



North Tyneside Council

Overview, Scrutiny & Policy Development Committee

Friday, 24 September 2021

Monday, 4 October 2021 Chamber - Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

Agenda Item	Page
<p>1. Apologies for Absence</p> <p>To receive apologies for absence from the meeting.</p>	
<p>2. Appointment of Substitute Members</p> <p>To be notified of the appointment of any Substitute Members.</p>	
<p>3. Declarations of Interest and Dispensations</p> <p>You are invited to declare any registerable and/or non registerable interests in matters appearing on the agenda, and the nature of that interest.</p> <p>You are also invited to disclose any dispensation in relation to any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda.</p>	
<p>4. Minutes</p> <p>To confirm the minutes of the meeting held on 9 February 2021.</p>	5 - 10
<p>5. Annual Report of the Elected Mayors</p>	
<p>6. Gambling Act 2005 Draft Statement of Licensing Policy (Gambling)</p> <p>To receive a report that outlines the draft final proposals following the public consultation of the revised draft Policy.</p>	11 - 86

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

7. **2022-2026 Financial Planning and Budget Process incorporating the Associated Engagement Strategy** **87 - 152**

To consider the initial Cabinet report outlining the process to be adopted for the Authority's Financial Planning and Budget process for 2022/23 as part of the proposed framework for the four years 2022/23 to 2025/26.

Circulation overleaf ...

Members of the Overview, Scrutiny & Policy Development Committee

Councillor Jim Allan (Deputy Chair)
Councillor Brian Burdis
Councillor Julie Cruddas
Councillor Janet Hunter (Chair)
Councillor Andy Newman
Councillor Erin Parker-Leonard
Councillor Willie Samuel
Councillor Matt Wilson

Councillor Mrs Linda Arkley OBE
Councillor Debbie Cox
Councillor Muriel Green
Councillor Joe Kirwin
Councillor Pat Oliver
Councillor Matthew Thirlaway
Councillor Judith Wallace

Mr Stephen Fallon, Church Representative
Rev Michael Vine, Church Representative

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Overview, Scrutiny & Policy Development Committee

Wednesday, 7 July 2021

Present: Councillor Janet Hunter (Chair)
Councillors L Arkley, B Burdis, D Cox, J Cruddas,
M Green, J Kirwin, A Newman, E Parker-Leonard,
W Samuel, J Wallace and M Wilson

In attendance
Rev M Vine – Church Representative

Apologies: Councillors J Allan, P Oliver and M Ord – Parent
Governor Representative

OV7/21 Appointment of Substitute Members

There were no Substitute Members.

OV8/21 Declarations of Interest and Dispensations

There were no Declarations of Interest.

OV9/21 Minutes

A Member questioned the accuracy of the minute by stating it did not record them voting against agreeing and noting items in relation to the Engie Sub-group report and Cabinet's response to the Children, Education and Skills (CES) sub-group report into children's readiness for school.

The Chair acknowledged that the Member did not vote in favour of the items, however, did confirm that a majority of the Committee did vote in favour and therefore the minute was accurate.

Resolved that the minute of the meeting held on 15 March 2021 be confirmed.

OV10/21 Gambling Act 2005 Draft Statement of Licensing Policy (Gambling)

The Committee received a report in relation to the draft Statement of Licensing Policy (Gambling).

The draft Policy statement was subject to a 6-week consultation which would run from 5 July to 15 August 2021, where the public, the trade, North Tyneside's MP's, Councillors and its Heads of Service would have the opportunity to comment on the Policy statement.

Members questioned the Public Protection Manager to what changes had been made to the Policy and was informed that the only amendments were to ensure changes guidance made by the Gambling Commission had been replicated throughout the Policy. The

Committee heard that there had been no process changes made to the Policy.

It was informed that as the Statement of Licensing Policy (Gambling) formed part of the Authority's policy framework and the committee would receive the final proposals at its meeting to be held on the 4 October 2021.

Agreed to note the Gambling Act 2005 Draft Statement of Licensing Policy (Gambling).

OV11/21 Council Plan Refresh

The Assistant Chief Executive attended the meeting to present Cabinets initial refreshed proposals of the Our North Tyneside Plan, following the mayoral election in May 2021.

The refresh was required to reflect the policy priorities of the Council with the vision to building a better North Tyneside and looking to the future.

The future vision of the Our North Tyneside Plan would follow the five North Tyneside themes of:

- Thriving
- Family-friendly
- Caring
- Secure
- Green

The report detailed and the Assistant Chief Executive explained the policy priorities and outcomes for each of the 5 themes.

The Committee was informed of the engagement approach that would take place during the consultation phases with both internal and external stakeholders.

As the Our North Tyneside Plan formed part of the Authority's policy framework the final proposals were required to be considered by the Committee prior to final approval from Cabinet and Full Council.

It was proposed that the Committee would establish a sub-group of its membership to receive the final proposals and make any further comment.

Members were given the opportunity to comment on the initial proposals and raised the following:

- Consideration to prioritise how to reduce the mortality rates, with the view to be added to the, A Secure North Tyneside theme.
- Ensure through the engagement process that the views of young people were gathered.
- Further consideration to how the Our North Tyneside Plan would be eventually marketed. There was a view that the priority for environment net-zero should be central priority throughout the plan.
- The need for engagement process to ensure there was an increased voice for the poor.

- The need to ensure the consultation engagement was comprehensive to ensure no individuals or groups were missed.
- The need to have increased integration across the Council/Partners in relation to the Environment.
- There was a suggestion to enhance engagement was to approach and attend, if possible organised voluntary sector events that would occur during consultation period.

The Committee agreed that it would establish a sub-group to consider the final proposal changes prior to the Cabinet meeting 2 August. The sub-group will be open to all members of the Committee and would be held virtually using Teams.

Agreed that (1) the Council Plan Refresh be noted, (2) the comments raised be forwarded to the Deputy Mayor as relevant Cabinet Member for consideration; and (3) to establish a sub-group to consider Cabinets final proposed changes to the Our North Tyneside Plan prior to the 2 August 2021.

OV12/21 Efficiency Savings Programme 2020/21 Quarter 4: Progress Report

The Committee received an update report on the full year outturn 2020/21 project and business cases within the Efficiency Savings Programme.

The overall saving requirement for 2020/21 that had been agreed by Cabinet in February 2020 was £3.622m. It was noted that the delivery of some of the saving proposals had been significantly impacted by the Covid-19 pandemic.

The report detailed that the projected savings had been fully achieved and showed that:

- £1.754m had been delivered against project activities associated to business cases.
- £0.470m had been achieved directly from management actions
- £1.398m had been met through Covid-19 funding.

A member requested further explanation to the service delivery and savings in relation to the Youth Offending and Early Help target. In response the officer stated that the relevant service area would be contacted to provide a response.

Agreed that (1) the Efficiency Savings Programme 2020/21 (Quarter 4) update be noted; and (2) information in relation to the Youth Offending and Early Help target be provided.

OV13/21 Review of Parking Strategy

The Committee received an update on parking services in North Tyneside.

The Committee was reminded that it undertook its own review of the parking permit system and made several recommendations to Cabinet to improve the system. Cabinet accepted the recommendations and were incorporated in the North Tyneside Parking Strategy that was adopted in September 2017.

The Senior Manager Technical & Regulatory Services, Integrated Transport Manager

informed the Committee that members had continued to raise issues relating to Parking Service delivery and that the Cabinet Member for Environment would carry out a review and would welcome the involvement of members as part of the review, especially those members involved in the original review in 2017.

Members raised their concerns in relation to:

- Strategy for electric charging points
- Safer routes for schools
- Enforcement at schools
- Redundant road signage
- Terms of Reference of the review
- The need to have full consultation prior to any implementation.

It was suggested that the Committee receives the findings of the review upon its completion.

Agreed that (1) the report on the Review of the Parking Strategy be noted; and (2) the Overview, Scrutiny & Policy Development Committee be involved and receive the findings of the review on its completion.

