

Cabinet

Monday, 29 November 2021

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

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

Apologies: Councillor S Day

CAB58/21 To Receive any Declarations of Interest and Notification of any Dispensations Granted

Councillor K Clark declared a registerable personal interest in agenda Item 6: 2022-2026 Financial Planning and Budget Process: Cabinet's Initial Budget (CAB62/21), 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).

CAB59/21 Minutes

Resolved that the Minutes of the previous meeting held on 18 October 2021 be confirmed and signed by the Chair.

CAB60/21 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:

- The BAME Committee had launched DigitalMe which discussed the experience of Refugees and Asylum Seekers in the UK. Mayor Redfearn and Councillor Earley who were on the launch panel were thanked on behalf of the committee for their participation and support. The film would be used by North Tyneside Council as part of the staff and members equality training, and it was hoped the film would also be used in schools as part of the PHSE lessons. The Walking With Refugee project would be using it as part of their education package that they currently run in schools.
- During half term Youth Councillors from the BAME committee had visited New to UK project in North Shields to deliver donations of food, children's clothing and household items that had been collected by Youth Councillors.
- Some Youth Councillors had helped pack more packets of sanitary products which were being gifted to young women around the borough. They came complete with the message: 'We believe that sanitary products should be freely available in toilets the same way that toilet tissue was freely available'. Positive feedback from the project had

been received and work was being done with the Social Inclusion Team on the next steps towards helping with period poverty in the borough.

- The Environment Committee's planned Youth Climate Summit due to be held on 4 November had been postponed. The original plans had included activities that would be very hands on and fun and although the committee had considered holding a shorter event online, it was felt that this would not be as engaging for the young people.
- The Young Mayor had taken part in the launch of the Children and Young People's Mental Health and Wellbeing Strategy. The aim of the new Strategy was to transform mental health support for young people in the borough, including new specialist teams for schools that would benefit thousands of pupils, and to ensure the right people were getting the right support at the right time.
- Member of Youth Parliament, Abi, and the Young Mayor had been part of the judging panel for the Spirit of North Tyneside Awards, recognised by North Tyneside Council for their important contribution.
- The Young Mayor and several Youth Councillors had attended Remembrance Day services around the borough in representing all young people by laying the wreaths at the memorials.
- Youth Councillors had attended a poverty proofing training workshop with the charity Children Northeast, which would be useful for their plans in the youth council committees.
- Ofsted had carried out an inspection of the Special Education Needs and Disabilities Services more commonly known as SEND, and to ensure the Inspectors were impressed by everything the SEND Youth Forum had been doing, a short film had been produced.

The Young Mayor also reported that she and Member of UK Youth Parliament, Abi, were due to end their roles at the beginning of March 2022. Having enjoyed their time in their respective roles they looked forward to completing their current projects and handing over the baton next year. The nominations to find their replacements opened on the 17 November 2021.

The Elected Mayor thanked the Young Mayor for the update and congratulated her, Member of UK Youth Parliament, Abi, and all the young people for their tremendous work over the last year.

CAB61/21 2021/22 Financial Management Report to 30 September 2021

Cabinet considered the third monitoring report outlining the 2021/22 financial position. It provided the latest indication of the potential revenue and capital financial position of the Authority as at 31 March 2022. This report was an interim view and it was expected this would change over the coming months as the recovery from Covid-19 continued.

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; the delivery of 2021/22 approved budget savings plans; and an update on the Capital Investment Plan including details of variations and reprogramming that were recommended for approval.

The budget for 2021/22 was approved by full Council at its meeting on the 18 February

2021. The net General Fund revenue budget was set 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 for the General Fund Revenue Account was estimated at £5.962m against the approved net budget. This was made up of a forecasted pressure of £1.810m on normal activities and £4.161m relating to the impact of Covid-19. The pressure on normal activities in the service was driven mainly by Health, Education, Care and Safeguarding at £6.972m, reflecting the continued pressures in Children's Services, partly mitigated by the contingency balances that had been created as part of the 2018/19 budget setting process and continued to be held centrally to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection was £5.442m of pressures in Corporate Parenting and Placements and £1.628m in Integrated Disability and Additional Needs. The drivers for these pressures continued from 2020/21 and were outlined in the report.

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

With regards to the impact of Covid-19, the main drivers behind the £17.274m impact on services were also within Health, Education, Care and Safeguarding where £9.600m was for increased costs to the Authority. Significant Covid-19 related pressures also existed in Environment, Housing and Leisure (£4.220m) and in Commissioning & Asset Management (£2.441m).

The report outlined the revenue grants which had been received during August and September 2021.

There was no further update since the previous Cabinet meeting on the school funding position as at the end of July 2021. Schools were required to submit their rolling three-year budget plan by 31 May each year. The total planned deficit for 2021/22 was £5.132m. The Authority had been working with schools for a number of years with regard to long-term strategic issues 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 £3.372m, which revised 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 deficit following 2019/20. The High Needs Block ended 2021/21 with a pressure of £8.720m. The latest forecast of the budget position for 2021/22 indicated an anticipated in-year pressure of £3.673m reflecting a further rise in demand for special school places.

The Housing Revenue Account was forecast to have year-end balances at 31 March 2022 of £3.429m, assuming all identified Covid-19 related costs and income shortfalls were covered centrally. The balances were £0.417m higher than budget which had been set at £3.012m, due mainly to the impact of the previous year's financial performance, but there

Cabinet

was also an in-year estimated underspend of (£0.381m), against an in-year budget of £1.943m.

Universal Credit had been fully implemented across North Tyneside on 2 May 2018. As of the end of September 2021, 3,306 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 £285.371m (£90.391m 2021/22) and was detailed in the Annex. The Annex also set out the delivery progress to date, planned delivery for 2021/22, reprogramming and other variations identified through the Investment Programme governance process.

The monthly monitoring of the Investment Plan had resulted in proposals for variations of £10.470m and reprogramming of £0.637m of which more details were set out in the Annex to the report. The revised Investment Plan stood at £93.631m for 2021/22 and to the end of September 2021 spend of £20.715m had been incurred which represented 22.12% of the revised plan.

The report also outlined progress against the 2021-2025 Our North Tyneside Plan which set out the overall vision and policy context within which the Financial Plan and Budget were set.

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 Adult Social Care, as with most local authorities, and in line with the national picture, North Tyneside had seen costs 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 suggested that, whilst fluctuating, there was a general trend of a steady increase in numbers of LAC, but there was a wide range of levels of care provided, with more complex cases now being faced.

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

Resolved that (1) the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account as at 30 September 2021, as set out in the Annex to the report, be noted;
(2) the receipt of £1.927m new revenue grants be approved;
(3) the Authority's Investment Plan spend of £20.795m to 30 September 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 £10.470m (£6.155m for 2021/22) and reprogramming of £0.637m for 2021-22 within the 2021-2026 Investment Plan, 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.)

