts to the preferred bidders.

## 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 16 September 2020.

## 1.4 Council Plan and Policy Framework

This report relates to the following priorities contained within the 2020-2024 Our North Tyneside Plan.

Our People will:

- Be listened to so that their experience helps the Council work better
- Be healthy and well – with the information, skills and opportunities to maintain and improve their health, wellbeing 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 enable to, wherever possible, to be more independent.

Our Places will:

- 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 Care Act 2014 gave local authorities, the NHS and the CQC (Care Quality Commission) clear legal responsibilities for managing different elements of the adult social care market. These include:

- Developing the quality and range of services that local people want and need
- Integrating commissioning of services from the care market with key partners, including the NHS and housing, and ensuring a diverse range of services, so people have choice.

The Authority currently commissions 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 does not deliver these services internally and needs to have robust and proper arrangements in place for services to be procured and available. There are arrangements in place at present for these services and these are coming to an end, there is, therefore, a need to put new arrangements in place and this report sets out proposals and recommendations for new contracts to be put in place. This is to ensure there is sufficiency and continuity of supply to ensure the needs of eligible individuals and the wider population can be met.

The report covers the following services / service areas:

- Extra care;
- Day services.

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

All contracts will be in line with the strategic objectives and the commercial context in which the services operate and these were set out in the Cabinet report on 29 June 2020. For Adult Social Care, these stem from the Our North Tyneside Plan which sets our priorities for supporting vulnerable people to be healthy and well and also that they are cared for, protected and supported. The services support people to be and remain independent and that good quality affordable housing is integral to the extra care offer.

### Strategic Objectives

**Need** – meeting our assessment of need in line with our statutory duty and Joint Strategic Needs Assessment

**Sustainability** – support a sustainable care market which can treat its staff and customers well, and

**Value for money** – ensure there is transparent value for money for the local tax payer and can be accommodated within the Medium Term Financial Plan

### Commercial Context

**Required outcomes** – identifies needs to be met, outcomes required and services to meet those needs and outcomes

**Current market assessment** – the range of providers currently engaged and their characteristics

**Current commercial assessment** – how many providers the Authority contracts with, what is paid and how that compares nationally and locally

**Social value** – the Authority's current social value policy and how that applies to the care market

**Our strategic plans and values** – how providers and the market will contribute to the strategic goals

### 1.5.2 Extra care

This service supports people to live independently in their own homes within designated extra care schemes across North Tyneside and delivers a range of home care / personal care tasks to individuals based on their assessed and eligible needs. Whilst this service is primarily aimed at older people and people with dementia, it does provide support to other client groups as well.

The current extra care schemes in North Tyneside include:

<b>Scheme</b>	<b>Location</b>
Edith Moffatt	North Shields
Homeside Lodge	Wallsend
Linskill Park	North Shields
Rowan Croft	Killingworth
Sandringham Court	North West
Thomas Ferguson Court	North Shields
Fontburn Court	North Shields
Weetslade Court	Wideopen
Crossgates	Wallsend

There are approximately 320 people in receipt of extra care support across the borough with approximately 3,500 hours of care and support delivered per week. This equates to an average of 11 hours per person per week.

The on-site care and support service is currently being delivered by three different service providers. There are variable arrangements in place across these different extra care schemes / services and the proposal here is to set up a framework of providers under one framework agreement.

All extra care providers are registered with the Care Quality Commission as a registered home care agency and are subject to the CQC regulatory process and this includes undertaking inspection visits and publishing inspection reports. The Authority works closely with CQC on all matters relating to service quality and delivery.

The Authority is seeking to undertake a procurement exercise to put in place a new framework agreement from 2021 to 2024 with one option to extend for a further 12 months to 2025. Through the procurement exercise, tenders will be invited and these tenders will be evaluated against quality criteria. The Authority sets the price for this service and all tenderers will be required to comply with the Authority's price as part of the evaluation and award process.

The overall estimated cost of this service over the contract period will be in excess of £500,000 and requires Cabinet approval. Gross spend for 2019/20 was over £3.5 million, which equates to approx. £210 per person per week.

This report seeks authority to establish a new framework agreement of approved providers to deliver home care / personal care services within an extra care scheme and to award contracts to providers that meet the required criteria. Services at each extra care scheme can then be commissioned from this framework as appropriate.

### 1.5.3 Day services

Day services are targeted at supporting people who are not suitable for universal services and those where an individual's main carer is a close family member (often their spouse/long term partner). Many of the people who would attend these services may be at risk of admission to long term care and/or are at risk of carer breakdown. The day service offers support to the individual but often also it gives the main carer a break to allow them to continue their caring role.

Day Services are a cost-effective way of supporting people to maintain social contact and prevent isolation; as well preventing carer breakdown and access to more intensive, more costly services.

The Authority is seeking to procure and operate a framework agreement for the provision of day services in the borough from August 2021 to July 2024, with an option to extend to 2025. Some providers of this service will be expected to offer a service to people who have complex needs.

Until recently there were five older people day service providers delivering services over seven sites; however, one provider has recently served notice on the contract. Services are building based and provide carer respite and also an opportunity for the clients who attend to socialise in a stimulating environment. Providers report that the number of people requiring significant support is increasing, as is the number of people with dementia. Prior to procuring a new framework the Authority will review its requirements and the demand for day services and will also review the numbers and locations of day services so that the structure of the new framework will enable the Authority to commission services to meet these needs and requirements.

People of working age who have a physical, mental health problem or learning disability are supported by fifteen providers who offer building-based services; outreach and one to one support as required. The framework will include support to people with more complex / behavioural needs and will include an element of additional support to meet their individual and specific needs.

Day services are not required to be registered with CQC, however quality monitoring visits are undertaken by the Commissioning Team to assess quality of provision and identify areas for improvement.