OV14/21 Technical Services Partnership - Capita Performance Update

The Committee received updates and information in relation to the 2020/21 Service Delivery Performance, the 2020/21 Partnership Annual review booklet, a highlight report and Annual Service Plan.

The Council monitors performance of the Partnership monthly and Capita are required to meet a series of important performance milestones for each service they deliver on our behalf and these are known as Key Performance Indicators ('KPI's).

The KPI's, divided into Category 1 (not linked to the payment mechanism) and Category 2 (linked to the payment mechanism) and each have an explicit target.

Performance scorecards were reported for each of the following service areas:

- Property Services
- Engineering Services
- Regulatory Services

The item had been published on the agenda with information to follow and Members questioned the lateness in receiving the papers to allow them to fully scrutinise.

In explanation the Chair informed the Committee that the date of the meeting had been brought forward and consequently the information required for the meeting had not completed its normal clearance cycle.

The Chair and Deputy Chair agreed that the delay in circulation was acceptable in this case.

It was accepted that the item contained a lot of information and Members were asked if they had any questions, they should forward to Democratic Services who would arrange written

responses.

Agreed that the 2020/21 Service Delivery Performance, the 2020/21 Partnership Annual review booklet, a highlight report and Annual Service Plan be noted.

OV15/21 Exclusion Resolution

Resolved that under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test in accordance with Part 2 of Schedule 12A 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 3 of Part 1 of Schedule 12A to the Act.

OV16/21 Technical Services Partnership - Further Information

Agreed that (1) the Capita Financial Performance for the 2020/21 Outturn be noted; (2) the decision to receive the financial information as an exempt item be reviewed.

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Meeting: Overview, Scrutiny and Policy Development Committee

Date: 4 October 2021

Title: Gambling Act 2005 Draft Statement of Licensing Policy (Gambling)

Author: Joanne Lee, Public Protection Manager

Tel: 0191 643 6901

Service: Environment, Housing and Leisure

Wards affected: All

1. Purpose of Report

Local authorities are required by the Gambling Act 2005 (“the Act”) to publish a Statement of Licensing Policy and to revise the Policy at least every three years. The Statement of Licensing Policy provides guidance as to how the Authority will exercise its functions under the Act. It is a legal requirement that the Statement of Licensing Policy is consulted on in accordance with the 2005 Act before it is approved by the Authority.

This report outlines the draft final proposals following the public consultation of the revised draft Policy, which forms part of the Authority’s Budget and Policy Framework. There have been no significant changes made to the Policy following the consultation. The Committee are invited to provide any comments or recommendations to the Cabinet Member for Community Safety and Public Protection, to be taken into account in formulating the final Policy.

2. Recommendations

The Committee is invited to:

- a) Note the review of the Statement of Policy (Gambling) detailed in this report;
- b) Consider the responses received as a result of the consultation as attached at **Appendix 1**; and
- c) Provide any final comments or recommendations to the Cabinet Member for Community Safety and Public Protection to consider as appropriate.

3. Details

On 28 June 2021 Cabinet received a report from the Head of Housing, Environment and Leisure in relation to the draft Statement of Licensing Policy (Gambling) that must be

published by the Authority as a Licensing Authority under Section 349 of the Gambling Act 2005 and be in force by the 31 January 2022. The revised Policy will replace the existing Policy that came into force on the 31 January 2019. This Committee considered the draft Policy on 7 July 2021.

The draft Policy statement was subject to a 6 week period of consultation commencing on 5 July 2021 and ending on 15 August 2021. The 6 week period of consultation was considered appropriate for a document that forms part of the Authority's policy framework. Members of the public, members of the trade, all North Tyneside MPs, Councillors and Heads of Service have had an opportunity to comment on the draft Policy statement.

A total of 55 responses were received, the majority of which were from local residents. A summary of the responses received are attached at **Appendix 1** to this report. The draft Policy with amendments following the consultation exercise is attached at **Appendix 2**. In response to the question of whether or not to retain the No Casino Resolution, of the 54 respondents that expressed a view 45 were of the opinion that it should be retained. 9 respondents were opposed to the No Casino Resolution.

As the Statement of Licensing Policy (Gambling) forms part of the Authority's Policy Framework the process set out in the Authority's Constitution for the preparation, consideration and approval of such plans must be followed. With that in mind, the initial proposals were presented to Cabinet on 28 June 2021 and this Committee on 7 July 2021. This Committee is now being presented with the draft final proposals. Thereafter, the final proposals will be presented to Cabinet on 18 October 2021 together with any comments from this Committee and details of any consultation responses and then full Council on the 25 November 2021.

Appendices:

Appendix 1 – Summary of consultation responses

Appendix 2 – Draft Statement of Licensing Policy (Gambling)

4. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author.

- Report to Cabinet – 28 June 2021
- Minutes of Cabinet – 28 June 2021
- Report to Overview, Scrutiny and Policy Development Committee – 7 July 2021
- [Gambling Act 2005](#)
- [Gambling Commission's Guidance issued under section 25 of the Gambling Act 2005](#)
- [The Gambling Act 2005 \(Licensing Authority Policy Statement\) \(England and Wales\) Regulations 2006](#)

Appendix 2 -Schedule of Responses in relation to Statement of Licensing Policy (Gambling)

Reference	Respondent	Comments	Response
GP/1	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/2	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/3	Resident	Council should retain a 'No Casino' resolution Too many gambling premises	No change to Policy required
GP/4	Resident	Council should not pass a 'No Casino' resolution additive to young people	No change to Policy required
GP/5	Resident	Council should retain a 'No Casino' resolution The council should ensure that all licenced properties have a trained licence holder approved by council	No change to Policy required
GP/6	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/7	Resident	Council should retain a 'No Casino' resolution Gambling ruins lives	No change to Policy required

GP/8	Resident	<p>Council should retain pass a 'No Casino' resolution</p> <p>We hear all the time about the misery caused by indiscriminate gambling by members of the public. Surely, we have enough gaming machines in the area without introducing a casino as well.</p>	No change to Policy required
GP/9	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>I don't think our area needs casinos, there are some in Newcastle which is near enough</p>	No change to Policy required
GP/10	Resident	<p>Council should not pass a 'No Casino' resolution</p>	No change to Policy required
GP/11	Resident	<p>Council should not pass a 'No Casino' resolution</p> <p>A casino in the right location could bring in well needed investment into the area</p>	No change to Policy required
GP/12	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>In my experience gambling regularly and without real control can lead to misery for the gambler and their children/families - and often to criminal acts as debts mount, so the more regular gambling can be discouraged the better - so encouraging machines</p>	No change to Policy required

		in pubs and clubs to have limits and no cash machines nearby, and limiting betting premises - especially in high poverty areas - and making sure child protection policies are adhered to are key, One off or low level activities are less problematic I guess but local research with gambling helplines would give some hard information on what are the most risky activities and if any fall within the councils governance	
GP/13	Resident	<p>Council should not pass a 'No Casino' resolution</p> <p>Rather than a blanket 'no casino' resolution, I would like to see each application for a casino considered on it's own merits - undoubtedly the 'wrong' kind of casino in the wrong location could be very detrimental to the area, it's residents and the casino's customers & their family. However, an up market casino (& perhaps a multi purpose venture) in our newly refurbished Whitley Bay (as an example) could be an attraction to those within & without our area.</p>	No change to Policy required
GP/14	Resident (Member of a number of Women's Organisations)	<p>Council should retain a 'No Casino' resolution</p> <p>Gambling is already ruining lives in England, so I feel very strongly that we should retain the No Casino policy in North Tyneside</p>	No change to Policy required