CAB62/21 2022-2026 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals

Cabinet considered a report which sought approval for the Cabinet's initial budget proposals for 2022/23 in the context of the 2022-2026 Financial Planning and Budget Process and which had been developed in a period of significant uncertainty for financial planning due to the impact of Covid-19.

On 18 February 2021, full Council had approved a Medium-Term Financial Plan (MTFP) for the period 2021/22 to 2025/26, providing a financial framework to support the delivery of the Authority's priorities as set out in the refreshed 2021-2024 Our North Tyneside Plan. The Budget that had been set was balanced, based on a robust set of assumptions in relation to the resources available, and prudent estimates of the expenditure that was necessary to deliver the Authority's Services.

The Our North Tyneside Plan 2021-2025 (the Council Plan) sets out the overall vision and policy context within which the Financial Plan and Budget proposals would operate. The Authority had worked to a clear set of priorities through the Plan and these priorities formed the basis of the framework for COVID-19 recovery in North Tyneside during 2020-21 and the early part of 2021-22.

On 23 September 2021, full Council approved the updated Our North Tyneside Plan, which was refreshed following the Mayoral Election on 6 May 2021 to reflect the policy priorities of the new administration and to consider feedback during the internal and external engagement carried out between 2 July 2021 and 15 August 2021.

The impact of the COVID-19 pandemic had continued throughout the financial year 2021/2022 and it was anticipated there would continue to be implications into future years, as the inequality gap had grown over the period of the pandemic.

As Budget-planning activity progressed, there was a significant amount of uncertainty remaining. The recent announcement of Central Government's Social Care Reform would have a significant impact for the provision of social care and how it was funded but the scale of new burdens for social care remained uncertain for Local Government.

Throughout the current financial year, the Authority had continued to act and respond to the COVID-19 pandemic; this had adversely impacted the financial position of the Authority. In a normal year, it was challenging to deliver a balanced in-year position against the Budget. The financial impact of COVID-19 has compounded this challenge and as described in the September Financial Management report, the current estimated pressure due to COVID-19 at the end of September is £4.161m for the General Fund.

In addition to delivering business as usual, the Authority had continued to mobilise its workforce to undertake new responsibilities and lead the local response to the pandemic. The COVID-19 Support Hub was specifically set up to support and protect the clinically extremely vulnerable residents in the Borough during the first national lockdown when they were required to shield in their homes to protect themselves from the virus, this continued during 2021/22. Proactive work had continued to support the care sector to meet the additional operation costs due to COVID-19. The Authority had also had to administer grants to eligible businesses to help support the local economy, whilst also ensuring that the public and staff were protected by introducing effective control measures to public buildings and open spaces. In 2021/22, a further £39.211m of grants had been awarded to the Authority to continue to support the Borough's recovery from COVID-19.

Some services had to be suspended during the initial escalation of the pandemic due to national lockdown measures. This led to a significant loss of sales, fees and charges income, with school improvement, leisure, cultural and catering services seeing the biggest income losses. On 2 July 2020, the Government announced that financial support would be provided to local authorities for income lost on sales, fees and charges. This income compensation scheme provided support for some of the income lost; however, the Authority was required to cover the first 5% of any budgeted losses. This scheme had been extended into 2021/22 but only to cover losses incurred during April 2021 – June 2021. This was estimated to equate to additional grant support of £1.335m. This area posed a specific risk for 2022/23 and the medium-term as it remained uncertain. Some services were recovering well but it was likely that the Authority would continue to see reduced income levels in relation to sales, fees and charges in future years.

The impact of COVID-19 posed a significant risk to the local economy, which would influence the Authority's ability to raise resources. Initial concerns with regards to increased levels of unemployment, were realised in the early part of the pandemic where there was a surge in out of work benefit claimants, the pattern in North Tyneside being in line with the regional and national picture. Since that early peak there had been a steady decline in the level of claimants, but this was not at pre-pandemic levels yet. There had been fewer redundancies than expected and what was being seen locally, regionally and nationally were significant skills shortages, with employers reporting difficulty recruiting at the moment.

The risk remained that business rates could be impacted in the event of business closures, increases in the number of properties claiming empty property relief where businesses either cease trading or seek to take advantage of changed working patterns to reduce property costs. However, at this stage the Authority had not seen a material reduction in the rateable value, nor a surge in appeals against rateable values to date.

Over the course of the pandemic a vast range of measures were put in place to support the residents of North Tyneside and in particular the most vulnerable residents. Where residents

were being supported due to increasing financial difficulty the Authority saw the numbers of residents and families requiring support increase and a real increase in those residents and families who had never previously come forward for help where the impact of the pandemic had tipped the balance for those residents.

Demand for adult social care had surged at times as a direct result of the pandemic and it was possible that some of the increases in demand would continue into 2022/23. The care market had also experienced increases in operational costs and lost income due to under occupancy in some care homes which the Authority had supported with grants that have been received by the Government. There was a risk that a rise in the underlying costs will impact market prices which would not be covered by additional funding from the Government; this would leave the Authority with increased financial pressures in 2022/23.

In terms of children's social care services there continued to be significant financial pressure. Whilst the numbers of Looked After Children had remained fairly static the costs associated with looking after those children continued to increase due to complexity of the cases and lack of supply in the market pushing up supplier prices. The Authority had seen significant increases in the numbers of child protection and children in need cases because of the impact of COVID-19 on families. This had led to increased demand on the workforce, and the Authority continued to see the impact of competition across the region for children's social workers impacting on the ability to retain and indeed recruit staff. All this led to additional financial risk and pressure.

In July 2019, full Council declared a Climate Emergency, setting a target to reduce the carbon footprint of the Authority and the Borough by 50% by 2023 and to become carbon neutral by 2030. The Cabinet agenda today included a report of the ongoing work programme and set out the Authority's approach to meeting this policy ambition, with the expectation that an updated workplan would be brought back to Cabinet in 2022.

The initial Budget proposals included investment in the capacity needed to respond to the global climate emergency, and it was expected the level of investment required locally and supported nationally would become clearer over the course of 2022.

Despite all this, in challenging circumstances the priorities, as set out in the Our North Tyneside Plan, continued to be met and the Authority had a good track record of delivering those priorities within the funding resources that were available. This was evidenced by the fact that Cabinet had delivered balanced outturns, without the need to use reserves, in each of the last three financial years.

Whilst the approach to Budget-setting this year continued to feel different due to the pandemic and there was a significant amount of risk and uncertainty, Cabinet would continue to plan for the future listening and focusing on the priorities of residents and businesses. This included producing a balanced Budget for 2022/23 and a Medium-Term Financial Plan which was based on a reasonable and prudent set of assumptions.

Financial planning had been carried out at a time of continued uncertainty as a result of increasing demand for some services due to Covid-19, the changing needs of the ageing population in North Tyneside and waiting for further details of a Fairer Funding formula. The report set out the key areas of risk and uncertainty and how the Mayor and Cabinet could approach the associated financial risks.