The overall estimated cost of this service over the contract period will be in excess of £500,000 and requires Cabinet approval. Gross spend for 2019/20 was around £1.8 million.

This report seeks authority to establish a new framework of approved providers and to award contracts to providers that meet the required criteria.

## 1.6 **Decision options:**

The following decision options are available for consideration by Cabinet

### Option 1

Agree the recommendations set out at section 1.2.

## Option 2

Not agree the recommendations set out at section 1.2 and propose that officers consider other options for delivering this provision.

Option 1 is the recommended option.

### **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

- (a) 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;
- (b) Ensure compliance with procurement regulations, undertake competitive procurement exercises for the various services identified above;
- (c) To ensure commissioning arrangements are current, effective and ensure value for money is in place with those contracts and framework agreements;

### **1.8 Appendices:**

There are no appendices to this report.

### **1.9 Contact officers:**

Scott Woodhouse, Strategic Commissioning Manager Adults, Tel. (0191) 643 7082  
David Dunford, Principal Accountant (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) Report to Cabinet dated 29 June 2020 – Adult Social Care Action Plan

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

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

The commissioning and procurement of Adult Social Care services will need to take full account of the resources and funding available to meet the needs of the target population. The contracts / framework agreements that will be put in place will then have a number of clients linked to them and the cost associated with the contract will be linked to the assessed and eligible needs of the individual and the agreed support plan that is put in place.

Spend for each client group and for each service type will be linked to specific budget lines within the overall Adult Social Care budget. There is provision within the overall Adult Social Care budget and contingencies for these.

Spend against these budgets will be managed through the normal budget monitoring process and reported to Cabinet bi-monthly as part of the financial management reporting of the Authority.

The tenders for the contract for the Day Services service will invite prices to be submitted against the terms of the contract and the specification and the evaluation will take account of the price received. The award of the contracts will therefore be based on price and quality.

Any financial support in relation to the coronavirus pandemic will be subject to separate regime.

Where appropriate, the Provider will be required to work with the Authority to manage the overall demand and service levels that are in place.

The Care Act 2014 provides that when commissioning services, the Authority should be assured and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the well-being of people who receive care and support and allow for the service provider to meet their statutory obligations to pay at least the national minimum wage or the national living wage and provide effective training and development of staff. The Authority should have regard to guidance on the minimum fee levels that are necessary to provide this assurance, taking account of the local economic environment.

## **2.2 Legal**

The contracts and contracting arrangements that will be in place for each of the services included in this report will ensure Authority will comply with the Public Contract Regulations 2015 and the Authority's Contract Standing Orders when procuring each of these services and will seek to achieve value for money in the procurement process.

The Authority also has a duty under the Care Act 2014 to ensure the assessed and eligible needs of individuals are met and this will include meeting those needs via services being commissioned or put in place as set out in this report. The Care Act also places a general duty to promote diversity and quality in the care and support provider market with a view to ensuring that any person in its area wishing to access services in the area has:

- (a) Variety of providers to choose from who (taken together) provide a variety of services;
- (b) Variety of high-quality services to choose from;
- (c) Sufficient information to make an informed decision about how to meet the needs in question.

## **2.3 Consultation/community engagement**

### **2.3.1 Internal Consultation**

The process of establishing a detailed specification for each of the services / service areas included in this report will be undertaken in close conjunction with key colleagues across the Authority.

The process of tender evaluation for the award of contracts / framework agreements will be completed alongside colleagues with specialist knowledge, experience and expertise across the Authority.

### 2.3.2 External Consultation/Engagement

There is continuous engagement with care and support providers, service users and family carers of those who access the services and the NHS for each of the services / service areas identified in this report.

Comments and feedback from individuals with specialist knowledge, experience and expertise will be fed into the procurement process.

As part of the commissioning / procurement process an engagement and communications plan will be developed to include internal and external stakeholders.

### 2.4 Human rights

The proposals contained in this report relate to the following human rights:

- Right to liberty and security;
- Right to respect for private and family life;
- Freedom of thought, belief and religion;
- Freedom of expression;
- Protection from discrimination.

### 2.5 Equalities and diversity

The Adult Social Care contracts stipulate that the Provider(s) will ensure compliance with the 2010 Equality Act and Public Sector Equality Duty and therefore will not unlawfully discriminate against employees or service users with protected characteristics.

The contract also stipulates that the Provider(s) must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities under the Equality Act e.g. implementing Equal Opportunity requirements, and to promote equality and prevent discrimination.

This will be monitored through the quality monitoring arrangements for each of the services.

### 2.6 Risk management

Risks have been considered and evaluated. Actions that could be taken to mitigate identified risks have been identified. During the process of contracting, risks will be discussed, evaluated and actioned as appropriate.

Risks that are specific to service delivery will be identified and included in the service specification.

Any risks associated with the process of putting new contracts in place have been mitigated through the use of the NEPO portal as the mechanism to ensure that an open and transparent procurement process is in place.

### 2.7 Crime and disorder

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



## 2.8 Environment and sustainability

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

### PART 3 - SIGN OFF

- Chief Executive  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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## North Tyneside Council Report to Cabinet Date: 30 November 2020

**Title: Children and Young People’s Plan 2021 – 2025**

<b>Portfolio(s):</b> Children, Young People and Learning	<b>Cabinet Member(s):</b> Councillor Peter Earley
<b>Report from Service Area:</b> Health, Education, Care and Safeguarding	
<b>Responsible Officer:</b> Jacqui Old – Head of Health, Education, Care and Safeguarding	<b>Tel:</b> (0191) 643 7317
<b>Wards affected:</b> All	

