

## **Cabinet**

**Tuesday, 6 April 2021**

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

**In Attendance:** S McKenzie (Young Mayor)  
K Goldfinch (Business Sector)  
R Layton (North Tyneside Joint Trade Union Committee)  
D McNally (Age UK)

**Apologies:** R Fry (Voluntary Sector)  
J Hutton (Northumbria Police)

### **CAB218/20 Introduction**

Mrs Norma Redfearn, Elected Mayor, welcomed everyone to this virtual meeting of North Tyneside Council's Cabinet.

### **CAB219/20 To Receive any Declarations of Interest and Notification of any Dispensations Granted**

No declarations of interest or dispensations were reported.

### **CAB220/20 Minutes**

**Resolved** that the Minutes of the previous meeting held on 22 February 2021 be confirmed and signed by the Chair.

### **CAB221/20 Report of the Young Mayor**

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

- Youth Councillors had reviewed the YMCA's Changing Minds website on how to address commonly experienced mental health concerns in young people and recommended it was accessible to all young people in the borough via a link to schools.
- The Education and Enterprise Committee had continued their work on the first book of a series for young children which had been registered with the Young Enterprise Programme, supported and sponsored by North Tyneside Business Forum, working closely with an illustrator and the Authority's Libraries and Children's Outreach Services.
- Students from 10 schools in the borough had responded to a survey undertaken by the Increased Opportunities Committee regarding sanitary products in the female toilets. The Free Flow Project was aimed at changing the practice by sending each high school, middle school, and special school, a free box of products with a poster to display with a recommendation free products were readily available in female toilets.

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- The BAME Committee had worked with the Digital Voice Project to create a video about young asylum seekers and refugees who had fled their home countries and had come to live in North Tyneside. The video would be sent to schools and shared on social media to help better understand and lead to greater tolerance.
- Over 600 students had responded to a survey undertaken by the Equalities Committee on the extent of sexism in schools. Initial responses indicated that more education was needed to raise awareness for students, and training for teachers around appropriate language and how to deal with complaints. The results of the survey would be shared with the schools who had taken part.
- The Young Mayor had taken part in the launch of the Seal in a box project at the Spanish Dome.
- Youth Councillors and the SEND Youth Forum had contributed to the Council's Covid Recovery Programme by talking about the challenges of the last year and how they were looking ahead to the future, with extra support for people who had missed opportunities to build their skills.
- The Children in Care Council had continued to meet virtually working on homes and foster carers, meeting social work teams who were involved in recruitment for new staff, and on planning their regional work and annual regional campaign.
- Member of Youth Parliament, Abi, had met with Mary Glendon MP, to discuss the work of the youth council committees, with a report received from the Environmental Audit Committee to be used to help the Environment Committee inform their plans for the group.

The Elected Mayor thanked the Young Mayor for her update and congratulated her and all the young people for their excellent and valuable work over the last year. The Elected Mayor and her Cabinet were proud of Suzie and Abi and welcomed them both continuing in their current roles. These accolades were echoed by the Authority's partner representatives present.

### **CAB222/20 2020/21 Financial Management Report to 31 January 2021**

Cabinet considered the fifth monitoring report outlining the 2020/21 financial position. It provided an indication of the expected revenue and capital financial position of the Authority as at 31 March 2021. The reported position was expected to change over the coming months as the response and recovery to Covid-19 continued.

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

In terms of the General Fund Revenue Account, the forecast overall pressure was

estimated at £3.041m against the approved net budget. This was made up of a forecasted pressure of £0.053m on normal activities and £2.988m relating to the impact of Covid-19. This was after a forecasted transfer to reserves of a £13.527m surplus relating to Section 31 grants. An additional £1.841m was also forecast to be transferred to reserves relating to growth received from the North of Tyne Combined Authority following the Authority's participation in a business rates pool in 2019/20. At this stage it was anticipated that this funding would be held in reserve to support businesses and residents from the impact of Covid-19 during 2021/22 and in future years.

The £0.053m pressure in the services was driven mainly by Health, Education, Care and Safeguarding (HECS) reflecting the continued pressures in Children's Services of £5.647m and Adult Services of £0.756m. This was before inclusion of the contingency based budgets, which were held and reported with Central Items, that had been created by Cabinet as part of the 2018/19 budget setting process to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection was £4.942m of pressures in Corporate Parenting and Placements, £1.454m in Wellbeing and Assessment and £0.962m in Integrated Disability & Additional Needs. The drivers for these pressures continued from 2019/20 as outlined in the report.

It was still anticipated that the Authority would deliver a balanced budget position for normal activities by the end of 2020/21.

The financial impact of the pandemic continued to have a significant effect on the projected 2020/21 outturn position. The Authority had received four payments of Local Authority Support Grant funding from the Government (total of £16.369m), of which £0.733m had been allocated due to Covid-19 pressures arising in March 2020.