The Authority had continued to engage effectively with its NHS partners and had worked collaboratively with partners across the care sector. Adult Services continued to be heavily impacted by the Pandemic and other external factors. More recently the lack of capacity in the homecare market had seen care providers struggle to recruit and retain staff in a buoyant jobs market. The lack of homecare capacity had contributed to higher levels of short-term placements into residential care. As the NHS dealt with addressing its backlog, Hospital discharges were higher than pre-pandemic leading to service capacity issue and the risk of more short-term placements in care homes which were difficult to change once in place. This had been addressed in the short term through additional provision of Home Care support by the Authority, and through a pilot Home Care project being delivered with NHS colleagues.

During the current financial year, the Authority had continued to work with the care sector, ensuring financial support is being promptly distributed to safeguard services for the most vulnerable residents in the Borough. The Authority had been working to strengthen its approach to commissioning and demand management across the care sector, ensuring that services would meet individuals' needs, maintaining a sustainable care market and ensuring that all services offered value for money. This would take account of the changing nature of demand for adult social care services and the challenges facing adult social care nationally, as stated previously, would be significantly impacted by the Social Care Reform proposals.

The latest estimates of the continued financial impact of the COVID-19 pandemic were set out in the September Budget Monitoring report. Many of the additional costs, lost income and savings not achieved in the current year might continue to have an extended impact on the 2022/23 Budget. As of September 2021, the total estimated financial impact of COVID-19 was £17.274m. This had been funded by £7.261m of the Local Authority Support Grant, £1.335m of Income Compensation for Sales, Fees and Charges losses and £4.517m of COVID-19 service specific grants, leaving a gap of £4.161m for the Authority to fund. Further details of this were included in the report.

The approach to financial planning included a risk assessment as to where some of the COVID-19 service impacts might continue into 2022/23. It was prudent to expect that there would be an ongoing financial impact and the report set out areas assessed as medium / high risk which would be closely monitored as Budget-setting activity progresses.

One of the key approaches to managing the range of financial risks was the ongoing review of the Authority's reserves and balances and any specific application to be considered. The Chief Finance Officer, in consultation with the Cabinet Member for Resources and the Senior Leadership Team, proposed to earmark £2.000m from the Strategic Reserve to manage the risk of the financial impact of the pandemic into 2022/23. In addition, a range of projects identified to mitigate current cost pressures across Adults and Children's Social Care service would result in the use of over £2.000m of the Change Reserve during 2022/23.

The Elected Mayor and Cabinet had worked with the Senior Leadership Team (SLT) since the summer to prepare the draft Budget proposals. The Budget assumptions used for the 2022-2026 Medium-Term Financial Plan (MTFP) had been revised based on national, local and internal information.

Resources had been revised to take account of the potential impact of COVID-19 on

Cabinet

Council Tax and Business Rates in line with the risks described in the report. The SLT had reviewed the anticipated growth and efficiency assumptions and where necessary these had been revised. Table 3 in the report showed the high level MTFP for 2022-2026; the estimated resources available did not include any assumptions for an increase in Council Tax. Taking all the factors into consideration, the draft MTFP for the General Fund indicated a “gap” of £10.852m to be addressed. Without actions over the four-year MTFP period, the cumulative impact was in the region of £27m.

The Housing Revenue Account (HRA) continued to face financial pressures which had been impacted further by the COVID-19 pandemic. The continued roll out of Universal Credit and other welfare reforms brought greater pressure on tenants in terms of managing their finances in a time of rising inflation.

Rent increases for next year were based on the Consumer Price Index (CPI) rate, as at September, plus 1%. The rate announced for September 2021 was 3.1% which led to a proposed rent increase for 2022-23 of 4.1%. This increase would be used to ensure that the 30-year HRA Business Plan could be balanced, whilst meeting all the Mayor and Cabinet’s key objectives, which included maintaining the existing stock, meeting increased Affordable Homes ambitions, and taking steps to respond to the Authority’s Climate Change Emergency, by funding increased sustainability measures and starting to address the decarbonisation agenda.

The 2022/23 budget and 4-year Financial Plan for the HRA were balanced with a small, planned contribution from reserves over the next 4 years, as set out in Table for of the report.

The 2021-2026 Investment Plan totalling £244.333m had been approved by full Council on 18 February 2021. Delivery of projects within the plan and progress to date had been reported to Council as part of the bi-monthly Financial Management reports. Reprogramming of £13.469m had been identified as part of the process and this spend was now included in the 2022-2027 planned spend set out in the report.

As in previous years, Cabinet would need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2022/23. The formula would apply directly to maintained schools for the financial year, and for academies it would form the basis for their funding, distributed by the Education, Skills and Funding Agency, for the year starting 1 September 2022. The local formula had to comply with statutory guidance, but within these confines the final decision on the formula rested with the Authority after consultation with schools and the Schools Forum.

The MTFP approved by the Council in February 2021 included a 1.99% general increase in Council Tax and a 3% adult social care precept for 2021/22. Government expectations included in the SR1 was that Local Government increased Council Tax by up to 1.99% and applied a 1% adult social care precept. Should Cabinet consider increases in Council Tax, based on current tax base estimates, this would raise approximately £3.100m of additional funding for next year (made up of £2.050m general Council Tax, 1.99%, and £1.081m from the adult social care precept). The precise final level of any change in Council Tax would be confirmed in February 2022 following a decision by full Council.

North Tyneside, like many local authorities both regionally and nationally, was experiencing

an increase in the numbers of children with Special Education Needs and Disabilities (SEND). The number of children with an Education, Health and Care Plan (EHCP) also continued to increase. Responding to these increases in needs was creating pressure on the High Needs block of the Dedicated Schools Grant (DSG). The pressure within High Needs had continued to increase in 2021/22 with a forecast in-year outturn variance of £3.673m, bringing the estimated cumulative pressure to £12.553m. The indicative funding allocation for High Needs showed that the Authority would receive an additional £2.974m in 2021/22, however, it was not sufficient to address the underlying increase in need. Where a local authority had an overall deficit on the DSG of 1% or more, it was required to submit a recovery plan to the Department for Education (DFE) setting out how it planned to bring the overall DSG account into balance. The Authority had a plan that was in place and was working with the DFE to ensure delivery and to bring the DSG back into financial balance over a five-year period.

These initial Budget proposals were subject to further review and consultation before they could be confirmed. The information to be assessed and finalised included:

- The overall impact of the Spending Review 2021;
- The Provisional and Final Local Government Finance Settlement announcements for 2022/23, including capital announcements and specific grants, including the Dedicated Schools Grant (DSG);
- Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority Precepts (due February 2022);
- Levies, including the North of Tyne element of the Newcastle upon Tyne, North Tyneside, and Northumberland Combined Authority Transport Levy (due February 2022);
- Tyne and Wear Joint Service Budgets (due January/February 2022); and
- Consideration of the impact of the economic climate on the residents of the Borough and Council Taxpayers.