GP/15	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>No call for this kind of establishment in North Tyneside</p>	No change to Policy required
GP/16	Resident	<p>Council should retain a 'No Casino' resolution</p>	No change to Policy required
GP/17	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>I believe that the gambling industry is a criminal rip-off and should be discourage as exploitation. I would love to see advertising for gambling banned nationally - the amount on TV is a disgrace to the country. Unfortunately, banning gambling itself would only drive it underground and make it harder to control.</p>	No change to Policy required
GP/18	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>There is a need to restrict gambling in order to protect society from it's downfalls ie debt and addiction there is enough available online</p>	No change to Policy required
GP/19	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>Gambling is a problem already and more opportunities to gamble would</p>	No change to Policy required

		encourage more financial difficulties for vulnerable people	
GP/20	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/21	Ward Councillor	Council should retain a 'No Casino' resolution People are losing a lot of money on gaming machines so they should be restricted	No change to Policy required
GP/22	Resident	Council should retain a 'No Casino' resolution As you have no powers to ban high level gaming machines I have no comments.	No change to Policy required
GP/23	Resident	Council should retain a 'No Casino' resolution I support the Licencing Authority on it's No Casino policy simply because of the level of policing that is now in place within the borough and the number of liquor licensed premises already established in the area. The addition of a further high risk number of Gambling / liquor licences premises would stretch the enforcement of the borough's enforcement capabilities as well as that of the local police force	No change to Policy required

		which is clearly under manned at present.	
GP/24	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/25	Resident	Council should not pass a 'No Casino' resolution Let residents make their own choices	No change to Policy required
GP/26	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/27	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/28	Resident	Council should retain a 'No Casino' resolution As a socially aware council we should support people in avoiding the negative issues surrounding gambling and addiction.	No change to Policy required
GP/29	Resident	Council should retain a 'No Casino' resolution	No change to Policy required

GP/30	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/31	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/32	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/33	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>I feel there is enough gambling available online and a casino would not help the area without considerable problems</p>	No change to Policy required
GP/34	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/35	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/36	Resident	Council should not pass a 'No Casino' resolution	No change to Policy required

GP/37	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/38	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>Dependent on location, a casino will attract a percentage of undesirables, and increase the likelihood of anti-social behaviour. In turn, this puts extra pressure on emergency services, and decreases the quality of life for residents.</p>	No change to Policy required
GP/39	Resident	<p>Council should retain a 'No Casino' resolution</p> <p>I breathe a sigh of relief at the council's intention. North Tyneside should be an area encouraging people away from gambling and not towards it. I also have concerns about the other associated businesses that tend to follow casinos into an area, which generally means strip clubs and unregulated sex work.</p>	No change to Policy required
GP/40	Resident	Council should retain a 'No Casino' resolution	No change to Policy required

GP/41	Resident	Council should retain a 'No Casino' resolution I agree with the policy as presented	No change to Policy required
GP/42	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/43	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/44	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/45	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/46	Resident	Council should retain a 'No Casino' resolution I do not believe this would improve North Tyneside at all. Gambling destroys lives. I would feel strongly enough to vote against any party proposing changes to increase gambling/casinos this in an election.	No change to Policy required

GP/47	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/48	Resident	Council should not pass a 'No Casino' resolution	No change to Policy required
GP/49	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/50	Resident	Council should not pass a 'No Casino' resolution	No change to Policy required
GP/51	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/52	Resident	Council should retain a 'No Casino' resolution	No change to Policy required
GP/53	Resident	Council should not pass a 'No Casino' resolution	No change to Policy required
GP/54	Responsible Authority	Council should retain a 'No Casino' resolution	No change to Policy required

GP/55	Responsible Authority	<p>Agree with content of Policy.</p> <p>(pg 33) Protecting children and other vulnerable persons from being harmed or exploited by gambling – consider the age or definition of child/young person in that part to confirm who it applies to.</p>	<p>Policy amended. Definition of children added to section.</p>
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NORTH TYNESIDE COUNCIL'S STATEMENT OF LICENSING POLICY (GAMBLING)

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1. Statement of Principles

APPENDIX 1 Local Risk Assessment Template

Preface

The Gambling Act 2005 gives Authorities a range of powers to licence gambling premises in their communities and requires Authorities to perform a number of different functions, including issuing premises licences, temporary use notices and a range of permits and other permissions. This Statement of Licensing Policy is intended to assist those wishing to apply for a permission under the Act and to provide transparency.

This Statement of Licensing Policy has been prepared in accordance with Section 349 of the Act and with reference to the Guidance issued by the Gambling Commission. The Policy provides guidance to applicants, Interested Parties and Responsible Authorities on the approach the Authority will take on gambling licensing matters. Its purpose is to guide officers and members in reaching decisions, and it sets out the matters that will normally be taken into account in determining applications.

Part A

General

Section 1 Introduction

- 1.1 North Tyneside Council (the Authority) is the Licensing Authority under the Gambling Act 2005 for the Borough of North Tyneside. As such the Authority is responsible for undertaking licensing and regulatory functions in relation to gambling premises in the Borough. The main function of the Authority will be to:
- Be responsible for the licensing of premises where gambling activities are to take place by issuing *Premises Licences*
 - Be responsible for dealing with applications for renewal, variation, transfer, revocation, reinstatement and review of *Premises Licences*
 - Issue *Provisional Statements*
 - Regulate *members' clubs* and *miners' welfare institutes* that wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
 - Issue *Club Machine Permits* to *Commercial Clubs*
 - Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*
 - Receive notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or fewer gaming machines
 - *Grant Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required and to regulate gaming and gaming machines in such premises
 - Register *small society lotteries* below prescribed thresholds
 - Grant *Prize Gaming Permits*
 - Receive and Endorse *Temporary Use Notices*, consider objections where necessary and endorse the Notice or give a Counter-Notice as appropriate
 - Receiving *Occasional Use Notices (for tracks)*
 - Provide information to the Gambling Commission regarding details of licences issued (see section below on Exchange of Information)
 - Maintain registers of the permits and licences that are issued under these functions
- 1.2 North Tyneside Council, as a Licensing Authority, is **not** responsible for the regulation and enforcement of certain aspects of the Gambling Act 2005 within the Borough because certain activities are regulated at a national level. In particular the Authority is not responsible for the regulation of:
- The licensing of remote gambling
 - The licensing of the National Lottery
 - The advertising of gambling products

These activities are regulated by the Gambling Commission
(www.gamblingcommission.gov.uk)

- Spread betting

This activity is regulated by the Financial Conduct Authority (www.fca.org.uk)

Any individual, business or organisation within the Borough that has concerns about the activities set out in this paragraph should contact either the Gambling Commission or the Financial Conduct Authority as appropriate.

- 1.3 North Tyneside is one of five metropolitan districts that comprise the County of Tyne and Wear. It covers an area of 8,367 hectares and has a growing population of around 207,000. North Tyneside has met the challenge of regional decline and deprivation by rebuilding and stabilising communities. New high-tech industries have been attracted to the area and shipbuilding and the marine industry have made a partial revival. There are around 99,000 households in the Borough.
- 1.4 The evening economy of the Borough is principally centred around Tynemouth and Whitley Bay. Activity is also centred in areas such as, North Shields and Wallsend. These activities support the cultural diversity of the Borough and contribute to its economy. However, they may have a negative impact in some areas where crime and disorder can affect residents.
- 1.5 North Tyneside Council consulted widely in producing this Statement of Licensing Policy (Gambling) including with the following:-
 - Northumbria Police
 - The Northumbria Police and Crime Commissioner
 - Owners of premises where gambling activities occur on the premises
 - Representatives of persons carrying on gambling businesses
 - Tyne and Wear Fire and Rescue Service
 - Environmental Health
 - Social Services (Adult Services and Children's Services)
 - Local Planning Authority
 - Her Majesty's Revenue and Customs
 - All holders of current gaming permits
 - CIU Clubs
 - CIU Regional Office
 - Local Solicitors
 - Primary Care Trust
 - Chambers of Trade
 - Citizen's Advice Bureau
 - Disability Organisations
 - All residents in North Tyneside through North Tyneside Council's internet site; the Public Notice Boards at Council offices and local libraries; and through the local press
 - Residents Panel
 - All North Tyneside Councillors
 - Young Mayor
 - Local MPs
 - Colleges / Education Welfare
 - Probation Service
 - Residents Associations
 - Trade Unions
 - Gamblers Anonymous

- Be GambleAware
- Gam Care
- Trade Associations connected with the Licensing and Gambling Industry

- 1.6 Consultation took place between 5 July 2021 and 15 August 2021 thus allowing 6 weeks for responding to the consultation.
- 1.7 The full list of comments made and the consideration by the Authority of those comments is available by request to: Licensing, The Killingworth Site, Harvey Combe, Killingworth, Newcastle upon Tyne, NE12 6UB, or via the Authority's website at: www.northtyneside.gov.uk
- 1.8 Publication of the policy is advertised on the Authority's website, local newspapers as well as by way of Notices at Customer First Centres.