On 2 July 2020, the Government had also announced support would be provided in relation to pressures on sales, fees and charges. The Authority had now received its initial payment, covering the period April–July 2020, to the value of £2.463m and had submitted the second claim covering August–November 2020 to a value of £1.786m. This second amount had not yet been received but was included in the forecasted position reported. The Cabinet Member for Finance and Resources was being kept up to date with the impact of all grant funding relating to Covid-19 and any further grant funding would be reported to Cabinet.

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

Further measures had been outlined by the Chancellor in his Spending Review announced on 25 November 2020. Further details of these measures could be found in the 2021-2025 Financial Planning and Budget Process: Cabinet's Initial Budget proposals report presented

to Cabinet on 30 November 2020.

With regards to the impact of Covid-19, the main drivers behind the £2.988m shortfall were also within Health, Education, Care and Safeguarding where £14.586m was for increased costs to the Authority of supporting the market (£7.600m), impact on savings targets (£1.626m), increased costs for children in care (£1.708m), costs associated with rapid testing (£1.058m), lost income within School Improvement (£0.625m), Public Health (£0.597m), additional demand (£0.494m), additional staffing costs, PPE, and supplies and services within Integrated Services (£0.643m) and other miscellaneous losses (£0.235m).

Significant Covid-19 related pressures existed in Environment, Housing and Leisure, (£7.844m) due to loss of income in areas such as Sport & Leisure and Highways & Transport and in Commissioning & Asset Management through income lost within Catering (£4.768m).

In relation to schools funding, the total planned deficit for 2020/21 was £6.689m. These budgets had been revised, mainly following discussions with schools showing deficit balances, to an expected deficit of £6.755m. After the second monitoring period of the year, this position was forecast to be £2.900m, a total improvement of £3.855m against the budget plan and an improvement of £2.777m since the first monitoring period. The Authority had been working with schools for a number of years with regard to the long-term strategic issue of surplus secondary places and the associated financial pressures which continued to be compounded by rising employment costs. As anticipated, 2019/20 was the fifth year of balances decreasing following a long-term trend of rising balances in North Tyneside and the overall projected balances for 2020/21 continued this trend.

The High Needs Block had ended 2019/20 with a pressure of £4.542m. The forecast of the budget position for 2020/21 indicated an anticipated in-year pressure of £3.809m reflecting a further rise in demand for special school places.

The report outlined the revenue grants which had been received during December 2020 and January 2021.

The HRA was forecast to have year-end balances at 31 March 2021 of £4.911m, assuming that all identified Covid-19 related PPE costs and General Fund-related services delivered through the HRA were covered. These balances were £0.092m lower than budget which was set at £5.003m. The lower than forecast balances related to a combination of factors as set out in the report.

At 31 January 2021, there were 3,241 tenants of North Tyneside Homes on Universal Credit with arrears totalling £2.831m. This was up by 667 and £0.621m from the beginning of the year when there were 2,574 tenants on UC with arrears of £2.210m, and up from the end of November when there were 3,199 tenants on Universal Credit (increase of 42 tenants) with related arrears of £2.683m (increase of £0.148m). A team was working proactively with tenants to minimise arrears and this position would be closely monitored as the year progressed to identify any adverse impacts on the budget position.

The approved 2020-2025 Investment Plan totalled £257.918m (£68.816m 2020/21) and was detailed in the Annex. The Annex also set out delivery progress to date, planned delivery for 2020/21, reprogramming and other variations identified through the Investment

Programme Governance process.

Regular monthly monitoring of the Investment Plan had resulted in proposals for reprogramming of £8.299m in 2020/21 and variations of £7.189m across the life of the plan, of which more details were set out in the Annex to the report. The revised Investment Plan stood at £61.370m for 2020/21 and to the end of January 2021 spend of £33.536m had been incurred which represented 54.65% of the revised plan.

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

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

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

The Elected Mayor thanked the Cabinet Member for Finance and Resources and all parties involved in the important budget monitoring processes throughout the year.

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

**Resolved** that (1) that the forecast budget monitoring position for the General Fund, Collection Fund, Schools' Finance and Housing Revenue Account as at 31 January 2021 be noted;

(2) the receipt of £4.930m new revenue grants be approved;

(3) the Authority's Investment Plan spend of £33.536m to 31 January 2021 and the financing of the Plan to the end of the year be noted; and

(4) the variations of £0.853m and reprogramming of £8.299m for 2020/21 within the 2020-2025 Investment Plan be approved.

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

**CAB223/20 Cabinet Response to Children, Education and Skills sub-group report on Children's Readiness for School**

Cabinet considered a report which sought approval to the proposed responses to the recommendations included in the Children, Education and Skills Sub-group report into children's readiness for school in North Tyneside.