Therefore, as some external announcements were still to be received, it was recommended that Cabinet authorises the Elected Mayor, in conjunction with the Cabinet Member for Finance and Resources, Deputy Mayor and other Cabinet Members, to work with the Senior Leadership Team to continue their joint review of these proposals.

The Elected Mayor thanked the officers and Cabinet members for their work in producing the initial budget proposals in challenging circumstances.

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

Resolved that (1) that the key principles being adopted in preparing the Medium-Term Financial Strategy for the Authority, subject to an annual review be agreed;

(2) the performance against the Our North Tyneside Plan outcomes be noted;

(3) the initial Budget proposals in relation to the 2022/23 General Fund Revenue Budget and Dedicated Schools Grant, including the assessment in relation to the current year's budget monitoring information be agreed;

(4) the proposed 2022-2027 Investment Plan, including initial prudential indicators for 2022-2026 in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Framework and a proposed Minimum Revenue Provision policy in line with

capital finance regulations be agreed;

(5) the draft Capital Investment Strategy be noted and it be noted that this Strategy will now be subject to consultation as part of the Budget Engagement Strategy;

(6) it be noted that all approved schemes within the 2022-2027 Investment Plan will be kept under corporate review by the Investment Programme Board;

(7) the initial proposals in relation to the Treasury Management Statement, Annual Investment Strategy for 2022/23 and Treasury Management Practices (TMPs) be agreed;

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

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

(10) the 2022/23 rent policy for housing; and the initial Budget proposals in relation to the 2022-2026 Housing Revenue Account budget, and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2021/22) be agreed;

(11) the proposed 1.4% rent increase from April 2022 (in line with Government policy), and the initial proposals in relation to housing service charges and garage rents for 2022/23 be noted;

(12) the Director of Resources, in consultation with the Director of Commissioning and Asset Management, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, be authorised to undertake resource allocations to schools for 2022/23 in line with the school funding arrangements set out in the report;

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

(14) the Director of Resources be authorised to carry out consultation on changing the backdating rule for new claims to be backdated from 4 weeks to 26 weeks (where appropriate) in the Council Tax Support scheme, be agreed.

(Reason for decision: Due to external information still to be received, Cabinet is not in a position to finalise setting its proposed Council Tax level for 2022/23 in relation to the General Fund. The report would form the basis of Budget engagement and scrutiny over the following two months, but further work would be inevitable before final decisions were made on the budget for next year, hence the authorisation recommendation referred to in paragraph 1.6 of the report).

CAB63/21 Authorisation to Enter Section 75 Partnership Agreement - Better Care Fund

Cabinet considered a report seeking authorisation for the Director of Children and Adults Services to enter into a partnership agreement under section 75 of the National Health Service Act 2006 and to implement the financial and administrative arrangements for the Better Care Fund, following appropriate consultation.

The Better Care Fund (BCF), had been in operation since 2015/16, and was a Government initiative to improve the integration of health and care services, with an emphasis on keeping people well outside of hospital and facilitating discharge from hospital.

The BCF created a pooled fund, managed jointly by the Authority and NHS North Tyneside

Cabinet

Clinical Commissioning Group (CCG). The total value of the fund was £29,457,097, which was an increase of 3.8% over 2020/21 BCF pooled fund. CCGs were required to contribute a defined amount to the fund to support adult social care. The resulting income from the NHS was £11,651,150. Together with the “Improved Better Care Fund”, which was paid direct by Government to the Authority, the BCF supported 21% of adult social care revenue expenditure within the Borough.

BCF income helped to fund community based social care services, such as reablement, immediate response home care, CareCall, and loan equipment/adaptations. It also contributed towards the Authority’s services offered to support carers, the Community Falls First Responder Service, and to independent living support for people with learning disabilities.

In terms of Governance arrangements, the detailed operations of the BCF in North Tyneside were set out in a Section 75 Agreement, which was renewed each year, between North Tyneside Council and NHS North Tyneside CCG following submission of the BCF Plan. That Agreement established a BCF Partnership Board with representatives from the Authority and NHS North Tyneside CCG.

As requested by the Health and Wellbeing Board, who approved the BCF Plan on 11 November 2021 prior to its submission to NHS England, regular reports on the operation and performance of the BCF were provided to the Adult Social Care, Health and Wellbeing Sub-Committee of the Overview and Scrutiny Committee and this would continue to be the case.

The BCF Policy Framework required that the BCF Plan be agreed by the Governing Body of the CCG as well as the Health and Wellbeing Board. Such approval was given by the CCG on 23 November 2021. The Elected Mayor had approved the BCF Plan, prior to its submission to NHS England on 16 November 2021.

The minimum value of the North Tyneside BCF was set nationally. Table 1 in the report showed the value in the current year, and changes from previous years. The national framework also stipulated minimum contributions to be paid by the CCG to adult social care, and on NHS-commissioned out of hospital services

The Better Care Fund continued to play a key role in integrating health, social care and housing. The fund provided the governance and a context in which the NHS and local authorities worked together, as equal partners, with shared objectives.

The BCF plan had enabled the Authority to have a single, local plan for the integration of health and social care which had improved joint working and had a positive impact on integration. It had helped to relieve pressure on the health care system, with system performance in the North East remaining relatively strong against a difficult picture nationally. The BCF accounted for 21% of adult social care revenue expenditure. Hence, the Authority would be unable to maintain the current level of services without the benefit of the Better Care Fund income.

Cabinet considered the following decision options:

Option 1: Authorise the Director of Children and Adults Services, in consultation with the Director of Resources, the Director of Commissioning and Asset Management, and the

Director of Law and Governance, to enter into an Agreement under section 75 of the National Health Service Act 2006 and to implement the financial and administrative arrangements for the Better Care Fund.

Option 2: Not agree to Option 1 and to suggest an alternative approval mechanism to ensure that an Agreement under section 75 of the National Health Service Act 2006 was entered into before 22 January 2022.

Resolved that the Director of Children and Adults Services, in consultation with the Director of Resources, the Director of Commissioning and Asset Management, and the Director of Law and Governance, be authorised to enter into an Agreement under Section 75 of the National Health Service Act 2006 and to implement the financial and administrative arrangements for the Better Care Fund.

(Reason for decision: The continuation of the Better Care Fund presents an opportunity to take forward the principles of the Health and Wellbeing Strategy. If the requirement to enter into a Section 75 Agreement is not met by 22 January 2022 the release of funds by NHS England will be delayed.)

CAB64/21 North Tyneside Highway Asset Management Plan Annual Report 2021

Cabinet received the North Tyneside Highway Asset Management Plan (HAMP) 2017-2032 Annual Information Report 2021 which summarised the work undertaken to demonstrate progress against delivery of performance of the Highway Management Plan during the past 12 months, future planned work activities and other items of relevant interest.

