

Cabinet

Monday, 2 August 2021

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors C Burdis, K Clark, S Cox, S Day, S Graham,
C Johnson and A McMullen

In Attendance: S McKenzie (Young Mayor),
D Bavaird (Business Representative)
R Layton (North Tyneside Joint Trades Union
Committee)

Apologies: Councillors P Earley and M Rankin
R Fry (Voluntary and Community Sector) and D McNally
(Age UK)

CAB25/21 Declarations of Interest and Dispensations

Councillor K Clark declared a registerable personal interest in agenda Item 5: 2021-2022 Financial Management Report to 31 May 2021(CAB28/21), as she was a Director and Employee at Justice Prince CIC which had contracts with North Tyneside Council funded from the Housing Revenue Account (Working Roots).

CAB26/21 Minutes

Resolved that the Minutes of the previous meetings held on 28 June (Ordinary Meeting) and 15 July 2021 (Extraordinary Meeting) be confirmed and signed by the Chair.

CAB27/21 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 Council Committees had continued to work well, drawing interest from other young people in the borough and recruiting new members.
- All youth councillors had broken up from school and were now enjoying the summer break after a tough year.
- Youth councillors had taken part in a consultation around the Our North Tyneside Plan at their last meeting and had offered feedback about how to encourage teenagers to access libraries. Some of the youth councillors would meet library staff over the summer to further explore this.
- The Young Mayor had taken part in the recruitment and selection of a Mental Health Participation Officer with Barnardos.
- Member of Youth Parliament, Abi, and the Young Mayor had set challenges to the young people around their pledges as part of the holiday activity and food programme. Suzie's focus was on being kind and Abi's about caring for the environment. They would also visit some of these projects over the summer. Poppy, the Increased Opportunity Chair, was going to be a roving reporter and interview children at activities across the borough on how they were enjoying their summer.

Cabinet

- The Enterprise Education Committee had finished their book and once printed it was hoped to set up a pop-up shop to sell this over the summer.
- Member of Youth Parliament, Abi, had held a focus group session around financial education and youth employment with the Bank of England Youth Forum and would meet with senior members of the bank to discuss this in September.
- Abi and the youth advisory group had helped to write a manifesto which would be delivered to the Government following the Youth Ocean Climate summit in June, on whether there were any things they could take and work on in North Tyneside.

The Elected Mayor thanked the Young Mayor and praised the important work of the young people including their work on behalf of the Authority.

CAB28/21 2021/22 Financial Management Report to 31 May 2021

Cabinet considered the first monitoring report outlining the 2021/22 financial position. It provided an early indication of the potential revenue and capital financial position of the Authority as at 31 March 2022.

The report covered the forecast outturn of the Authority's General Fund and Housing Revenue Account (HRA) revenue budget including management mitigations where issues had been identified; an indication of the impact of Covid-19 on Collection Rates and on the Collection Fund; the implications of Covid-19 for the Authority's cash position; the delivery of 2021/22 approved budget savings plans; and an update on the Capital Investment Plan

The net General Fund revenue budget for 2021/22 had been set by full Council at £150.154m. This included £4.337m of savings to be achieved, all of which had been identified in previous years.

The forecast overall pressure was estimated at £5.850m against the approved net budget. This was made up of a forecasted pressure of £1.847m on normal activities and £4.003m relating to the impact of Covid-19. The pressure on normal activities in the services was driven mainly by Health, Education, Care and Safeguarding of £7.771m, reflecting the continued pressures in Children's Services, partly mitigated by the contingency balances that had been created by Cabinet as part of the 2018/19 budget setting process and continued to be held centrally to reflect the ongoing pressures in social care being felt locally and nationally.

Included in this projection was £5.999m of pressures in Corporate Parenting and Placements, and £1.609m in Integrated Disability & Additional Needs. The drivers for these pressures continued from 2020/21 and arose from continued growth in demand in Children's Social Care Services; growth in numbers of children with Education and Health Care Plans; the timing of delivery of some aspects of the Efficiency Savings Programme to the extent that achievement of some savings may be at risk; and increases in staffing costs.