### PART 1

#### 1.1 Executive Summary:

- 1.1.1 The purpose of this report is to seek Cabinet’s approval to the initial proposals for the refresh and development of the Children and Young People’s Plan 2021-2025.
- 1.1.2 The Children and Young People’s Plan is a key strategy for the North Tyneside partnership to deliver the priorities set out within the Our North Tyneside Plan, particularly in relation to Our People. It sets out the strategic framework and partnership priorities to ensure that all children in North Tyneside are able to achieve their full potential.
- 1.1.3 The draft plan sets out how the Authority and its partners will work together to achieve its vision for children and young people in North Tyneside, which is:
- “Making North Tyneside an even greater place for children and young people to thrive; where all, including those who are vulnerable, disadvantaged or disabled, are ready for school, ready for work and life, cared for and supported.”**
- 1.1.4 The draft plan then sets out the Authority’s and partners’ priorities to achieve this vision, which are:
1. Ensuring children and young people are living safely
  2. Supporting children to have a healthy early childhood
  3. Narrowing the gap in educational outcomes
  4. Ensuring the right support for children and young people with disabilities and additional needs
  5. Supporting children to be active citizens
  6. Developing resilience, confidence and independence in children and young people

1.1.5 The priorities within the draft plan build on the positive work delivered across the partnership in recent years and are based on a detailed understanding of need across the borough, as well as recognising the impact of COVID-19 on services across all partners.

## **1.2 Recommendation(s):**

It is recommended that Cabinet:

Approves the initial proposals for the Children and Young People's Plan 2021 – 2025 in terms of the priorities and plan to engage with stakeholders, and notes 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.

## **1.3 Forward Plan:**

1.3.1 Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 27 October 2020.

## **1.4 Council Plan and Policy Framework**

1.4.1 The Children and Young People's Plan is one of the Authority's key plans that forms part of the Authority's Policy Framework. Accordingly, this initial report is submitted to Cabinet pursuant to the rules under Part 4.7 of the Constitution for formulation and approval of plans and strategies within the Policy Framework.

1.4.2 The Children and Young People's Plan is a key mechanism by which the Authority delivers the objectives linked to Our People, set out within the Our North Tyneside Plan. It focuses on delivering improved outcomes for all children and young people up to the age of 19 years, and those young people aged up to 25 years who are care leavers, have special educational needs or a disability and live in the borough.

1.4.3 This report relates to the following priorities in the 2020-2024 Our North Tyneside Plan:

- 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.

## **1.5 Information:**

1.5.1 The North Tyneside Children and Young People's Plan 2021-2025 is developed and owned by the Children and Young People's Partnership. The partnership brings together public, voluntary and community sector organisations to improve the lives of the borough's children and young people.

1.5.2 The 2021-2025 plan is the third Children and Young People's Plan that the partnership has produced. The previous Children and Young People's Plan 2014-2018 has

underpinned the delivery of key success and significant service developments and improvements, which include:

- Children’s services were judged Outstanding by Ofsted in March 2020, noting that “strategic partnerships are 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.

1.5.3 Despite the many significant achievements that the Authority has delivered in recent years, there remain many challenges that the Authority continues to be focused on. Alongside the changing need and demand that the partnership expects as a result of the impact of Covid-19, the Authority’s understanding of its challenges and what is important to children and young people have informed the priorities and actions set out in the plan.

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

**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

1.5.5 These priorities and actions have 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 is a central component of the Authority's approach.

## **1.6 Decision options:**

1.6.1 The following decision options are available for consideration by Cabinet

### Option 1

Approve the initial proposals for the Children and Young People's Plan 2021-2025

### Option 2

Cabinet could refer the initial proposals back to officers for further consideration of the relevant issue(s) identified by Cabinet.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

1.7.1 Option 1 is recommended for the following reasons:

- 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.

## **1.8 Appendices:**

None.

## **1.9 Contact officers:**

Jacqui Old, Head of Health, Education, Care and Safeguarding, tel. (0191) 643 7317  
Mark Jupp, Senior Manager, Transformation, tel. (0191) 643 5332  
David Dunford, Senior Finance Business Partner, tel. (0191) 643 7207

## **1.10 Background information:**

The following background papers/information have been used in the compilation of this report:

- (1) [2014-18 Children and Young People's Plan](#)
- (2) [2020-24 Our North Tyneside Plan](#)
- (3) [North Tyneside Council Constitution: Part 4.7 Budget and Policy Framework Procedure Rules](#)
- (4) [The Children and Young People's Plan \(England\) Regulations 2005](#)

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

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

2.1.1 The Children and Young People's plan priorities are aligned with the Our North Tyneside Plan and are consistent with the Authority's existing financial and resource planning priorities.

## **2.2 Legal**

2.2.1 Under the Children and Young People's Plan (England) Regulations 2005 the Authority is required to prepare, consult upon and publish a Children and Young People's Plan and to review the Plan. The Regulations specify amongst other things what should be included in the Plan, how consultation on the Plan should take place as well as the timing and manner of publication of the Plan and how a review of the Plan should be undertaken.

The Children and Young People's Plan is the shared responsibility of Cabinet and Council. As such it is included in Schedule 3 of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and is a function not to be the sole responsibility of Cabinet. Therefore, the Plan forms part of the Authority's Budget and Policy Framework.

## **2.3 Consultation/community engagement**

### **2.3.1 Internal Consultation**

Consultation has been carried out with the Cabinet Member for Children, Young People and Learning and colleagues at all levels across Health, Education, Care and Safeguarding. The initial and final proposals for the Plan will be considered by the Overview, Scrutiny and Policy Development Committee in accordance with the Budget and Policy Framework Procedure Rules contained in the Authority's Constitution. The key dates for consideration are as follows:

- Initial proposal for the plan to be considered by Cabinet on 30 November 2020
- Draft plan to be considered by Overview and Scrutiny on 18 Jan 2021
- Final proposal for plan considered by Overview and Scrutiny on 2 Feb
- Final approval of the plan to be considered by Cabinet on 22 Feb 2021
- Final approval of the plan to be considered by Council 18 March 2021

### **2.3.2 External Consultation/Engagement**

The draft plan and its priorities have been developed through engagement with partners represented on the Children and Young People's Partnership.