The Authority was responsible for an extensive highway network and feedback from residents had consistently told the Authority that the maintenance of roads and footpaths was a top priority. The report had a particular emphasis around the condition of the network and the resources required to maintain it effectively.

In September 2017, Cabinet had adopted a new HAMP 2017- 2032, setting out the Authority's approach to maintaining North Tyneside's highways and responding to the Elected Mayor and Cabinet's policy direction which included providing a greater emphasis on footways. The HAMP included a commitment to provide Cabinet with an annual information report outlining progress and key issues associated with the maintenance of the Authority's public highway network.

Currently the highway maintenance activities delivered through the HAMP were funded through a number of funding streams. Capital work was funded by the annual Local Transport Plan Maintenance Block. For a number of years additional funding had been invested directly by the Authority and a commitment had been made within the Our North Tyneside Plan to continue to do so.

The HAMP Annual Information Report 2021 would be used as the basis for ongoing consideration around the challenges of maintaining the highway network. The report was aimed at supporting those considerations so that any decisions about potential changes in highway maintenance priorities and resources could be made in an informed manner.

Following the Cabinet meeting, all ward Councillors would be invited to view the HAMP Annual

Cabinet

Information Report via the member intranet. The report would also be published on the Authority's website so it could be viewed by the public.

The key highlights from the annual report were as follows:

- The highway network was the most valuable asset in the Authority's ownership.
- The current total value of highway assets was £1,840,000,000 (£1.84 billion).
- The successful implementation of the HAMP policy and investment strategy was demonstrating that the ongoing application of highway asset management principles by the Authority had so far achieved a generally steady state in the condition of the road network but maintaining that position continued to be challenging.
- The continued additional capital investment being funded directly by the Authority in highway maintenance was gradually improving the overall condition of the network in line with HAMP principles, as illustrated by the current "Road Condition Indicator" calculation results set out in the Information Report. However, latest condition modelling would indicate that it may be a challenge to sustain this in the future.
- The new risk-based gully cleaning regime, supported by specialist information technology introduced last year, was now fully embedded and had improved the Authority's gully cleansing services over the last 12 months.
- The Technical Services Partnership continued to achieve and exceed its KPI targets and through its Annual Service Plan was identifying innovative ways of working, service improvements which was evident in the report.
- How the Authority spent its allocated funding needed to be carefully balanced across the Authority's highway network.
- Continued customer engagement was providing better intelligence concerning resident satisfaction and new initiatives were being developed to improve the customer experience.
- The Authority had delivered all programmed highway asset improvement schemes to date.

During the last 18 months the Highways Service had had to operate within the context of the Covid-19 pandemic. Last year it was reported that following a series of risk assessments and the introduction of new safe working procedures, the Highways Services was able to resume full operations in June 2020. Since then, the Service had continued to function normally and was providing the same level of service as it did pre-pandemic.

There were no decision options set out for Cabinet's consideration as the report was for information purposes only.

Resolved that the content of the North Tyneside Highway Asset Management Plan Annual Information Report 2021 attached at Appendix 1 to the report, be noted.

CAB65/21 Climate Emergency Update

Cabinet considered a report which provided an update on the work undertaken since the declaration of a Climate Emergency, and the next steps to be taken to address the commitments agreed by full Council in July 2019.

In July 2019 Council declared a Climate Emergency, setting a target to reduce the carbon footprint of the Authority and the Borough by 50% by 2023 and to become carbon neutral by 2050.

Subsequently, in further acknowledgement of the gravity and urgency of the climate emergency, the refreshed Our North Tyneside Council Plan 2021-25, approved by full Council in September 2021, included the following ambition;

“We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside carbon net-zero by 2030.”

The report updated Cabinet on the reductions in the Authority and Borough carbon footprints, 52% and 41% respectively, informed Cabinet of a number of actions taken since the previous update report in October 2020 and of the ongoing work programme, and set out the Authority’s approach to meeting this policy ambition.

The Authority was clear in its commitment to tackling the Climate Emergency and had taken a number of steps since the previous report to Cabinet in October 2020.

The Authority had a good understanding of the main sources of carbon dioxide emissions that made up both the Authority carbon footprint and the Borough carbon footprint as detailed in the report, and had published a Climate Emergency Action Plan in October 2020. However, that plan was working towards a 2050 decarbonisation pathway and the new carbon net-zero 2030 ambition within the Our North Tyneside Council Plan 2021-25 required that the Authority’s action plan be redeveloped.

The Authority was developing a number of carbon net-zero plans that specifically addressed these sources of emissions, such as an Authority buildings net-zero plan, fleet net-zero plan, street lighting net-zero plan and housing net-zero plan. These would be supported with net-zero plans for key functions such as supply chain and procurement, organisational culture and carbon offsetting.

It was important to understand that the Authority’s carbon footprint was less than 2% of the Borough’s carbon footprint. Working with the North Tyneside Strategic Partnership, the Authority would form a Green North Tyneside Board that would bring together other public sector organisations, large producers of carbon dioxide emissions in the Borough and key stakeholders to address the climate emergency collectively.

The investment and net-zero plans of other organisations would help to influence and shape the Authority’s approach to carbon net-zero 2030, work programmes and campaigns, for example, the replacement of Nexus rolling stock would both bring a direct energy efficiency improvement and emissions reduction and would also present the opportunity for a campaign around more sustainable transport.

Cabinet

The Green North Tyneside Board would assist the Authority in capturing these plans, sharing best practice, collaborating on strategic projects and opening the Authority's own plans up to scrutiny. The recent 'Call to Evidence' event hosted by the Authority on 11 November brought together a number of large organisations and stakeholders to share and scrutinise plans and was a useful event for shaping the future board. Engaging and energising the borough's residents, businesses, partners and visitors would be key in working towards a carbon net-zero 2030 and the Authority had developed a campaign to support this. There was a need to create a movement and to encourage behavioural change to meet the challenges of a carbon net-zero 2030 ambition. The recent resident's survey, which included questions on climate emergency for the first time, would help to inform the campaign, as would other conversations with key stakeholders.

The Authority's Climate Emergency Board would continue to provide governance to the programme of work listed within section 1.5 of the report.

The Climate Change Act 2008, as amended in 2019, committed the UK to net-zero by 2050. Throughout 2021 and particularly in the run up to COP26, key Government strategies and plans had been released that set out the Government's approach to net-zero, including the Ten Point Plan, Net Zero Strategy and Heat and Building Decarbonisation Strategy. It was important that the Authority's approach to developing its own carbon net-zero 2030 plan fully considered the decarbonisation plans, investments, technological developments and opportunities for economic growth outlined within these key documents.

The Authority would ensure that its plans were aligned to these key documents to both realise the opportunities for decarbonisation and economic growth, and to identify where the differing timeline of national government targets would have an impact on the Authority's carbon net-zero 2030 ambition.