The Policy was approved by the Council on xxxx and was published via the Authority's website on xxxx.

Should you have any comments as regards this Policy statement please forward these via e-mail or letter to the following contact:

Name: Joanne Lee

E-mail: Joanne.lee@northtyneside.gov.uk

It should be noted that this Policy statement will not override the right, where conferred by the Gambling Act, of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

- 1.9 When formulating this Policy the Authority has had regard to the Regulator's Code published under the Legislative and Regulatory Reform Act 2006 and duly considered the statutory principles of good regulation including the need for the Authority's regulatory activities to be undertaken in a transparent, accountable, proportionate and consistent manner targeted only at cases in which action is needed
- 1.10 Declaration

In producing the Licensing Policy Statement, this Authority has had regard to the licensing objectives set out in the Gambling Act 2005, the Guidance issued by the Gambling Commission in particular Part 5, and any responses received from those consulted during the consultation period.

Section 2 The Statement of Licensing Policy (Gambling)

2.1 The Act requires that the Authority carry out its licensing functions in relation to gambling premises having regard to the three licensing objectives as set out in Section 1 of the Act. These objectives are central to the regulatory regime created by the Act and are:

- **preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime;**
- **ensuring that gambling is conducted in a fair and open way; and**
- **protecting children and other vulnerable persons from being harmed or exploited by gambling.**

The Act requires that the Authority publish a Statement of Licensing Policy in relation to gambling that sets out the principles it proposes to apply in exercising its functions under the Act.

2.2 In dealing with the grant, renewal, variation, transfer, revocation, reinstatement and review of premises licences, and in considering whether to permit premises to be used for gambling under a Temporary Use Notice the Authority is required to aim to permit the use of premises for gambling in so far as the Authority thinks it is: -

- in accordance with any relevant code of practice issued by the Gambling Commission
- in accordance with any relevant guidance issued by the Gambling Commission
- reasonably consistent with the licensing objectives, subject to the matters set out in the above two bullet points; and
- in accordance with the Authority's Statement of Licensing Policy (Gambling), subject to the matters set out in the above three bullet points.

This requirement does not, however, apply to the Authority's power to resolve not to grant a casino licence, see clause 9.1 of Part B below (and it does not apply to other functions of the Authority, and in particular the grant of permits for gambling (see clause 1.1 Part C below)). In some cases the Act provides for specific matters that the Authority should (or may) consider in dealing with applications for permits and these are set out in the relevant sections of this Policy.

2.3 This Policy applies to applications, renewals, transfers, variations and reviews of the Premises Licences and permits issued by the Authority.

2.4 This Policy takes effect on xxx and will remain in force for a period of not more than three years but the Authority may review and alter the Policy during this period. Any revision of the Policy will only take place after consultation. This Statement will then be re-published.

2.5 In order to achieve the licensing objectives the Authority will actively promote partnership working with other local authorities, the police, fire and rescue service, local businesses, local people and those involved with child protection in addition to the Gambling Commission.

- 2.6 The Policy reflects the aims of Our North Tyneside Plan and in particular Our People, Our places and Our Economy.
- 2.7 Subject to the requirements imposed on the Authority by the Gambling Act 2005 in connection with Premises Licences which have been set out in paragraph 2.2 above, this Policy will be integrated with local planning, transport, tourism and equality and cultural strategies, and any other plans introduced for the management of the Borough and night-time economy. The Authority will work in partnership with the agencies referred to in paragraph 11.1 below and through joint working and cross reporting the Authority will ensure as far as possible that this Policy integrates with the policies of its partner agencies.
- 2.8 Regard has been paid in the preparation of this Policy to the Authority's responsibilities under the Human Rights Act 1998 and Equality Act 2010.
- 2.9 The Authority in exercising its licensing functions recognises the need to protect children and other vulnerable persons from being harmed or exploited by gambling which includes the need to protect children from child abuse and sexual exploitation.
- 2.10 Protecting children from harm is one of the most important things Local Authorities do, but Local Authorities cannot stamp out child abuse and sexual exploitation without the help of the wider community. Raising awareness of this type of abuse is essential to preventing it and stopping it early when it does happen.
- 2.11 Where someone suspects a child or young person is in immediate danger then they should contact the police and tell them of their concerns by telephoning 999. If a child or young person is not in immediate danger call 101.

Signs to look out for include:

- Adults who appear secretive or are trying to hide the fact that they are with a young person
- Adults befriending young people, including buying them food and drinks
- Young people being picked up and taken to hotels, particularly at odd times of the day and night
- Adults who frequently come into premises with different young people
- Young people who, although with peers, look uncomfortable or under duress

Section 3 Local Risk Assessment

- 3.1 In line with the Gambling Commission's Licence Conditions and Codes of Practice (Code of Practice Provisions 10.1.1 and 10.1.2) the Authority requires the holder of a Premises Licence or Applicant for such a Licence to consider local risks to the licensing objectives posed by the provision of gambling facilities at their premises.
- 3.2 The Licence Holder or Applicant will be required to have policies, procedures and control measures in place to mitigate the risks posed by the gambling facilities offered at the premises.
- 3.3 The matters to be taken into consideration by the Licence Holder or Applicant when undertaking a Local Risk Assessment include:
- The location of any educational establishment, for persons under 18 years of age, that is within 200 metres of their premises;
 - The location of any establishment at which vulnerable adults or children are known to be regularly in attendance that is within 200 metres of their premises. Such establishments would include (but are not limited to) vulnerable adult centres, residential children's homes, hostels providing accommodation for persons leaving care or establishments of similar characteristics at which vulnerable persons or children are known to be regularly in attendance;
 - The location of any establishment at which persons who are addicted to gambling are known to be regularly in attendance. Such establishments would include (but are not limited to) treatment centres or places where such persons regularly meet;
 - The layout of the local area and physical environment in which the premises are situated including any crime and disorder hotspots.
- 3.4 The Authority would encourage the Licence Holder or Applicant in preparing a Local Risk Assessment to have regards to:
- The crime mapping website
 - Neighbourhood statistics website.
- 3.5 If the Local Risk Assessment identifies particular areas of concern in relation to the premises, the Authority would expect the Licence Holder or Applicant to contact the most appropriate Responsible Authority (as identified in section 157 of the Gambling Act 2005) for guidance before submitting an application for a Licence or a variation of a Licence. For example, if the Risk Assessment identifies that the premises are situated in an area that is noted for problems with disorder or organised criminal activity the Licence Holder or Applicant should contact Northumbria Police or the North Tyneside Safeguarding Partnership if an establishment at which children are known to be regularly in attendance is within 200 metres of the premises.
- 3.6 Applicants or Licence Holders who do not have their own form of Local Risk Assessment may like to use the Local Risk Assessment template attached to this Policy at **Appendix 1**.

3.7 In addition to being required to undertake a Local Risk Assessment and to submit the same to the Authority when applying for a new Premises Licence, a Local Risk Assessment will also be required to be submitted to the Authority when:

- Applying for a variation of a Premises Licence
- There have been significant changes in local circumstances. A 'significant change' may include (but is not limited to):
 - An educational establishment at which persons under 18 years of age attend being established within 200 metres of the premises
 - An establishment at which persons addicted to gambling, vulnerable adults or children are known to be regularly in attendance is established within 200 metres of the premises
 - There is a particular risk identified to premises offering gambling facilities in the location of the premises
 - The Authority receives information that in the view of the Authority amounts to a significant change in local circumstances. Such information will be shared with the Licence Holder by the Authority as soon as reasonably practicable.
- There have been significant changes at the premises that may affect the mitigation of local risks.