The Authority and partners plan to regularly engage with children and young people through a variety of mechanisms and methods, and their views will be central to the development of the Authority's priorities. The Authority plans to continue to work closely with its key stakeholders, families, young people and communities by providing regular updates and opportunities for engagement to share their views on the plan.

## **2.4 Human rights**

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

## **2.5 Equalities and diversity**

2.5.1 The draft plan will contribute to the Authority's statutory equalities duties. It will advance the equality of opportunity for children and young people, with a focus upon those who are experiencing or at increased risk of experiencing vulnerability and / or deprivation. It will also contribute to towards the achievement of the two other key aims of the Equality Act and Public Sector Equality Duty; to eliminate discrimination, harassment and victimisation and to foster good relations.

## 2.6 Risk management

2.6.1 Failure to deliver significant priorities, particularly in the context of the COVID-19 pandemic, could limit the Authority and partnership's ability to improve outcomes for children and young people. Therefore, the draft plan proposes a focus on a smaller number of priorities to ensure the Authority's efforts are focused on the key issues facing children, young people and their families.

## 2.7 Crime and disorder

2.7.1 The partnership's work to reduce risk taking behaviour will incorporate young people engaged in or at risk of becoming involved in offending behaviour.

## 2.8 Environment and sustainability

2.8.1 There are no direct environmental 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



## North Tyneside Council Report to Cabinet 30 November 2020

### Title: Annual Review of Council Policy on Covert Surveillance

<b>Portfolio(s):</b> Elected Mayor	<b>Cabinet Member(s):</b> Mrs N Redfearn
<b>Report from Service Area</b>	<b>Law and Governance</b>
<b>Responsible Officer:</b>	<b>Bryn Roberts – Head of Law and Governance (Tel: 0191 643 5339)</b>
<b>Wards affected:</b>	<b>All</b>

#### **PART 1**

#### **1.1 Executive Summary:**

This report seeks Cabinet’s approval of an updated Covert Surveillance Policy. In accordance with the Statutory Codes of Practice applying to the Regulation of Investigatory Powers Act 2000 (RIPA) the Authority is required to review its use of RIPA and set the general surveillance policy at least annually. The report also explains that there have been no RIPA authorisations granted in the last year.

A copy of the draft Policy is attached at Appendix 1. No amendments have been made to the draft policy from last year’s policy as it remains fit for purpose.

#### **1.2 Recommendation(s):**

It is recommended that Cabinet:

1. approve the Authority’s draft Policy on Covert Surveillance (attached at Appendix 1); and
2. note the use of surveillance by the Authority in the preceding year.

#### **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 30 October 2020.

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

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

Our people will:

- Be cared for and safeguarded if they become vulnerable

## 1.5 Information:

### 1.5.1 Introduction

The Authority's current Surveillance Policy was approved by Cabinet in November 2020 and is subject to annual review. A draft policy is attached at Appendix 1. The draft Policy has been considered by the Regulation and Review Committee and has been referred to Cabinet for further consideration and, if appropriate, approval.

The aims of the Authority's Policy are to:

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

### 1.5.2 The RIPA Shield

The Regulation of Investigatory Powers Act 2000 (RIPA) puts covert surveillance on a statutory basis. RIPA enables certain public authorities, including this Authority, to carry out surveillance operations with statutory protection from legal challenge. It is often referred to as the "RIPA shield".

Three covert investigatory techniques are available to local authorities under RIPA:

- i. the acquisition and disclosure of communications data such as telephone billing information or subscriber details e.g. to tackle rogue traders;
- ii. directed surveillance - covert surveillance of individuals in public places e.g. to tackle criminal activity arising from anti-social behaviour; and
- iii. covert human intelligence sources (CHIS) such as the deployment of undercover officers.

The RIPA provisions may only be used to authorise surveillance activities in order to detect and prevent serious crime and any authorisation is subject to a requirement to seek authorisation from an 'Authorising Officer' and to obtaining judicial approval from a Justice of the Peace before any surveillance is undertaken. The Authorising Officers within the Authority are:

Paul Hanson – Chief Executive; and

Colin MacDonald – Senior Manager, Technical & Regulatory Services

Officers from Law and Governance accompanied by the relevant Authorising Officer will present any authorisation to a Justice of the Peace for judicial approval. All authorisations will be subject to an internal scrutiny process prior to being submitted for such approval.

Local authorities may undertake surveillance for other purposes, but such surveillance will not benefit from the RIPA shield and will leave a local authority vulnerable to challenge. For this reason, all surveillance activity undertaken by the Authority, whether within the RIPA regime or not, must be appropriately authorised by one of the Authorising Officers and is subject to central monitoring and challenge.

### 1.5.3 Central Register

The Authority has a Central Register of all RIPA and non-RIPA surveillance activity. The Central Register is maintained and monitored by Law and Governance.

### 1.5.4 Inspection

Organisations using RIPA are subject to regular inspection by the Investigatory Powers Commissioner's Office (IPCO).

The Authority received a virtual online inspection visit from the IPCO on 7 September 2020. The purpose of the IPCO inspection was to examine the policies, procedures, operations and administration the Authority has in place in relation to the use of directed surveillance and covert human intelligence sources.

The outcome of the inspection was very supportive of the Authority's actions to manage its responsibilities under RIPA. A small number of recommendations were made in relation to the information that is provided to Officers in the Covert Surveillance Employee Handbook to update it and provide further clarity. The Employee Handbook is available to Officers, for reference and guidance in relation to the use of RIPA and covert surveillance, on the Authority's internal Intranet webpages. The update of the Handbook to reflect the recommendations is underway and will be uploaded onto the Intranet as soon as possible. A further recommendation was in relation to training. The inspector recommended that the Authority undertakes as it has in previous years, a training and familiarisation process for Officers who may use covert surveillance as a part of their role. This training will include all members of the Senior Leadership team. The training will be delivered by Officers from Law and Governance who co-ordinate/oversee the use of RIPA and covert surveillance by the Authority.