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

Resolved that (1) the performance update in relation to the carbon footprint of the Authority and the carbon footprint of the Borough, be noted;
(2) the Authority's approach to achieving the Our North Tyneside Council Plan policy ambition of carbon net-zero 2030, be noted;
(3) a further progress report will be presented to Cabinet in 2022; and
(4) Cabinet agrees to receive an action plan in 2022 of the steps the Authority would take and the national investment it would seek to make North Tyneside carbon net-zero by 2030.

(Reason for decision: Agreeing the recommendations set out in paragraph 1.2 of the report will support the delivery of the Our North Tyneside Council Plan 2021-25 carbon net-zero 2030 ambition.)

CAB66/21 Bus Partnership

Cabinet received an update report on the Bus Partnership and to seek delegated authority for the Deputy Mayor, and the Director of Law and Governance, in consultation with appropriate Directors, to agree the Enhanced Partnership (EP) consultation documents, and thereafter to agree the Enhanced Partnership on behalf of the Authority.

Cabinet

There were approximately 5.9 million miles of bus journeys made within North Tyneside in 2018/19. Since the onset of the Covid-19 pandemic, buses had continued to provide a vital service, however passenger numbers remained lower than before.

The Local Plan and the North Tyneside Transport Strategy stated that the Authority would work with partners to support bus provision as part of an integrated public transport network. As a low-carbon form of transport, bus services were also a vital part of realising the aims of the Authority's Climate Emergency Action Plan. The regional North East Transport Plan also aimed to improve bus travel and attract more passengers.

The Government announced in March 2021 that ongoing funding for bus services would be dependent on authorities' and bus operators' participation in new arrangements. The National Bus Strategy, 'Bus Back Better', set out a more formal framework for partnership working between authorities and bus operators and instructed each area to implement a statutory EP under the Transport Act 2000 (as amended by the Bus Services Act 2017). Entering into an EP was a requirement in order to receive ongoing Government funding for bus services.

As part of the process set out in the National Bus Strategy, each area was also required to develop a Bus Service Improvement Plan (BSIP).

The Authority was represented on the Joint Transport Committee (JTC) by the Elected Mayor as the designated member and the Deputy Mayor as the designated substitute member.

Reflecting the national guidance, in June 2021 the JTC agreed to notify the Government of its intention to proceed with an EP. In July 2021 the JTC approved a process of public engagement, which was carried out by Transport North East over the Summer and branded as the 'Big Bus Conversation'. Factors which respondents identified as barriers to using the bus more often included the level of fares; bus service punctuality and reliability; buses being seen as slow; buses not necessarily going where people needed them to; and vehicle cleanliness and maintenance in the context of the Covid-19 pandemic.

This informed the development of the North East BSIP, which was approved by the JTC and submitted to the Department for Transport by the deadline of 31 October 2021. The BSIP set out a far-reaching programme of potential measures to improve bus services in the North East, and made an ambitious request for Government funding of £804m to deliver the measures over three financial years from 2022/23 to 2024/25. A Government announcement was awaited on the level of funding which would be provided to the region.

An EP Plan and Scheme(s) were currently being developed in accordance with Government guidance. These would first be subject to a period of bus industry stakeholder engagement, known as the 'Operator Objection Mechanism'. Following this, a period of statutory consultation was required: this was currently intended to commence on 13 January 2022. Government funding timescales then required the EP to be in place by 1 April 2022. At its meeting of 20 September 2021, Cabinet agreed fully to support and endorse the establishment of an Enhanced Partnership for bus services in the North East.

The JTC discharged certain local transport authority functions on behalf of the two combined authorities, and was responsible for the preparation of the statutory transport plan

and had various responsibilities with respect to public transport. However, aspects of the EP Plan and Scheme(s) would relate to powers held by the Authority, as the highway authority for the borough, such as the delivery of measures on the highway which required a Traffic Regulation Order (TRO). It was therefore important for the Authority, as the highway authority for the borough, to have a full understanding of the requirements of the EP Plan and Scheme(s) as they related to highway authority powers. Once the EP took effect, there would be an obligation on the Authority to implement facilities and measures in accordance with the identified EP Scheme(s).

An EP was a statutory partnership between a local transport authority and local bus operators, which set out how they would work together to deliver the outcomes identified in the BSIP. It consisted of two parts: an EP Plan and one or more EP Schemes. Government guidance advised that an EP Plan should state a clear vision of the improvements to bus services which the EP aimed to deliver, consistent with the BSIP: it should summarise the evidence base; what outcomes needed to be delivered to improve local bus services in the area; and what overall interventions the partnership believed should be taken to deliver those outcomes.

An EP scheme should set out the precise detail of how the BSIP vision and objectives will be achieved, including any commitments made by authorities or standards to be met by bus operators, and detail the specific interventions that will be made. It sets out the legal obligations on the relevant authorities and bus operators and is the mechanism by which the commitments made in the BSIP and the EP Plan are delivered.

The main next steps in the process (including indicative dates) were detailed in the report.

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

Resolved that (1) the Deputy Mayor, in consultation with the Cabinet Member for Finance and Resources, the Director of Regeneration and Economic Development, the Director of Environment, Housing and Leisure, the Director of Law and Governance and the Director of Resources, be authorised to agree the draft Enhanced Bus Partnership's Plan and Scheme(s) insofar as they relate to the Authority's highway authority functions which are to be the subject of a statutory consultation in accordance with the requirements of the Transport Act 2000;

(2) the Deputy Mayor, in consultation with the Cabinet Member for Finance and Resources, the Director of Regeneration and Economic Development, the Director of Environment, Housing and Leisure, the Director of Law and Governance, be authorised to agree on behalf of the Authority to any amendments to the Enhanced Bus Partnership's Plan and Scheme(s) arising from the consultation; and

(3) the Director of Law and Governance, in consultation with the Deputy Mayor, the Cabinet Member for Finance and Resources, the Director of Regeneration and Economic Development, the Director of Environment, Housing and Leisure, be authorised to enter into an Enhanced Partnership and Scheme(s) on behalf of the Authority and to take all other steps necessary to implement these proposals.

(Reason for decision: To support the further development of an Enhanced Partnership, which represents an opportunity to deliver aspects of the Authority's and the region's transport objectives and to secure ongoing Government funding for bus services.)

CAB67/21 North Tyneside Zero Emission Vehicles Strategy

Cabinet considered a report seeking approval for the revised Zero Emission Vehicles Strategy for the Borough.

In October 2021, Cabinet approved the revised and updated North Tyneside Transport Strategy. Its vision was “Moving to a green, healthy, dynamic and thriving North Tyneside”. One of the key principles underpinning the Transport Strategy was to reduce carbon emissions from transport.

The Strategy supported the ambition of the Our North Tyneside Plan 2021 to 2025, which committed to publishing an action plan of the steps the Authority would take and the national investment it would seek to make North Tyneside carbon net-zero by 2030. It also reflected the Authority’s declaration of a climate emergency, made in July 2019, and the aims of the North Tyneside Local Plan, which noted that, alongside encouraging everyday cycling and walking, zero emission vehicles could help to reduce carbon emissions.