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The sub-group report and recommendations had been presented to Cabinet at its meeting on 22 February 2021 (Previous Minute CAB209/21).

In accordance with Section 21B of the Local Government Act 2000, Cabinet was required to provide a response to the recommendations contained in the report of the Children, Education and Skills Sub-group of the Overview, Scrutiny and Policy and Development Committee within two months of the receipt of the recommendations by Cabinet. In providing its response Cabinet was required to indicate what action, if any, it proposed to take in relation to each of the recommendations made by the Sub-group.

The Sub-group had made six recommendations, of which all were proposed to be accepted by Cabinet.

The six recommendations from the sub-group were that:

1. Cabinet requests that the Director of Children's and Adult Services considers improving communication between the Authority, schools, and private nurseries in relation to early help and being ready for school.
2. Cabinet requests the Director of Children's and Adult Services to consider simplifying the early help assessment process, so it is less time consuming and bureaucratic for schools and private nurseries or provides adequate help to schools and private nurseries in completing the early help assessment process.
3. Cabinet requests that the Director of Children's and Adult Services provides more help to schools and private nurseries for toilet training, including for children without special needs.
4. Cabinet requests that the Director of Children's and Adult Services provides more help and encouragement for parents and carers in accessing early help information and services, including help for toilet training, language development, and accessing online educational material for children.
5. Cabinet requests that the Director of Children's and Adult Services consults with parents, schools, and private nurseries about early help and being ready for school, including a focus on the size and distribution of any problems in North Tyneside. The findings of this consultation are to be shared with Cabinet and all Elected Members.
6. Cabinet requests that the Elected Mayor writes to the Secretary of State for Education asking for more funding and resources for local government for early help to ensure all children are ready for school.

Cabinet's response to the Children, Education and Skills Sub-group recommendations and action plan were attached at Appendix 1 to the report. The Report on Children's Readiness for School in North Tyneside (November 2020) was attached at Appendix 2.

The Cabinet Member for Children, Young People and Learning, thanked the Children, Education and Skills Sub-Committee for establishing a sub-group to review the Authority's approach to supporting children's readiness for school. He commented that Cabinet was fully committed, as was clear in the Our North Tyneside Plan, to doing everything it could to

support all children to be ready for school. Therefore, he was grateful to the sub-group for the work they had undertaken and the recommendations made, which he was confident would further strengthen the great work the Authority did, together with partners, to support all children in North Tyneside.

The Elected Mayor thanked the Cabinet Member for Children, Young People and Learning and all those involved in the review.

Cabinet considered the following decision options: to accept the recommendations set out in paragraph 1.2 of the report; or alternatively, to not accept the recommendations and provides an alternative response to the report at the meeting.

**Resolved** that all six recommendations of the Children, Education and Skills Sub-group be accepted and the action plan set out in Appendix 1 to the report be approved.

(Reason for decision: In order to improve and further develop the Early Help offer to support Children's Readiness for school by the Authority.)

### **CAB224/20 Procurement Plan 2021/2022**

Cabinet received a report seeking approval for the Authority's Procurement Plan 2021-2022, and to proceed with the relevant procurement exercises throughout the financial year and award contracts in accordance with UK public procurement legislation to the most advantageous tenders.

Following the return of the Procurement Service to the management of the Authority the opportunity had been taken to review and improve reporting practices. To date individual reports had previously been presented for Cabinet approval; once the budget was approved by Council the third-party requirements were known. The procurement exercises which would commence in the financial year 2021/2022 had been identified and were set out at appendix 1, the contract start date may be in the subsequent year due to the procurement lead in time. This approach would ensure timely procurements whilst continuing to maintain value for money.

The Authority had adopted its Procurement Strategy in 2017. Utilising the social value principles within the Procurement Strategy, the Authority would gain commitments of local employment and apprenticeships whenever applicable. This would contribute to the economic recovery of North Tyneside in the wake of the Covid crisis. The Authority's tendering process would be streamlined, and better information would be provided to the market. Where appropriate, lower value tenders would be issued. This would give SME's the chance to work with the Authority, again enabling and encouraging smaller businesses. Working with the Business Forum and North East Procurement Organisation (NEPO), bespoke workshops would be developed to support SME's. The principles set out in the Authority's Responsible Procurement Charter would be embedded in the tender requirements.

The relevant service area would develop tender packages and robust specifications to ensure that the Authority was protected in terms of financial and commercial risk. The duration of the contract would be considered to help shape new and emerging markets; lessons learned from any previous contracts would be considered when developing the

tender package. Relevant existing frameworks would be explored if appropriate to the contract. Collaborative regional working would be explored if appropriate to the contract. The contract award criteria would be developed considering social value as appropriate. Packages would be developed to support the economy in the recovery of Covid-19.