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

With regards to the impact of Covid-19, the main drivers behind the £14.421m impact on services were also within Health, Education, Care and Safeguarding where £7.714m was for

Cabinet

increased costs to the Authority. Significant Covid-19 related pressures also existed in Environment, Housing and Leisure (£2.233m) and in Commissioning & Asset Management (£3.723m).

The report outlined new revenue grants which had been received during April and May 2021.

The total planned deficit for schools in 2021/22 was £5.132m. 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. The provisional outturn for the year ended 31 March 2021 showed a surplus of £3.721m, which reversed the trend of deficits over the previous few years. The forecast trend going forwards, however, was increasing deficit balances.

As well as school balances being forecast to reduce overall, some individual schools continued to face significant financial challenges. There were six schools with deficit budget plans for 2021/22, all of which continued to be in deficit following 2019/20.

The High Needs Block had ended in 2019/20 with a pressure of £8.720m. The initial forecasting of the budget position for 2021/22 indicated an anticipated in-year pressure of £3.268m reflecting a further rise in demand for special school places.

The Housing Revenue Account (HRA) was forecast to have year-end balances at 31 March 2022 of £3.058m, assuming all identified Covid-19 related costs and income shortfalls were covered centrally. These balances were £0.046m higher than budget which had been set at £3.012m, due mainly to the impact of the previous year's financial performance, but there was also an in-year estimated underspend of £0.010m, against an in-year budget of £1.943m.

Universal Credit had been fully implemented across North Tyneside on 2 May 2018. As of early June 2021, 3,428 North Tyneside Homes tenants had moved on to Universal Credit and a team was working proactively with tenants to minimise arrears. This position would be closely monitored as the year progressed to identify any adverse impacts on the budget position.

The approved 2021-2026 Investment Plan totalled £270.465m (£93.506m 2021/22) and was detailed in the Annex. The Annex also set out delivery progress to date, planned delivery for 2021/22, reprogramming and other variations identified through the Investment Programme Governance process.

An officer led review of the Investment Plan had resulted in proposals for variations of £5.324m of which more details were set out in the Annex to the report. The revised Investment Plan stood at £98.593 for 2021/22 and to the end of May 2021 spend of £3.753m had been incurred which represented 3.81% of the revised plan.

The 2021-2025 Our North Tyneside Plan (Council Plan) set out the overall vision and policy context within which the Financial Plan and Budget were set. The Council Plan had three key themes – Our People, Our Places and Our Economy. For each one there was a set of

policy outcomes that the Authority was seeking to deliver as detailed in the report.

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

In common with most local authorities, and in line with the national picture, North Tyneside had 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 had increased due to people living longer with multiple complex conditions. Supporting those needs required more intensive packages of care which were more expensive to provide. In addition to older people, younger adults with learning disabilities and physical disabilities were also living longer, often with multiple complex issues.

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 as set out in the report but there were a wide range of levels of care provided, with more complex cases now being faced.

The Elected Mayor commented it had been a very difficult 18 months financially, but that plans were in place to get back on track over the coming months as the response and recovery to Covid-19 continued.

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

Resolved that (1) the forecast budget monitoring position for the General Fund, Collection Fund, Schools' Finance and Housing Revenue Account as at 31 May 2021, as set out in the Annex to the report, be noted;

(2) the receipt of £0.459m new revenue grants be approved;

(3) the Authority's Investment Plan spend of £3.753m to 31 May 2021 and the financing of the Plan to the end of the year, as set out in the Annex to the report, be noted; and

(4) the variations of £5.324m within the 2021–2026 Investment Plan (£5.0879m for 2021-22), as set out in the Annex to the report, 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.)

CAB29/21 Council Plan Refresh

Cabinet considered a report seeking approval for an updated Our North Tyneside Council Plan 2020-2024, set out in Appendix 1 to the report, in light of the findings from engagement

Cabinet

with residents and other key stakeholders, which was being undertaken in accordance with the approach agreed by Cabinet on 28 June 2021.