The Transport Strategy contained a commitment to update, where appropriate, the specific strategies and plans which fitted within the context of the Transport Strategy. This included producing a new Zero Emission Vehicles Strategy for North Tyneside.

The proposed Zero Emission Vehicles Strategy was attached to this report as Appendix 1 to the report. This strategy aimed to support the take-up of zero emission vehicles (ZEVs, which included both pure electric vehicles and hydrogen fuel cell vehicles) in preference to petrol or diesel vehicles in the borough. It was important to recognise that it was not its intention to increase the number of vehicles on the roads, but to ensure that a far higher proportion of vehicles on the highway network were zero emission. Together with improvements to cycling, walking and public transport this would help to realise the Authority’s climate emergency aims.

This also complemented transport policy at regional level. The North East Transport Plan was adopted by the regional Joint Transport Committee in March 2021. Under the objective ‘Carbon neutral North East’, it committed to initiate actions to make travel in the North East carbon net zero: it also set out the intention to produce both a North East Zero Emission Vehicle Policy and a North East Road Infrastructure and Zero Emissions Strategy in the near future.

The proposed North Tyneside ZEV Strategy had been prepared with a clear eye on the national and regional context. In 2018 the Government published ‘The Road to Zero’, which sought to put the UK at the forefront of the design and manufacturing of ZEVs and affirmed the Government’s commitment to end the sale of new petrol and diesel cars and vans by a set date. The deadline had since been brought forward to 2030 for pure petrol and diesel vehicles and 2035 for hybrid vehicles.

As a result, it was clear that the prevalence of ZEVs was set to continue to rise and that ZEVs would ultimately replace petrol and diesel vehicles. New registrations of ZEVs were already rapidly rising: the number of EVs registered in North Tyneside more than doubled over three years (from January-March 2017 to January-March 2020), while at national level

the equivalent figure showed a fivefold increase.

It was recognised that the Authority had a leadership role to play, and the Authority had already taken a number of relevant steps, such as: introducing electric vehicles into its own fleet; securing funding for pedal-powered, electrically assisted e-cargobikes for use by local businesses; and working with partners to install modern Rapid chargepoints, which could charge an EV to 80% within 40 minutes, at several of the Authority's public car parks. Nevertheless, the Authority was not a mainstream fuel provider to the public or businesses, therefore it was not anticipated that the Authority would become the long-term default provider for EV chargepoints.

In addition, ZEVs and the charging infrastructure they required were relatively new and developing technologies. Whilst much of the focus was currently on EVs, innovation and development was happening all the time across a range of alternative fuel sources. It would be important to be ready to respond quickly to future changes and as such it was appropriate for the Authority's ZEV Strategy, including its action plan, to be suitably flexible and responsive.

The proposed ZEV Strategy ("the strategy") sets out the objectives and actions which the Authority would implement to support and facilitate an inclusive move to ZEVs in preference to petrol or diesel vehicles, and helped to deliver its challenging carbon net-zero commitments. The strategy would support the realisation of the aims in the North Tyneside Transport Strategy and the Our North Tyneside Plan.

The strategy set out background information regarding aspects of ZEVs. It noted that, compared with petrol or diesel vehicles, ZEVs had a lower carbon footprint; did not produce 'tailpipe' emissions of local air pollutants such as nitrogen dioxide; and were quieter, resulting in lower noise levels. Equally, the strategy recognised that all motor vehicles emitted some local air pollutants, e.g. fine particulates from brake and tyre wear, hence while ZEVs generated considerably less local air pollution than other vehicles, walking and cycling (including cargo bikes) remained the cleanest ways to travel.

The strategy recognised that charging a vehicle at home and overnight was convenient, could be more affordable, and also had the lowest carbon footprint, as it used electricity at an off-peak time when reduced demand on the grid allowed greater use of lower-carbon electricity generation. It also noted that Government grants were available for both householders and businesses to install EV ChargePoint's. It then summarised various challenges associated with the uptake of ZEVs, and noted that there were distinct challenges for taxi (hackney carriage and private hire vehicle), bus and freight operators in adopting ZEV technologies. The strategy noted that to be convenient and overcome 'range anxiety' (lack of confidence that an EV can cover a certain length of journey: particularly important for the visitor economy), it was important for the network of publicly available charging infrastructure to be not only reasonably widespread but also reliable and well maintained.

The strategy contained an action plan, which set out eight actions to be undertaken in order to deliver the aims of the strategy. Of these, five were 'leadership' actions, which could be directly undertaken by the Authority; the remaining three were 'influencing' actions, which related to matters not within the Authority's direct control but where the Authority could assist in prompting the delivery of the action, examples of which were detailed in the report.

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

Resolved that (1) the revised North Tyneside Zero Emission Vehicles Strategy attached as Appendix 1 to the report be approved; and
(2) the Director of Environment, Housing and Leisure, in consultation with the Cabinet Member for Environment, be authorised to make amendments to the strategy from time to time to reflect the developing nature of the market for Zero Emission Vehicles Strategy.

(Reason for decision: Approval of the strategy will facilitate the delivery by the Authority of measures to support the shift from to Zero Emission Vehicles in place of petrol or diesel vehicles, which will help to reduce transport-related carbon emissions and minimise local air pollution in the borough.)

CAB68/21 CCTV Policy

Cabinet considered a report seeking approval to update the North Tyneside Council CCTV Policy to include the use of Body Worn Video.

The Authority operated a number of closed-circuit television (CCTV) systems which were used in areas such as council buildings, public spaces, and on its refuse collection vehicles. It also monitored systems deployed by other parties such as schools, Northumbria Police and Nexus under service level agreements or contract arrangements.

These CCTV system installations were operated in line with extensive statutory requirements and associated guidance to ensure that the need for public protection was balanced against the need to respect the right of privacy for individuals. Although not a statutory requirement, the Authority had developed a CCTV policy which was attached at Appendix 1 to the report.

The proposal to introduce this policy, which would govern the use of the Authority's CCTV systems, was aimed at adding further rigour to the manner in which they were managed and to provide assurance of compliance with relevant legislation and the accompanying statutory codes of practice. The policy only covered the use of CCTV systems that were deployed overtly. The Authority did not routinely use CCTV systems covertly. Such use was strictly controlled by surveillance legislation 'the Regulation of Investigatory Powers Act 2000', and was subject to a specific policy which had been approved by Cabinet and was regularly reviewed. As well as preventing and detecting crime, having visible CCTV systems in public spaces also enhanced feelings of safety for residents and communities. Ensuring places were safe was a priority of the Elected Mayor. This was also a priority of the Safer North Tyneside Community Safety Partnership where promoting feelings of safety amongst communities was one of the key aims of its Community Safety Strategy 2019-2024.