The Inspector made no recommendations in relation to the Authority's Covert Surveillance Policy and commented that it "is a succinct summary of the approach the Council will take towards the use and management of covert powers".

### 1.5.5 Summary of Use of Surveillance, Acquisition of Communications Data and CHIS

It should be noted that following the changes to the RIPA regime from 1 November 2012, reported to Cabinet in November 2012, there have been no authorisations granted. The ground most commonly used by the Authority for authorising covert surveillance addressing anti-social behaviour was removed on 31 October 2012. Authorisations may now only be sought on the grounds that it relates to the prevention and detection of serious crime. Serious crime is defined as crime punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment, or would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003, section 7 of the Children and Young Persons Act 1933 and sections 91 and 92 of the Children and Families Act 2014. These are all offences involving sale of tobacco/e-cigarettes and alcohol to children.

### 1.5.6 Corporate Responsibilities

The Codes of Practice advise that a Senior Responsible Officer (SRO) should be identified to ensure the Authority has appropriate policies and processes that accord with RIPA and the related Codes of Practice.

The Officer Delegation Scheme places the Senior Responsible Officer role with the Head of Law and Governance. This role is undertaken by in the Head of Law and Governance.

Each Head of Service is responsible for ensuring effective and legally compliant systems and procedures are in place for surveillance work within their Service Areas.

All employees connected with surveillance and handling of evidence are responsible for ensuring that they act only in accordance with their level of responsibility and training and in accordance with this Policy and associated documents. To assist in this an 'Employee Handbook: Use of Covert Surveillance, Covert Human Intelligence Sources and Communications Data', has been prepared. The Handbook provides key information for Officers and directs them towards key sources of detailed guidance. It will be kept under review and revised as necessary to ensure it reflects current procedures and best practice.

If Officers wish to undertake surveillance that falls outside of the RIPA regime they must take legal advice and seek appropriate authorisation. Information regarding surveillance (whether under RIPA or not) must be held centrally by the Senior Responsible Officer to enable the Authority to have an overview of all surveillance activities being undertaken by the Authority.

### 1.5.7 Compliance and Oversight

The Codes of Practice indicate that elected members of a local authority should review 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 is being used consistently in compliance with the Authority's Policy and that the Policy remains fit for purpose.

To meet this policy requirement:

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

## 1.6 **Decision options:**

### **Option 1**

Cabinet may:

1. Approve the Authority's Policy on Covert Surveillance (attached as Appendix 1); and
2. Review and note the use of surveillance by the Authority in the preceding year.

### **Option 2**

Cabinet may ask Officers to revise the draft Policy and/or provide additional information regarding any matters contained in the report.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Approving the Authority's 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.

## **1.8 Appendices:**

Appendix 1: Authority Policy on Covert Surveillance (draft)

## **1.9 Contact officers:**

Stephen Ballantyne, Legal Manager – Governance and Employment (0191 643 5329)  
David Dunford, Acting Senior Business Partner – Strategic Finance (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:

Employee Handbook: Use of Covert Surveillance, Covert Human Intelligence Sources and Communications Data

Home Office Codes of Practice <https://www.gov.uk/government/collections/ripa-codes>

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

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

The provisions of the Policy can be implemented within the Law and Governance Service's existing resources.

### **2.2 Legal**

The Policy has been prepared with reference to the relevant law and Codes of Practice. A number of Statutory Instruments and Codes of Practice published by the Home Office govern the operation of RIPA.

The Authority may only authorise directed surveillance where it is both necessary and proportionate to the investigation or operation being undertaken and to what is being sought to achieve in terms of evidence gathering. Senior Officers are appointed as Authorising Officers and have a key role in carefully scrutinising all applications for the use of RIPA powers under a specific authorisation.

Authorising Officers must ensure that authorisations are granted only in appropriate cases and that the extent of all authorisations are clearly set out.

The Authority cannot authorise intrusive surveillance under RIPA. Intrusive surveillance would involve placing an investigator on residential premises or in a private vehicle or allowing the use of an external surveillance device outside of the premises or vehicle that gives the same quality of information as if it was on the premises or in the vehicle.

The Policy, together with the Employee Handbook covers the procedures to be followed in seeking authorisations, maintaining appropriate oversight of the Policy and the central record of decisions.

### 2.3 Consultation/community engagement

The Policy is aimed at ensuring adherence to the best practice contained within the Codes of Practice and feedback from the Investigatory Powers Commissioner's Office as well as the law.

Internal consultation has taken place with officers with responsibility for the management and supervision of surveillance activity as well as the Regulation and Review Committee.

### 2.4 Human rights

Human rights implications are addressed within the report and the Policy. RIPA provides a framework under which surveillance activity can be authorised and conducted in a way that is compatible with the rights of individuals.

The Authority must also ensure that activity that falls outside of the RIPA regime is subject to careful scrutiny and authorisation to ensure that human rights are respected and the activity is lawfully undertaken.

### 2.5 Equalities and diversity

There are no equalities and diversity implications directly arising from the report.

### 2.6 Risk management

The Authority's Policy and the procedures contained in the Employee Handbook are designed to ensure the Authority complies with the law and Codes of Practice and thereby reduce the risks associated with surveillance activity.

### 2.7 Crime and disorder

RIPA may only be utilised by the Authority for the purposes of detecting and preventing crime.