Details of the engagement undertaken to date were set out in the report. Engagement with residents, staff and other key stakeholders, including Overview, Scrutiny and Policy Development Committee had begun on 2 July and would run until 15 August 2021. Therefore, it may be necessary to provide supplementary information on the engagement findings after this Cabinet meeting. Updated information on the latest feedback from the engagement process had been circulated in a revised Appendix 2 after publication of the agenda for this meeting, which included feedback on the final proposals from a sub-group of Overview, Scrutiny and Policy Development Committee.

Feedback from the engagement process currently showed that the vast majority of participants agreed that the Our North Tyneside Council Plan priorities were the right ones to enable the Authority to work with its partners and residents to build a better North Tyneside.

Mr D Bavaird, on behalf of the business sector, thanked the engagement team and commented that the business community broadly supported and welcomed the refreshed Council Plan.

In response to a Member's query, the Deputy Mayor undertook to consider reflecting in the refreshed Council Plan support for community infrastructure.

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 updated Our North Tyneside Council Plan, as set out in Appendix 1 of the report be approved, subject to consideration of any supplementary information received as a result of the ongoing engagement process; and
(2) the Deputy Mayor be authorised to agree any final changes to the Our North Tyneside Plan in the light of any further responses received to consultation between the date of this Cabinet meeting and the end of the engagement process.

(Reasons for decision: the content of the updated Council Plan has been informed by the findings of a comprehensive engagement approach delivered in line with the Covid-19 restrictions. Approval of the updated Council Plan will enable a report to be taken to full Council on 23 September 2021, in advance of the Council's budget setting process beginning.)

CAB30/21 Contributions Policy for Adult Social Care and Support Services

Cabinet considered a report seeking approval for a revised Contributions Policy for Adult Social Care and Support Services following the outcome of a public consultation between 2 and 27 June 2021.

247 responses had been received. Of those who had responded 58% were members of the public, 29% were carers of someone accessing services and 6% were people who accessed services themselves. The findings of the consultation showed that 95% of people taking part supported the need for good quality adult social care. This was a position the

Cabinet

North Tyneside Council fully supported.

The public consultation focused on two particular issues. These were the Pension Age and The Minimum Income Guarantee.

The Authority currently financially assessed people to be over pension age at the age of 60. However, following changes in Government regulations, an individual's actual pension age was now 65, 66, 67 and 68 depending upon their date of birth. Other departments in the Authority, for example, Revenue and Benefits, already adhered to an individual's actual pension age when carrying out assessments. The consultation had focused on changing the pension age used from 60 to an individual's actual pension age.

Changing this would affect 109 clients by an average increase in charges of £44 per week.

The public consultation showed that 47% of people who responded supported the move to actual pension age. The reasons were that this was fairer and in line with Government regulations. Those who disagreed either felt they did not have enough information to comment or felt that people should not be charged for adult social care support. Most people were concerned that people should receive support regardless of their age.

In relation to the Minimum Income Guarantee, when undertaking a financial assessment there was a monetary threshold which was disregarded, to ensure individuals had a set amount of money to live on prior to the setting of a charge for their adult social care services.

The Department of Health and Social Care (DHSC) set a defined rate, the Minimum Income Guarantee (MIG). This was set out in a circular each financial year. Councils must disregard this amount of money, but they could consider setting a disregard above this rate.

North Tyneside were currently using different thresholds following a consultation in 2018. These rates were not financially sustainable and were not in line with neighbouring authorities. The consultation had therefore sought feedback on a proposal to adhere to the MIG as set out by DHSC or setting it at 5% above this. Both options would result in a lower threshold than was currently in place.

The consultation findings were that 20% of people felt it should be set at the same as the DHSC MIG, the reasons were that this would be in line with the Government and would be fair across the country. 60% felt it should be MIG plus 5%, the reasons for this were that it was felt that MIG was set too low and so should be set higher and 20% felt that neither of these were suitable. The reasons for this were that people either felt there should be no charge for support or that the Authority should set a higher disregard than the two options considered.

The consultation showed that the majority of respondents felt that the rate should be set at the DHSC MIG plus a further 5%.