The Authority had since upgraded its static public space CCTV and had opened a new control room. Also, a new mobile CCTV vehicle had been introduced along with more CCTV cameras which were capable of being redeployed to tackle identified hotspots for antisocial behaviour and environmental crime. Officers had scope to use Body Worn Video (BWV) which was a portable system that provided an audio and visual record of enforcement activities undertaken by the wearer. The use of BWV could provide a number

Cabinet

of benefits which included a deterrent to acts of aggression or verbal and physical abuse toward employees and providing evidence to support Police and Authority investigations.

This improved CCTV capability was playing a vital role in assisting the additional officer capacity which included new community protection wardens and an environmental rapid response team.

CCTV systems were surveillance systems and their use was subject to a range of legislative controls which enabled organisations to use them lawfully. The Protection of Freedoms Act 2012 introduced the provision to appoint a Surveillance Camera Commissioner (SCC) with the power to develop and introduce a Code of Practice focussing on the use of surveillance camera systems. The role of the SCC was to encourage compliance with the Code of Practice, review how the Code was working on the ground and provide advice to Ministers on whether or not future amendments to the Code were required. At present the SCC had no enforcement or inspection powers and worked with 'relevant authorities' to make them aware of their duty to have regard to the Code. North Tyneside Council was classed as a relevant authority.

The SCC had published the Surveillance Camera Code of Practice in June 2013 which set out new guidelines for CCTV systems and automatic number plate recognition (ANPR) in the form of '12 Guiding Principles'.

The introduction of a CCTV policy provided a framework to centrally co-ordinate the use of the Authority's CCTV systems therefore giving additional assurance that the relevant compliance standards were being met. The SCC had requested that each relevant authority nominated a Senior Responsible Officer (SRO). The role of SRO was undertaken by the Authority's Data Protection Officer. The SRO was responsible for maintaining an Asset Register of CCTV equipment and where these assets were deployed. Each Director of Service was responsible for ensuring effective and legally compliant systems and procedures were in place within their service areas. Each service area would have a nominated Responsible Officer for each CCTV system. An 'Employee: Code Assessment Pack', had been prepared which provided key information for Officers and directed them towards key sources of detailed guidance. It would be kept under review and revised as necessary to ensure it reflected current procedures and best practice.

The CCTV policy would be reviewed annually and brought back to Cabinet for approval. The Authority would also consider internal reports on the use of CCTV to ensure that it was being used consistently in compliance with the policy and that it remained fit for purpose.

On approval by Cabinet the CCTV policy would be promoted across the Authority under the direction of the SRO. Responsible Officers who had been designated as having responsibility for CCTV systems they operated would have a key role to play in making the necessary adjustments to ensure compliance with it. The policy would be published on the Authority's website and internally on the intranet. A new programme of training for relevant managers and officers who used CCTV systems would also be undertaken.

The opportunity to apply to the SCC's third-party certification process would also be explored. This was a scheme that enabled relevant authorities to certify their CCTV systems against the Surveillance Camera Code of Practice. This would enable the Authority to use the SCC's certification mark and provide further assurance of the Authority's

compliance standards.

Cabinet considered the following decision options: to accept the recommendations set out in paragraph 1.2 of the report, or alternatively, to not approve the recommendations and request officers to revise the draft policy and/or provide additional information regarding any matters contained in the report.

Resolved that (1) the Authority's revised draft policy on CCTV attached at Appendix 1 to the report, be approved;
(2) the Director of Law and Governance, in consultation with the Elected Mayor as appropriate, be authorised to implement the policy and all ancillary matters relating to it; and
(3) Cabinet receives an update report every 12 months to ensure proper oversight of the policy be agreed.

(Reason for decision: Although not a statutory requirement, this policy provides a framework to centrally co-ordinate the use of the Authority's CCTV systems therefore giving additional assurance that the relevant compliance standards are being met.)

CAB69/21 Annual Review of Council Policy on Covert Surveillance (RIPA)

Cabinet received a report seeking approval of an updated Covert Surveillance Policy. In accordance with Statutory Codes of Practice applying to the Regulation of Investigatory Powers Act 2000 (RIPA) the Authority was required to review its use of RIPA and set the general surveillance policy at least annually.

The draft Policy had been considered by the Regulation and Review Committee on 21 October 2021 and had been referred to Cabinet for further consideration and, if appropriate, approval.

No substantive changes had been proposed as the previously adopted Policy remained fit for purpose. The report also explained that there had been no RIPA authorisations granted in the last year.

The aims of the Authority's Policy were to:

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

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

To meet these requirements the Policy provided that:

Cabinet

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

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

Resolved that (1) the Authority's Policy on Covert Surveillance, attached at Appendix 1 to the report, be approved;
(2) the Director of Law and Governance, in consultation with the Elected Mayor as appropriate, be authorised to implement the policy and all ancillary matters relating to it; and
(3) an update report be received every 12 months to ensure proper oversight of the Policy.

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

CAB70/21 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 items of business on the grounds they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB71/21 Supply Chain Update

Cabinet received an update report on commercial matters relating to the care home market and the Authority's strategic partnerships, and to seek approval for the procurement approach as detailed in the report.

The Authority had a vast and diverse supply chain, its purchasing power and influence it had to deliver Policy Priorities was strong. It was a Council priority to review how the Authority procured goods and services. This report sets out a framework to underpin the Authority's contract management within its supply chain to support this priority. A further report would provide details of the proposed Procurement and Social Value Policy.

The report set out 3 significant pieces of work that were currently underway and also

Cabinet

reflected the ongoing negotiations that had been undertaken with the Authority's strategic partners and set out the basis to conclude those commercial negotiations.

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

Resolved that (1) the procurement approach as detailed in the report be agreed, and that a further report with an updated procurement and social value policy be presented to Cabinet in early 2022;

(2) the current position with care home providers, as set out in Paragraph 1.5.4.1 be noted; and

(3) the Director of Resources, in consultation with the Cabinet Member for Finance and Resources, Director of Law and Governance and the Director of Commissioning and Asset Management, be authorised to conclude all necessary arrangements to finalise commercial arrangements within the supply chain, and to secure the return of individual service elements from the strategic partnerships where the return would represent value for money for the Authority, as set out in paragraphs 1.5.4.2 and 1.5.4.3 of the report.

(Reason for decision: The Authority needs to continue to strengthen its overall procurement approach. The potential return of services to the management of the Authority will provide further flexibility and control to the Authority in deliver of the services. This will strengthen the Authority's strategic capacity to deliver key services as well as deliver value for money.)

CAB72/21 Corporate Risk Management Summary Report

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

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

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

(Reasons for decision: Each of the corporate risks has undergone substantial review and challenge as part of the corporate risk management process. This is designed to provide assurance that corporate risks and opportunities are being identified and appropriately managed.)

CAB73/21 Date and Time of Next Meetings

6.00pm on Monday 24 January 2022 (Ordinary meeting)

6.00pm on Monday 31 January 2022 (Extraordinary meeting)

Minutes published on Thursday 2 December 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 9 December 2021.