3.8 A Licence Holder will be required to undertake a review of its Local Risk Assessment at least every 3 years. A copy of the revised Local Risk Assessment will be made available to the Authority on completion of the review.

3.9 When the Authority officers undertake an inspection of premises offering gambling facilities it is likely that the Local Risk Assessment will be requested to be seen. It is therefore a requirement that the Local risk Assessment, or a copy thereof, is kept at the Premises at all times.

Section 4 Responsible Authorities

4.1 Responsible Authorities

The 2005 Act defines certain 'Responsible Authorities' in relation to premises. These are given certain rights of involvement and consultation in relation to applications for Premise Licences (and other procedures in relation to Premises Licences e.g. review). The following are Responsible Authorities for the purposes of the 2005 Act:

- An Authority in whose area the premises are wholly or partially situated. If premises are wholly within North Tyneside's area then it will be a "Responsible Authority". If the premises are also partly situated in another authority's area, that Authority will also be a "Responsible Authority"
- The Gambling Commission
- The Chief Officer of Police for any police area in which the premises are wholly or partly situated
- The Fire and Rescue Authority for an area in which the premises are wholly or partly situated
- The Local Planning Authority for an area in which the premises are wholly or partly situated
- Environmental Health Authority (i.e. an authority which has functions in relation to pollution of the environment or harm to human health) for an area in which the premises are wholly or partly situated
- A body designated in writing by the Authority for an area in which the premises are wholly or partly situated as competent to advise the authority about the protection of children
- Her Majesty's Commissioners of Customs and Excise
- Any other body prescribed by the Secretary of State.

The Responsible Authorities will be provided with a notice of any application for a licence received by the Authority and may make representations on such applications. In certain defined circumstances a premise licence may be granted for a vessel and if the premises are a vessel then Responsible Authorities would also include:

- a) The Navigation Authorities within the meaning of Section 221(1) of the Water Resources Act 1991 that have statutory functions in relation to the waters where the vessel is usually berthed or moored or any waters where it is proposed to be navigated at a time when it is used for licensable activities.
- b) The Environment Agency
- c) The Canal and River Trust
- d) The Secretary of State.

Section 5 Principles Applied in the Designation of a Body Competent to Advise the Authority About the Protection of Children from Harm

- 5.1 The principles that have been applied in designating the body that is competent to advise the Authority about the protection of children from harm under Section 157(h) are:
- the need for the body to be responsible for an area covering the whole of the Authority's area
 - the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group and to be multi – disciplinary in it's composition.
- 5.2 The Authority has therefore determined that the body competent to advise them on the protection of children is the North Tyneside Safeguarding Partnership. This body is made up of professionals representing the Health Authority, the Police, Education Services and Social Services. The expertise that the Safeguarding Partnership has as a result of agencies working together from different fields of expertise is deemed by the Authority to be the most appropriate body to give competent advice regarding the protection of children from harm in relation to gambling issues.

Section 6 Principles to be Applied in Determining Whether a Person is an “Interested Party” in relation to a Premises Licence or an Application for, or in respect of, a Premises Licence

6.1 The principles that have been applied in determining whether a person is likely to be an “Interested Party” under section 158 of the Act in relation to a particular premises, and therefore entitled to make a relevant representation in relation to a Premises Licence application or to apply for a review of an existing licence include the matters set out in paragraphs 6.3 to 6.4 having regard to whether a person:

- a) lives sufficiently close to the premises to be likely to be affected by the authorised activities; or
- b) has business interests that might be affected by the authorised activities; or
- c) represents persons who satisfy a) or b).

In determining if a person is an Interested Party the Authority will reach such a decision on a case by case basis judging each case on its own particular facts.

6.2 Persons who represent Interested Parties for this purpose will include residents’ or tenants’ associations, trade associations or trade unions. These persons or bodies will ordinarily only be permitted to make representations on behalf of Interested Parties if they can demonstrate that they represent members who meet the criteria in paragraph 4.3 (a) or (b) above and have written confirmation to that effect, save for democratically elected persons who do not need to produce such written confirmation.

6.3. In determining whether an Interested Party lives “sufficiently close” to the premises the Authority will consider the following factors on a case by case basis: -

- the size of the premises
- the nature of the activities taking place at the premises
- the distance of the premises from the location of the person making a representation
- the potential impact of the premises (for instance numbers of customers, routes likely to be taken by those visiting the establishment)
- the circumstances of the person who lives close to the premises. This does not mean their personal circumstances but rather their interests which may be relevant to the distance from the premises.

Relevant factors will also depend on the particular application. For example, it could be reasonable for the Authority to consider that living “sufficiently close to premises to be likely to be affected” could have a different meaning for a) a private resident, b) a residential school for children with truancy problems and c) a residential hostel for vulnerable adults.

Persons with Business Interests that could be affected

6.4 To satisfy the test of being “a person with business interests that might be affected by the premises” the Authority would normally expect that person to show that the

relevant business is likely to be affected. It would not usually be sufficient for a person to lodge a representation in relation to an application made by a rival business simply because they are in competition within the same gambling sector. Factors that the Authority may consider to be relevant in determining the test include:

- the size of the premises;
- the 'catchment' area of the premises (i.e. how far people travel to visit the premises) and;
- whether the person making the representation has business interests in that catchment area that might be affected.

The term "business interests" will be given a broad meaning and will include partnerships, charities, faith groups, medical practices and similar bodies.

6.5. People Representing Interested Parties

Interested Parties can be persons who are democratically elected such as Councillors and MPs. No specific evidence of being asked to represent an Interested Party will be required as long as the Councillor/MP represents the constituency/ward likely to be affected.

If individuals wish to approach Councillors to ask them to represent their views then care should be taken that the Councillor in question is not a member of the Licensing Committee/Sub-Committee dealing with the licence application. If there are any doubts then please contact the Licensing Team.

Representations could also be made by a School Head or Governor acting in the interests of pupils or parents or a Community Group that might represent vulnerable people living in the vicinity of the premises.

Representations

- 6.6 All representations made in relation to an application must be "relevant". For a representation to be relevant it must relate to issues raised under the Gambling Commission's Codes of Practice or Guidance, relate to the three licensing objectives or raise issues regarding the Authority's own Licensing Policy Statement.
- 6.7 The Authority will be aware at all times that moral objections to gambling are not a valid reason to reject applications for premises licences as they would not relate to any of the licensing objectives or to the matters which the Authority are required to consider set out at clause 2.2 above.
- 6.8 The Authority as a Responsible Authority will not act as a Responsible Authority on behalf of other parties (for example local residents, local councillors or community groups) although there may be occasions when the Authority may do so. This is because such parties can make representations or applications in their own right and it is reasonable for the Authority to expect them to make such applications or representations should they wish to do so. If such parties however fail to take action and the Authority is aware of relevant grounds to make a representation it may choose to do so in its capacity as a Responsible Authority.

- 6.9 In cases where the Authority is also acting as a Responsible Authority the Authority will allocate different licensing officers within the Authority to ensure a proper separation of responsibilities. The officer advising the Licensing Committee/Sub-Committee will be a different individual to the officer who is acting for the Authority in its capacity as a Responsible Authority. The officer acting for the Authority in its capacity as a Responsible Authority will not be involved in the licensing decision process and will not discuss the merits of the case with those involved in making the determination on behalf of the Authority. Any communication that there has to be between such officers will remain professional and will be consistent with communication with other Responsible Authorities.