Consultation prior to commencing a procurement with the relevant Cabinet Member(s) was key, this would ensure that the Council's priorities were achieved through its contracting arrangements. The Authority's finance team would be engaged to identify any budgetary risks associated with the delivery of the service and any potential mitigations. The legal team would review the terms and conditions for each procurement to ensure the Authority mitigated any commercial risk. Consultation and engagement with the market and any relevant associations would take place to ensure that the offer to the market was attractive and that a market existed to deliver the goods and services.

An evaluation team consisting of subject matter experts and the procurement team would evaluate each bid received against the published award criteria and in accordance with UK public procurement legislation. Prior to award of any contract the evaluation result would be provided to the Head of Service to approve the award together with financial assurance that the contract value would remain within existing budgets.

The procurement exercises that had been identified for 2021/2022 were set out in Appendix 1 to the report. The Cabinet Member for Finance and Resources referred at the meeting to a further procurement that needed to be added to the list (in relation to the refurbishment of the Wallsend CFC).

Cabinet considered the following decision options: to accept the recommendations set out in paragraph 1.2 of the report to carry out the necessary procurement exercises during the 2021/22 financial year; or alternatively, to not accept the recommendations and continue to consider individual reports for each package of works and/or services.

**Resolved** that (1) the procurement of the goods and services as detailed in Appendix 1 to the report and the additional procurement referred to above by the Cabinet Member for Finance and Resources, be approved; and (2) the relevant Head of Service, in consultation with the relevant Cabinet Member, Head of Resources and Head of Law and Governance, be authorised to commence the procurements identified and award contracts to those bidders who submit the most advantageous tenders in accordance with UK public procurement legislation.

(Reason for decision: The Authority has a duty to obtain value for money. Tendering the opportunities identified in the report will meet the priorities contained within the Procurement Strategy and Our North Tyneside Plan.)

### **CAB225/20 Bus Shelters contract**

Cabinet received a report seeking approval to the proposed arrangements to put in place a new concession contract with the incumbent supplier to replace the existing concession contract for the cleaning and maintenance of, and advertising on, bus shelters.

Commercial bus shelters in North Tyneside, including all those which bore advertisements, were maintained under a concession contract between the Authority and an external



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supplier. The existing contract did not have provision to generate revenue for the Authority. It also pre-dates the Concession Contract Regulations 2016, which provided greater clarity in relation to distinct types of contracts where the risk in the delivery of the works or service was passed to the contractor in exchange for potential commercial gain from use of the Authority's publicly owned asset. The existing contract did not include a specific mechanism to maintain ongoing compliance with these regulations.

For these reasons and bearing in mind the supplier's desire to invest in the updating the asset by installing digital advertisements, it was considered preferable to seek to refresh the contractual arrangements at this stage.

Discussions with the incumbent supplier over some time had indicated a likelihood that it would be possible to agree a new contract on new terms. It was anticipated that the new terms would involve the supplier having the possibility to install digital advertisements, subject to it securing any necessary approvals such as planning permission, and to remove poster advertisements, while retaining and continuing to maintain existing shelters. Replacing the existing contract with a new contract would also support ongoing compliance with relevant procurement regulations. It was therefore proposed to continue discussions with the incumbent supplier with a view to entering a new concession contract, on new terms, with the incumbent supplier, which would automatically supersede the existing concession contract.

The cleaning and maintenance of shelters not covered by the existing contract would continue to be arranged by Nexus who currently had contracts in place for this work and would undertake any procurement required to ensure the continued provision of this service on behalf of the Authority.

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

**Resolved** that (1) the Authority's existing concession contract for the provision of bus shelters, including cleaning, maintenance and advertising on bus shelters, to be replaced with a new concession contract with the incumbent supplier be agreed; (2) officers continue discussions with the incumbent supplier on the basis of (1) above; and (3) the Head of Environment, Housing and Leisure, in consultation with the Deputy Mayor, the Cabinet Member for Environment and Transport, the Head of Corporate Strategy and Customer Service, the Head of Law and Governance and the Head of Resources, be authorised to finalise the details of any new concession contract and if successful to make arrangements for the Authority to enter into the proposed new concession contract which would automatically supersede the existing concession contract.

(Reasons for decision: A new contract for bus shelters cleaning, maintenance and advertising would be expected to have positive outcomes for bus passengers through the continued provision of shelters while supporting ongoing compliance with relevant procurement regulations and has increased potential for income generation compared with current arrangements.)

### **CAB226/20 Date and Time of Next Meeting**

6.00pm on Monday 24 May 2021.

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**Minutes published on Friday 9 April 2021.**

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Friday 16 April 2021.