### 2.8 Environment and sustainability

There are no environment and sustainability implications directly 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

**(November 2020)**



**North Tyneside Council**

## **Covert Surveillance Policy**

**(Regulation of Investigatory Powers Act 2000) (RIPA)**

## **1. INTRODUCTION**

This is North Tyneside Council's Covert Surveillance Policy document. It sets out the adopted approach of the Authority to ensure that any surveillance activity undertaken by the Authority is conducted in a way that is compatible with the human rights of individuals, in particular the right to respect for private and family life (in accordance with Article 8 of the European Convention on Human Rights).

The aim of the Policy is to:

- Explain the Authority's arrangements for authorising surveillance activity;
- Direct Officers to the key sources of guidance to ensure compliance with the Policy;
- Give effect to the rights of citizens to respect for their private and family lives (pursuant to the Human Rights Act 1998);
- Protect the Authority from legal challenge when undertaking surveillance; and
- Assist the Authority in complying with the Codes of Practice, Regulations and Orders issued under the Regulation of Investigatory Powers Act 2000 (RIPA) and to meet the requirements of the Inspectors from the Investigatory Powers Commissioner's Office (IPCO).

## **2. POLICY STATEMENT**

The Authority agrees that as a matter of policy:

- The Authority is committed to complying with:
  - (a) the Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued under RIPA by the Home Office; and
  - (b) guidance supplied by the Investigatory Powers Commissioner's Office (IPCO);
- Surveillance that falls outside of the RIPA regime will be subject to the Non-RIPA authorisation procedure and central monitoring to ensure:
  - (a) the Authority has an overview of all surveillance activity it undertakes;
  - (b) such activity is appropriately scrutinised; and
  - (c) the rights of individuals are appropriately safeguarded.
- Relevant Officers shall receive sufficient training and guidance so as to reasonably ensure such compliance;
- Any Officer shall, if in any doubt about whether the legislation applies in a particular case or how to comply with it, seek guidance from an Authorising Officer and/or the Head of Law and Governance.

## **3. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework under which covert surveillance activity can be authorised and conducted in a way that is compatible with the rights of individuals. Where RIPA is complied with it provides statutory protection from legal challenge to the local authority and for this reason it is often referred to as the "RIPA shield".

Three covert investigatory techniques are available to local authorities under RIPA:

- i. directed surveillance – covert surveillance of individuals in public places e.g. to tackle criminal activity;
- ii. covert human intelligence sources (CHIS) such as the deployment of undercover officers; and
- iii. the acquisition and disclosure of communications data such as telephone billing



information or subscriber details e.g. to tackle rogue traders.

The Authority will use RIPA authorised surveillance where appropriate in order to detect and prevent crime. Authorisation will only be given where the proposed surveillance is both necessary and proportionate.

The Protection of Freedoms Act 2012 requires local authorities to obtain the prior approval of a Justice of the Peace before the use of any one of the three covert investigatory techniques available as detailed above. An approval is also required if an authorisation to use such techniques is being renewed.

In each case, the role of the Justice of the Peace is to ensure that the correct procedures have been followed and the relevant factors have been taken into account. Approval can only be given if the Justice of the Peace is satisfied that:

- a) There were reasonable grounds for the Authority's Authorising Officer approving the application to believe that the Directed Surveillance or deployment of a CHIS was necessary and proportionate and that there remain reasonable grounds for believing so;
- b) The Authorising Officer was of the correct seniority within the organisation i.e. a Head of Service, Service Manager or equivalent in accordance with the relevant Regulations;
- c) The granting of the authorisation was for the prescribed purpose of preventing or detecting crime and satisfies the Serious Offence Test for Directed Surveillance (see below); and
- d) Any other conditions set out in any order under Part 2 of RIPA are satisfied (there are none at present).

In addition to the above, where the authorisation is for the deployment of a CHIS, the Justice of the Peace must be satisfied that:

- a) the local authority can ensure that there are officers in place to carry out roles relating to the handling and management of the CHIS as well as the keeping of records;
- b) Where the CHIS is under 16 or 18 years of age, the necessary requirements in relation parental consent, meetings, risk assessments and the duration of the authorisation have been satisfied. Note that the authorisation of such persons to act as a CHIS must come from the Head of Paid Service.
- c) Where the application is for the renewal of a CHIS authorisation, a review has been carried out by the local authority and the Justice of the Peace has considered the results of the review.

The provisions in relation to judicial approval make it clear that the Authorising Officer is not required to apply in person and there is no need to give notice to either the subject of the authorisation or their legal representatives. This reflects the covert nature of the exercise of the investigatory powers under RIPA. The Authority would be represented in any application to a Justice of the Peace by the Authority's Legal Service and the Authorising Officer.

There is no requirement for a Justice of the Peace to consider either cancellations or internal reviews of authorisations.

At all times the risk of obtaining private information about persons who are not subjects of the surveillance must be considered (collateral intrusion) and steps must be taken to avoid or minimise it.

Examples of investigations where it is envisaged that covert techniques may be utilised to enable local authorities to gather evidence and offer evidence in legal proceedings include:

- Trading Standards e.g. action against loan sharks and rogue traders, car fraud, consumer scams, deceptive advertising, counterfeit goods, unsafe toys and electrical goods; and
- Environmental protection e.g. action to stop large scale waste dumping, the sale of unfit food etc.

### Serious Offence Test

Local authorities may only use the RIPA provisions to authorise surveillance activities in order to detect and prevent crime as defined by the Regulations. In particular the crime which is sought to be prevented or detected by the surveillance activity must be punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment, or would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003, section 7 of the Children and Young Persons Act 1933 and sections 91 and 92 of the Children and Families Act 2014. The latter are all offences involving sale of tobacco and alcohol to underage children.

## **4. NECESSARY AND PROPORTIONATE**

The Authority may only authorise directed surveillance, CHIS or the acquisition of communications data where it is both necessary and proportionate to what it seeks to achieve. Senior Offices are appointed as Authorising Officers (or Designated Persons for communications data purposes) and have a key role to play in carefully scrutinising all applications. Authorising Officers/Designated Persons must ensure that authorisations are granted only in appropriate cases and that the extent of all authorisations are clearly set out.