Section 7 Principles to be Applied in Exercising the Right of Inspection of Premises

- 7.1 Prior to the grant of a Premises Licence the Police and any authorised person as defined by the Act may at any reasonable time enter the premises to which the application relates to assess the effect of the grant of the licence on the licensing objectives.
- 7.2 Once premises are licensed it is essential that they are maintained and operated so as to ensure the continued promotion of the licensing objectives, compliance with the Act and any conditions attached to the licence. The Authority will make arrangements to risk assess licensed premises and take appropriate enforcement action.
- 7.3 The Authority will be guided by the Gambling Commission's Guidance to Licensing Authorities in the exercise of its functions under the Gambling Act. The Authority when exercising a specified regulatory function, including an inspection function under Part 15 of the Gambling Act, or the instigation of criminal proceedings under section 346 of the Act, will also have regard to the statutory principles of good regulation when exercising such functions in accordance with the Legislative and Regulatory Reform Act 2006. The Authority will also have regard to the requirements of the Regulators' Code published by the Department for Business, Energy and Industrial Strategy. The regulatory activities of the Authority will be carried out in a way that is **transparent, accountable, proportionate, consistent and targeted** at cases in which action is required.
- 7.4 In accordance with the Gambling Commission's Guidance to Licensing Authorities the Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.
- 7.5 The main enforcement and compliance role for the Authority in terms of the Gambling Act 2005 will be to ensure compliance with the Premises Licences and other permissions which it authorises. The Gambling Commission will be the enforcement body for the Operating and Personal Licences. Concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but will be notified to the Gambling Commission.
- 7.6 The Authority will also keep itself informed of developments in relation to the work of Regulatory Delivery in its consideration of the regulatory functions of local authorities.
- 7.7 The Authority's enforcement protocols will be available upon request to the Licensing department. The Authority's risk methodology will also be available upon request. The Authority will also have regard to good practice in regulation contained in The Regulator's Code introduced by the Department for Business, Energy and Industrial Strategy.
- 7.8 The Authority will also, as recommended by the Gambling Commission's Guidance to Licensing Authorities, adopt a risk-based inspection programme. The Authority will liaise with Northumbria Police, Tyne and Wear Fire and Rescue Service and Planning and Regulatory Services to co-ordinate and maximise the effect of

inspection and enforcement under the Act. This protocol will provide for the targeting of resources towards problem and high risk premises.

- 7.9 The Authority will risk rate all premises and inspection will be carried out on the following basis: -

<u>Type of Premises</u>	<u>Frequency of Inspections *</u>
Bingo premises	Once a year
Betting premises	Once a year
Adult gaming centres	Once a year
Family entertainment centres	Once a year

*This column only gives an indication of the likely frequency of inspections. The frequency may vary depending on factors such as the Authority's confidence in the management of the premises, the number of complaints received and any other relevant factor.

Inspections will be carried out through co-ordination between the Authority and other authorised persons as defined by the Gambling Act 2005.

At the date of publication of this Statement of Policy there are no existing casinos in North Tyneside. If this should change the Authority will review this part of the policy to determine what inspection regime should apply in the case of casinos.

Section 8 Complaints against Licensed Premises

- 8.1 The Authority will investigate complaints about licensed premises where appropriate. In the case of a valid complaint the Authority where appropriate will endeavour to seek a resolution through mediation.
- 8.2 Where considered appropriate, the Authority may pass any complaint on for investigation by any other statutory agency under whose enforcement responsibility the complaint falls.

Section 9 Principles to be Applied in the Exchange of Information

- 9.1 In respect of exchange of information between the Authority and the Gambling Commission under Sections 29 and 30 of the Gambling Act and the exchange of information under Section 350 of the Act with the other persons listed in Part 1 of Schedule 6 of the Act, the Authority will act in accordance with not only the provisions of the Gambling Act 2005 but also the Data Protection Act 2018 and The General Data Protection Regulation. The Authority will have regard to any guidance issued by the Gambling Commission and / or Secretary of State on this matter. Should any protocols be established as regards the exchange of information with other bodies then they will be made available.
- 9.2 Details of those persons making representations in relation to applications will ordinarily be made available to applicants to allow mediation to take place if appropriate, and, in the event of a hearing being held, will form part of a public document. Anyone making representations or applying for the review of a premise licence will be informed that their details will be disclosed save in exceptional circumstances.
- 9.3 If a person feels unable to make a representation on their own behalf then that person should consider approaching another relevant body such as the Police, if for example that person has concerns about the gambling at the premises being a source of crime or disorder.

Section 10 Administration, Exercise and Delegation of Functions

- 10.1 Under the Act all decisions relating to Premises Licences, Temporary Use Notices, Occasional Use Notices and the granting of permits for gaming machines and prize gaming are to be exercised by the Licensing Committee of the Authority unless such decisions are delegated to Officers of the Authority.
- 10.2 Appreciating the need to provide a speedy, efficient and cost effective service to all and in line with the Act it is proposed that the Licensing Committee will delegate certain decisions and functions and will establish a number of sub-committees to deal with them.
- 10.3 Further, with many of the decisions and functions under the Act being administrative in nature it is proposed that the granting of non-contentious applications, including for example those licences and permits where no representations have been made, are delegated to the Authority's Licensing Officers. It is proposed that all matters dealt with by officers will be reported for information and comment to the following meeting of the Licensing Committee.
- 10.4 The table shown at Part D sets out the scheme of delegation of decision making and functions of the Licensing Committee, Sub-Committee and officers.
- 10.5 This form of delegation will be without prejudice to officers referring an application to a Sub-Committee, or to a Sub-Committee referring an application to the full Committee, if considered appropriate in the circumstances of a particular case.

Section 11 Licensing Committee and Hearings

- 11.1 The Authority's Licensing Committee is composed of a membership between 10 and 15 Councillors. The Committee will be responsible for discharge by the Authority of the licensing functions under the Act.

Hearings

- 11.2 A Sub-Committee consisting of three members of the Licensing Committee will be convened to hear every application where:
- a) an Interested Party or Responsible Authority has made representations about an application; or
 - b) the Licensing Authority proposes to attach a condition to the licence under Section 169(1)(a); or
 - c) the Licensing Authority proposes to exclude under Section 169(1)(b) a condition that would otherwise be attached to a licence under Section 168 of the Act.
 - d) a review has been applied for by a Responsible Authority or Interested Party under Section 197 of the Gambling Act 2005 or a review has been initiated by the Licensing Authority under Section 200 Gambling Act 2005
- 11.3 See Part D for full list of matters to be dealt with by the Licensing Committee and Licensing Sub-Committees.

Section 12 Integrating Strategies and Avoiding Duplication

- 12.1 In determining applications the Authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, i.e. those not related to gambling and the licensing objectives.
- 12.2 Section 210 of the 2005 Act prevents Authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a Premises Licence application. Equally the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building control.
- 12.3 The Authority seeks to avoid any duplication with other statutory/regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it.
- 12.4 When dealing with a Premises Licence application for finished buildings, the Authority will not take into account whether those buildings have to comply with the necessary planning or building consents. Fire or health and safety matters will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the Premises Licence.
- 12.5 As referred to in Section 2.8 the Authority has a duty under the Human Rights Act 1998 and under Article 8 of the European Convention of Human Rights not to breach the rights of individuals to respect for their private and family life. Similarly, under Article 1 of the First Protocol of the Convention individuals should not be deprived of peaceful enjoyment of possessions, should have the right to a fair hearing under Article 6 and a right to freedom of expression under Article 10.
- 12.6 The Authority acknowledges the right of businesses in the Borough to operate, but this consideration must be balanced against the rights of others such as residents.

Section 13 Partnership Working

- 13.1 The Authority will work in partnership with the following agencies and individuals to promote the licensing objectives:
- Northumbria Police
 - Tyne and Wear Fire and Rescue Service
 - Planning Authority
 - Environmental Health Authority
 - Crime & Disorder Reduction Partnership
 - Local businesses
 - Agencies involved in child protection
 - Local residents
 - Organisations concerned with safeguarding the interests of vulnerable adults.
- 13.2 The Authority will consider any relevant protocols made with Northumbria Police. The Police have the right to make representations in relation to licence applications and reviews of licences and make reference to relevant strategies and protocols adopted by them under that Act.
- 13.3 The Authority will have regard to the Safer North Tyneside Community Safety Partnership where appropriate.

Section 14 Fees

- 14.1 The maximum level of fees to be charged by the Authority for exercising its licensing functions has been set nationally by the Secretary of State for Culture, Media and Sport. An annual fee will apply to all licences.
- 14.2 Details of the current level of fees can be found on the Authority's website at <http://my.northtyneside.gov.uk/category/933/gambling-premises-licence>.