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

Resolved that (1) the reviewed Adult Social Care Contributions Policy be approved; (2) the use of an individual's actual pension age, as set out by Government, for financial assessments be approved; and (3) approval be given to use the threshold for Financial Assessments as the DHSC Minimum Income Guarantee plus a further 5%.

(Reason for decision: The Contributions Policy needs to be fair and equitable for all people. The rates applied for disregards need to be financially viable for the Authority and this would bring the Authority in line both regionally and nationally. The proposals take account of the public consultation findings and support the Authority's overall financial position.)

CAB31/21 Cabinet response to Overview, Scrutiny & Policy Development Committee - Engie Sub-Group

Cabinet considered a report seeking approval for the proposed responses to the recommendations of the Overview, Scrutiny and Policy Development Committee's study into the Equans (formerly known as Engie) Partnership.

The report and recommendations had been presented to Cabinet at its meeting on 28 June 2021 (Previous Minute CAB15/21).

The Overview, Scrutiny and Policy Development Committee had a programme to undertake in-depth reviews into the out-sourced partnerships that delivered services on behalf of the Authority, with the aim to see if the Authority and its residents were receiving the service specified in the contracts. The Committee had established the Engie Sub-group to undertake this work to gain a clearer understanding of the partnership and its operation.

The Sub-Group had made a total of three recommendations for Cabinet's consideration, as set out in the report, and it was proposed that Cabinet accept all of the recommendations. A full response to those recommendations, including details of action to be taken, were set out at Appendix 1.

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 recommendations of the Overview, Scrutiny and Policy Development Committee Engie sub-group in relation to its study into the Equans (formerly known as Engie) Partnership, as set out in paragraph 1.5.4 of the report, be accepted; and (2) the actions to be taken in response to those recommendations, as set out in Appendix 1 to the report, be approved.

(Reason for decision: To gain a clearer understanding of the Partnership and its operation with the aim to see if the Authority and its residents are receiving the service specified in the contracts.)

CAB32/21 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on

the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A to the Act.

CAB33/21 Chief Officer Structure

Cabinet considered a report seeking approval to a revised Chief Officer structure comprising the adjustment of two Chief Officer roles, the change of the role held by the senior leader who was retiring and the creation of one new Chief Officer role.

In light of the retirement of the Chief Officer and having considered the priorities of the Mayor and Cabinet, feedback from the Local Government Association Corporate Peer Challenge in June 2019 and follow-up visit in June 2021 and feedback from the senior team, it was proposed to distribute the current responsibilities of the Chief Officer across four Chief Officer posts, as described in the report.

In designing the proposed structure, the Senior Leadership Team had discussed and agreed a set of principles for organisational design with a particular focus on the delivery of the new Council Plan as outlined in the report.

Following a delegated decision implemented on 22 June 2021, the report also described a revised approach to the wider senior structure and some proposed, consequent changes of delegations which would be dealt with through proper channels in due course.

The current and proposed senior structures were appended to the report at Appendix 1 and Appendix 2 respectively.

Cabinet considered the following decision options: to approve the proposed structure; or alternatively, to not approve the proposed structure and ask for further work to be done.

Resolved that (1) adjustments to the roles of the Director of Public Health and the Director of Regeneration and Economic Development be approved;
(2) amendments to the role of Director of Environment, Housing and Leisure be approved;
(3) the creation of a Chief Officer role of Director of Environment be approved; and
(4) the intention to change job titles for the tier of senior managers who report to the Senior Leadership Team over the coming months, with parallel work to review and revise Financial Standing Orders and the Scheme of Delegations, be noted.

(Reasons for decision: It represents a considered response to the leadership requirements of the Authority; it adds capacity and leadership in areas which are priorities for the Mayor and Cabinet; it reflects consultation and discussion with the teams involved; and represents value for money.)

CAB34/21 Date and Time of Next Meeting

6.00pm on Monday 20 September 2021.

Minutes published on Thursday 5 August 2021.

Cabinet

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 Thursday 12 August 2021.