## **5. COLLATERAL INTRUSION**

Collateral intrusion is obtaining private information about persons who are not subjects of the surveillance. The risk of collateral intrusion must be considered and measures should be taken to avoid or minimise it.

## **6. NON-RIPA SURVEILLANCE**

Surveillance activity which falls outside of RIPA, for example, monitoring of employees, does not benefit from the RIPA shield. When operating outside of the RIPA regime there is a greater risk of breaching an individual's rights or being successfully challenged.

The Authority via its Senior Responsible Officer retains a central register of Non-RIPA surveillance activity. Officers are required to take great care to appropriately record, authorise, monitor and scrutinise such activity.

The principles of proportionality and necessity and the requirement to avoid or minimise collateral intrusion also apply to Non-RIPA surveillance.

## **7. CLOSED CIRCUIT TELEVISION (CCTV) SYSTEMS**

Overt surveillance via CCTV is covered by the Data Protection Act 2018 and not by RIPA. CCTV is subject to the Surveillance Camera Code of Practice under the Data Protection Act, which is overseen by the Surveillance Camera Commissioner.

Signage must be in place to inform the public when they enter zones covered by CCTV equipment.

A central record of all CCTV in buildings operated by the Authority is held by the Senior Responsible Officer.

If CCTV cameras are used for covert surveillance (whether by the Authority or the Police), a RIPA authorisation is required.

North Tyneside Council's CCTV control room operates cameras throughout the North Tyneside area. The Police may make formal written requests for surveillance of a target for which they have a RIPA authorisation. Confirmation by sight of this authorisation will be sought and a copy will be retained (redacted as appropriate) by the CCTV Control Room Co-Ordinator.

Employees using CCTV covertly must be aware of the possibility of collateral intrusion (invading the privacy of people other than the target) and take steps to avoid or minimise it.

The Protection of Freedoms Act 2012 makes provision for the further regulation of surveillance camera systems. These are defined as Closed Circuit Television (CCTV), Automatic Number Plate Recognition (ANPR) and other surveillance camera technology.

The Surveillance Camera Code of Practice also includes guidance in relation to the development or use of such systems, and the use and processing of information derived from them. The Code of Practice includes provisions about:

- considerations as to whether to use surveillance camera systems;
- types of systems or apparatus
- technical standards for systems or apparatus
- locations for systems or apparatus
- the publication of information about systems or apparatus
- standards applicable to persons using or maintaining systems or apparatus
- standards applicable to persons using or processing information obtained by virtue of systems
- access to, or disclosure of, information so obtained
- procedures for complaints or consultation

The Authority must have regard to the Code if they operate or intend to operate any surveillance camera systems covered by the Code.

Failure to adhere to the Code will not in itself render an organisation liable to legal proceedings, but the Code is admissible in civil or criminal proceedings. The Code could also be enforced by way of judicial review in the High Court.

The CCTV provisions in the Protection of Freedoms Act 2012 add a completely new layer of control over the use of CCTV by local authorities.

## 8. CORPORATE RESPONSIBILITIES

The Authority's Senior Responsible Officer (currently the Head of Law and Governance) has overall responsibility for RIPA.

The Senior Responsible Officer appoints Authorising Officers and Designated Persons. A list of Authorising Officers/Designated Persons is held with the Central Record. This list may change as required. Only Authorised Officers named in the list may authorise covert surveillance activities under RIPA. Only Designated Persons named in the list may authorise the acquisition of communications data. The Senior Responsible Officer may remove an Officer from the list where they consider it is appropriate to do so.

In particular, the Senior Responsible Officer ensures that:

- Only Officers who have received appropriate training on RIPA are permitted to become Authorising Officers/Designated Persons.
- Refresher training is provided as required and training records are maintained.
- Monitoring arrangements are in place in each Service to ensure that the Authority is meeting its obligations under RIPA, the Codes of Practice, and this Policy.
- Reviews of authorisation documentation take place to ensure that they are completed in accordance with the requirements of RIPA, the Codes of Practice and Authority guidance. Appropriate feedback is given to officers to ensure high standards are encouraged and maintained.
- The Central Record is maintained in accordance with the requirements of the Codes of Practice and Authority guidance.
- An up-to-date copy of this Policy and associated guidance is available to all relevant employees.
- An annual review of this Policy is undertaken and presented to Cabinet for approval, in addition to provision of monitoring information.

The RIPA Co-ordinating Officer (currently the Legal Manager – Governance and Employment) supports the Senior Responsible Officer in relation to the discharge of that role. The RIPA Co-ordinating Officer also monitors all authorisations and provides robust challenge to authorisations to ensure they meet the requirements of the law and this Policy.

Each Head of Service is responsible for ensuring effective and legally compliant systems and procedures are in place for surveillance work within their Service Areas in respect of any surveillance activity whether undertaken within or outside of the RIPA provisions.

The Senior Responsible Officer is also responsible for ensuring that:

- Relevant officers receive appropriate training on RIPA before undertaking investigations that include (or may include) Directed Surveillance, the use of a CHIS or the acquisition or disclosure of communications data.
- Refresher training is provided as required and training records are maintained and supplied to the Senior Responsible Officer.
- Authorisations are approved, reviewed, renewed, and cancelled by the Authorising Officer/Designated Person as necessary, and such actions are reported to the Senior Responsible Officer.

- Records and evidence obtained as a result of surveillance/investigation are kept and destroyed in accordance with Authority Policy.

All employees connected with surveillance and handling evidence are responsible for ensuring that they act only in accordance with their level of responsibility and training and in accordance with this Policy and associated documents.