Section 15 Equal Treatment

- 15.1 The Authority is working to eliminate discrimination, promote equality of opportunity and good community relations through its employment practices and through its service delivery.
- 15.2 The Authority is aware that it must have regard to its public sector equality duty in accordance with section 149 of the Equality Act 2010 . This means that in exercising its functions under the Gambling Act 2005 it must have due regard to the need to: -
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the 2010 Act ;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - Foster good relations between persons who share a relevant protected characteristic and that those using premises.
- 15.3 Each applicant, licence/permit holder will need to make an assessment of its own practices and policies which should promote equality and diversity.
- 15.4 When considering applications and taking enforcement action the Authority is also subject to the Regulators Code.

Section 16 Lotteries

- 16.1 A lottery will be illegal under the Act unless it is either a licensed lottery or an exempt lottery. The Act does not apply to the National Lottery which is governed separately by the National Lottery Act 1993 and National Lottery Act 2006.
- 16.2 A licensed lottery will either be a large society lottery or a lottery run for the benefit of a Local Authority. In each case the Gambling Commission will regulate such lotteries and an Operating Licence will be required. The Authority does not as such have functions with respect to licensed lotteries. However among the “exempt lotteries” provided by the Act are “Small Society Lotteries”. Societies running such lotteries are required to be registered with a Local Authority for the area in which the principal premises of the society are situated. North Tyneside Council will accordingly be the relevant Local Authority for the registration of Small Society Lotteries where appropriate
- 16.3 In determining lottery registration applications and other matters involving lotteries the Authority will have regard to the Gambling Act 2005, the licensing objectives, Guidance issued by the Gambling Commission, any Code of Practice issued by the Gambling Commission and this Statement of Licensing Policy (Gambling).
- 16.4 To qualify for registration a Society must be "non-commercial". To be considered non-commercial the Society must be established and conducted for:
- charitable purposes; or
 - the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity; or
 - any other non-commercial purpose other than that of private gain.
- 16.5 If the total value of tickets that a Society puts on sale in any one lottery exceeds £20,000, or tickets in separate lotteries in one calendar year are to exceed £250,000 in aggregate, the lottery is a large lottery and the Society will require an Operating Licence from the Gambling Commission.
- 16.6 The promoting Society of a small lottery must be registered with the Authority throughout the period of the lottery being promoted. The details of the Society will be kept in the Register and in accordance with the recommendation of the Gambling Commission the Authority will make the Register available for inspection by the public on request. Once a Society is registered the Society will be notified by the Authority accordingly and the Authority will inform the Gambling Commission of the Registration.
- 16.7 An application by a Society to register a small lottery must be refused by the Authority if:
- During the period of five years ending with the date of the application an Operating Licence held by the applicant for registration has been revoked under section 119(1); or
 - An application for an Operating Licence made by the applicant for registration has also been refused within the same five year period.
- 16.8 The Authority may refuse an application for registration if it considers that:
- The applicant is not a non-commercial society,

- A person who will or may be connected with the promotion of the lottery has been convicted of a relevant offence; or
- Information provided with or in the application for registration is false or misleading.

- 16.9 If the Authority is minded to refuse an application for registration of a Small Society Lottery the applicant will be given an opportunity to make either written or oral representations that will be considered by a Licensing Sub-Committee before any refusal is determined.
- 16.10 The Authority may revoke the registration if the Authority considers that it would have had to do so or would be entitled to refuse an application for Registration if it were being made at that time. If the Authority is minded to revoke the registration the Society will have an opportunity to make oral or written representations for consideration by a licensing Sub-Committee before any revocation takes place.
- 16.11 An applicant for registration of a Small Society Lottery which is refused, or where revocation has taken place has a right of appeal to the Magistrates' Court within 21 days of the decision.
- 16.12 Within three months of any Small Society Lottery draw the promoting Society will forward to the Authority a return signed by two members of the Society that gives the prescribed information set out in the Act. If after receipt of the return it is apparent that the ticket sales are above the permitted limits for a Small Society Lottery, the Authority will notify the Gambling Commission. A copy of that notification will be provided to the Society.
- 16.13 In addition to small lotteries, there are other types of exempt lottery namely an incidental non-commercial lottery, a private lottery, a residents' lottery and a customer lottery. To determine if a lottery is an exempt lottery, the promoter of any such lottery is recommended to contact the Senior Licensing Officer of North Tyneside Council if they are in any doubt as to whether or not their lottery is an exempt lottery. (Contact details appear at section D of this Statement.) It is an offence to promote or facilitate a non-exempt lottery.
- 16.14 If for any reason the Authority suspects that there has been an offence committed under the Act in relation to lotteries the Authority may commence an investigation and along with the Gambling Commission and the Police, have the authority to prosecute any suspected offender.

Part B

Premises Licences

1. Types of Licences

The Gambling Act 2005 creates three types of licence as follows:

- Operating Licence

Such a licence is issued to an individual, company or association of persons by the Gambling Commission and authorises them to operate or provide facilities for gambling. The Authority does not issue such licences.

- Personal Licence

Such a licence is issued to individuals by the Gambling Commission to enable them to perform the specified functions of a specified management office or to perform a specified operational function to facilitate gambling. The Authority does not issue such licences.

- Premise Licence

Such a licence is issued by Authorities to authorise the use of premises for various forms of gambling. There are five different kinds of premise licence authorising premises to be used as casino premises, bingo premises, adult gaming centre premises, family entertainment centre premises and betting premises.

2. General Principles – Premises Licences

2.1 Premises Licences will be subject to the permissions/restrictions set out in the Gambling Act 2005 and Regulations, as well as specific mandatory and default conditions which will also be detailed in Regulations issued by the Secretary of State. Authorities are able to exclude default conditions and also attach other conditions, where it is considered to be appropriate.

2.2 This Authority is aware that in making decisions in relation to Premises Licences it should aim to permit the use of premises for gambling in so far as the Authority thinks it is:

- in accordance with any relevant code of practice issued by the Gambling Commission; and
- in accordance with any relevant guidance issued by the Gambling Commission; and
- reasonably consistent with the licensing objectives subject to the matters set out in the above two bullet points; and
- in accordance with the Authority's Statement of Licensing Policy (Gambling) subject to the matters set out in the above three bullet points.

3. Definitions

3.1 In the Act, “premises” is defined as including “any place”. Section 152 of the Act prevents more than one Premises Licence applying to any place. But, there is no reason in principle why a single building could not be subject to more than one Premises Licence, provided, they are for different parts of the building, and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, tracks or shopping malls to obtain discrete Premises Licences, where appropriate safeguards are in place. However, the Authority will pay particular attention if there are issues about sub-divisions of a single building or plot and will ensure that mandatory conditions relating to access between premises are observed.

3.2 The Guidance to Licensing Authorities from the Gambling Commission states “In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing authority.”

The Commission also states in its Guidance “The Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises. If a premises is located within a wider venue, a licensing authority should request a plan of the venue on which the premises should be identified as a separate unit.” The Guidance also states “The Commission recognises that different configurations may be appropriate under different circumstances but the crux of the matter is whether the proposed premises are genuinely separate premises that merit their own licence – with the machine entitlements that brings – and are not an artificially created part of what is readily identifiable as a single premises.”

The Authority will have particular regard to these paragraphs of the Guidance when considering an application relating to any premises that may be described as being sub-divided.

3.3 The Authority takes particular note of the Gambling Commission’s Guidance which states that: “Licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following:

- The third licensing objective seeks to protect children from being harmed or exploited by gambling and premises should be configured so that children are prohibited from participating in gambling, such that they are not invited to participate in, have accidental access to, or closely observe gambling
- entrances to and exists from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not “drift” into a gambling

area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.

- Customers should be able to participate in the activity named on the premises licence.

3.5 The Guidance also gives a list of factors which the Authority should be aware of, when determining whether two or more proposed premises are truly separate and includes:

- Is a separate registration for business rates in place for the premises?
- Is the premises' neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

The Authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

3.6 The mandatory relevant access provisions for each premises type are reproduced below:

Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises.