## **9. GUIDANCE**

The Authority's intranet has a surveillance page containing the key guidance documents, including this Policy, the Employee Handbook, the relevant Codes of Practice, a guide to completing RIPA forms and a link to the Home Office RIPA forms.

The Authority has prepared the 'Employee Handbook: Use of Covert Surveillance & Covert Human Intelligence Sources & Communications Data (Regulation of Investigatory Powers Act 2000 (RIPA))' to provide guidance to Authority Officers regarding the use of RIPA and the procedures that must be followed.

The Employee Handbook may be revised by the Senior Responsible Officer during the year to reflect changes in procedures or best practice.

All Authority Officers who may authorise or undertake surveillance work must read the Handbook and follow the procedures within it.

Authority Officers are encouraged to seek guidance on the procedures from the Authorising Officers/Designated Persons and the Senior Responsible Officer.

If Officers wish to undertake surveillance which falls outside of the RIPA regime they must seek appropriate authorisation. This is covered in the Employee Handbook. Information regarding surveillance (whether under RIPA or not) must be held centrally by the Senior Responsible Officer to enable the Authority to have an overview of all surveillance activities being undertaken.

## **10. COMPLIANCE AND OVERSIGHT**

The Senior Responsible Officer will assess compliance with this policy and associated guidance. The Senior Responsible Officer may seek support from Internal Audit as appropriate.

A random sample of authorisations will be checked monthly by the Senior Responsible Officer and on receipt by the RIPA Co-Ordinating Officer and any incorrect or incomplete authorisations will be reported to the relevant Authorising Officer and Head of Service. In addition to the sample checks the Senior Responsible Officer will provide feedback and guidance to Officers as needed throughout the year.

Elected Members have a key role in setting policy and overseeing the use of RIPA within the Authority. Members do not make investigatory/enforcement casework decisions in relation to specific authorisations.

The Elected Mayor is designated to champion compliance with RIPA within the Authority processes. The Elected Mayor receives regular updates from the Senior Responsible Officer regarding the use of the Authority's powers.

The Senior Responsible Officer presents reports to Regulation & Review Committee at least annually on the Authority's use of the powers but will also usually report the use of RIPA to the

next available committee meeting. The Committee looks at compliance, oversight and use of RIPA. The Committee considers whether the policy remains fit for purpose and will recommend changes where appropriate for Cabinet's consideration.

Cabinet will receive an annual report upon the Authority's use of the powers and will set the policy for the following year.

The Authority has designated a Cabinet Member (currently the Elected Mayor) and a Senior Responsible Officer (currently the Head of Law and Governance) to champion and oversee compliance with this Policy and associated procedures. Each Head of Service is responsible for ensuring compliance with RIPA in their service area.

Cabinet will review the RIPA policy and the Authority's use of RIPA on an annual basis.

## **11. REVIEW OF THIS POLICY**

The Senior Responsible Officer will review this policy and associated controls as follows:

- Annually.
- Following legislative changes.
- Following any recommendations received as a result of inspections and reviews undertaken by the Investigatory Powers Commissioner's Office.
- Following any major breach in compliance.

## **12. RECORD KEEPING**

Authorising Officers must send the originals of all applications, reviews, renewals and cancellations to the Senior Responsible Officer for filing with the Central Record. In light of the confidential nature of the data original documents should be hand delivered and must be stored securely. Documentation must not be altered in any way following its completion. If any clarification is needed regarding the content of a document this must be done via a separate document which must be signed and dated.

All documentation received as a result of an authorisation must be handled and stored securely and in line with data protection principles.

## **13. DESTRUCTION OF MATERIAL**

Any material obtained during covert surveillance that is wholly unrelated to the operation and where there is no reason to believe that it will be relevant to future civil or criminal proceedings will be destroyed immediately.

In North Tyneside Council the retention period for the central record and associated material is six years from the end of each authorisation or the conclusion of connected court proceedings (whichever date is last).

Where the retention period has expired, the authorisation and any other material obtained or created during the course of the covert surveillance under the unique reference number will be destroyed.

The Authorising Officer/Designated Person will be responsible for ensuring that all material held in the department relating to the unique reference number is destroyed.

The Authorising Officer/Designated Person will notify the Senior Responsible Officer that the retention period has expired, giving the unique reference number and authorise destruction of the material held in the Central Record of Authorisations.

All material to be destroyed will be treated as confidential waste.

Officers should also refer to the Authority's Record Retention Guidelines before destroying any document or evidence obtained under RIPA.

Further guidance on record keeping is available in the Codes of Practice.

## **14. TRAINING**

The Senior Responsible Officer will train the senior managers responsible for overseeing and monitoring RIPA activities, all other employees involved in RIPA activities, and ensure that they understand this Policy.

The Senior Responsible Officer will keep a record of the training undertaken by employees.

## **15. CODES OF PRACTICE & RELATED AUTHORITY DOCUMENTS**

The following Codes of Practice have been issued by the Home Office:

1. Code of Practice - Covert Surveillance and Property Interference
2. Code of Practice - Covert Human Intelligence Sources
3. Code of Practice - Acquisition and Disclosure of Communications Data

All employees involved in surveillance activities must have regard to and act in accordance with:

- the Codes of Practice;
- the Employee Handbook: Use of Covert Surveillance & Covert Human Intelligence Sources & Communications Data (Regulation of Investigatory Powers Act 2000) (RIPA); and
- instruction and guidance from Authorising Officers/Designated Persons and the Senior Responsible Officer.

The Employee Handbook includes appendices providing detailed guidance to assist in the completion of RIPA forms.

## **16. MISCONDUCT**

All employees involved in RIPA activities will comply with this Policy. Failure to comply with this Policy may be dealt with as misconduct or gross misconduct under the disciplinary procedures depending upon all of the circumstances of the case.

## **17. COMPLAINTS**

Any complaint made to the Authority will be dealt with in accordance with the corporate complaints procedure.

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