Betting Shops

- Access must be from a 'street' or from another premises with a betting premises licence.
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind unless that shop is itself a licensed betting premises.

Tracks

- No customer should be able to access the premises directly from a Casino or an Adult Gaming Centre.

Bingo Premises

- No customer must be able to access the premises directly from a casino, Adult Gaming Centre or a betting premises, other than a track.

Family Entertainment Centre

- No customer must be able to access the premises directly from a casino, an Adult Gaming Centre or a betting premises, other than a track.

4. **Location**

- 4.1 The Authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives can. In accordance with the Gambling Commission's Guidance to Licensing Authorities, the Authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Due regard will be given to the Local Risk Assessment that will be required where appropriate as referred to in Section 4 of Part A of this Policy.
- 4.2 In having regard to the location of a premises the Authority will consider:
- the proximity of the premises to schools and vulnerable adult centres
 - the proximity of the premises to residential areas where there may be a high concentration of families with children
 - the size of the premises and the nature of the activities taking place therein
 - any levels of organised crime in the area.

5. **Licensing Objectives**

- 5.1 A Premises Licence can only be granted if to do so would be reasonably consistent with the licensing objectives. With regard to these objectives, the Authority has considered the Gambling Commission's Guidance to Licensing Authorities and some comments are made below.

5.2 **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime -**

The Authority is aware that the Gambling Commission takes a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that Authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime the Authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. The requirement for conditions might be determined by the Operator's own Local Risk Assessment and the local area profile for the area in which the premises are located.

The Authority is aware that disorder is intended to mean activity that is more serious than mere nuisance. In deciding whether disturbance is serious enough to constitute disorder consideration will be given to issues such as whether police assistance was required and how threatening the behaviour was to those who could see it so as to make that distinction.

5.3 **Ensuring that gambling is conducted in a fair and open way -**

The Authority has noted that the Gambling Commission's Guidance has stated in Part 5 "Principles to be applied by licensing authorities" that "Generally the Commission would not expect licensing authorities to find themselves dealing with issues of fairness and openness frequently. Fairness and openness is likely to be a matter for either the way specific gambling products are provided and therefore subject to the operating licence, or will be in relation to the suitability and actions of

an individual and therefore subject to the personal licence. However if the licensing authorities suspect that gambling is not being conducted in a fair and open way this should be brought to the attention of the Commission so that it can consider the continuing suitability of the operator to hold an operating licence or of an individual to hold a personal licence.”

The Authority also notes, however, that the Gambling Commission states in Part 5 “In relation to the licensing of tracks the licensing authorities’ role will be different from other premises in that track operators will not necessarily have an operating licence. In those circumstances the premises licence may need to contain conditions to ensure that the environment in which betting takes place is suitable”.

5.4 Protecting children and other vulnerable persons from being harmed or exploited by gambling -

Children (Persons under 18 years of age)

The Authority has noted in the Gambling Commission’s Guidance that this objective means preventing children from taking part in gambling (as well as there being restrictions on advertising so that gambling products are not aimed at or are particularly attractive to children). The Authority will therefore consider whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances / machines, adequate staffing levels with adequate supervision, CCTV, segregation of areas etc. Applicants, Licence Holders and the Authority must also consider the need to protect children from child abuse and sexual exploitation.

The Authority may consider the use of proof of age schemes or restricting access at certain times.

The Authority will pay particular attention to any Codes of Practice which the Gambling Commission issues as regards this licensing objective in relation to specific premises such as bingo premises.

Vulnerable Persons

The Guidance issued by the Commission in relation to vulnerable persons states:

“The Act does not seek to prohibit particular groups of adults from gambling in the same way that it prohibits children. The Commission does not seek to define ‘vulnerable persons’ but it does, for regulatory purposes, assume that this group includes people who gamble more than they want to, people who gamble beyond their means and people who may not be able to make informed or balanced decisions about gambling due to, for example, mental health, a learning disability or substance misuse relating to alcohol or drugs.”

The Authority will also consider, in relation to particular premises, whether any special considerations apply in relation to the protection of vulnerable persons. This could be a local risk referred to in this Policy.

Applicants and Licence Holders may like to have regard to the Safeguarding document entitled North Tyneside and Northumberland Multi-Agency Adult Safeguarding Policy” which provides extensive guidance on identifying vulnerable

people and what can be done to reduce risk to this group. The document can be found at <http://my.northtyneside.gov.uk/category/1033/safeguarding-adults>.

Applicants and Licence Holders should consider using the following measures for protecting and supporting vulnerable persons, for example:

- Leaflets offering assistance to problem gamblers should be available on gambling premises in a location that is both prominent and discreet, such as toilets.
- Training for staff members that build on an employee's ability to maintain a sense of awareness of how much (e.g. how long) customers are gambling, as part of measures to detect persons who may be vulnerable.
- Trained personnel for the purpose of identifying and providing support to vulnerable persons
- Self-exclusion schemes
- Applicants and Operators should demonstrate their understanding of best practice issued by organisations that represent the interests of vulnerable people
- Posters with **BeGambleAware** Helpline and website in prominent locations
- Windows, entrances and advertisements not to be positioned or designed so as to entice passers-by.

6. Licence Conditions

6.1 Conditions may be attached to Premises Licences in a number of ways:

- They may attach automatically, having been set out on the face of the Act;
- They may attach through Regulations made by the Secretary of State; or
- Attached to the licence by the Authority.

6.2 Any conditions attached to licences by the Authority will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premises (including the locality and any identified local risks) and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises: and
- reasonable in all other respects.

6.3 Decisions upon the application of any individual condition imposed by the Authority will be made on a case by case basis, although there will be a number of control measures the Authority will consider utilising should there be a perceived need, such as the use of door supervisors, supervision of adult gaming machines, appropriate signage for adult only areas etc. There are specific comments made in this regard under each of the licence types below. The Authority will also expect the applicant for a licence to offer his/her own suggestions as to ways in which the licensing objectives can be met effectively.

6.4 It is noted that there are conditions that the Authority cannot attach to premises licences, which are:

- any condition on the Premises Licence which makes it impossible to comply with an operating licence condition
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required. The Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated; and
- conditions in relation to stakes, fees, winning or prizes.

Premises Licences will have mandatory conditions attached as well as default conditions as specified in Regulations issued by the Secretary of State.

- 6.5 The Authority will also consider specific measures which may be required for buildings which are subject to multiple Premises Licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.
- 6.6 The Authority will also ensure that where Category C or above machines are on offer in premises to which children are admitted:
- All such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
 - Only adults are admitted to the area where these machines are located;
 - Access to the area where the machines are located is supervised;
 - The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
 - The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
 - At the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

- 6.7 The Authority is aware that tracks may be subject to one or more than one Premises Licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, the Authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 6.8 Given the fact that the mandatory conditions have been set by the Secretary of State with the intention that no further regulation in relation to that matter is required it will be extremely unlikely that the Authority will need to impose conditions that would create a more restrictive regime in relation to matters already dealt with by the mandatory conditions. The Authority will however consider imposing such conditions where there are regulatory concerns of an exceptional nature.

- 6.9 In relation to the default conditions the Authority may exclude a condition and substitute it with a more or less restrictive condition following a licensing hearing. Each application will be determined on its own merits in terms of any need to exclude and/or substitute any of the default conditions. The Authority will however have to have clear regulatory reasons for excluding default conditions which are replaced with more restrictive ones.
- 6.10 The Authority can, as noted above, impose specific conditions on any Premises Licence in determining whether or not to do so will have regard to the relevant code of practice issued by the Gambling Commission; the Guidance issued by the Gambling Commission; the need to be reasonably consistent with the licensing objectives and this Policy.
- 6.11 Where relevant objections are made to an application for a Premise Licence the Authority will consider whether the objections can be dealt with adequately through the use of conditions.
- 6.12 The Gambling Commission advises in its Guidance that if a Authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a condition to this effect.

7. Adult Gaming Centres

- 7.1 This Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures in place to ensure that under 18 year olds do not have access to the premises. Appropriate licence conditions may cover such issues as:

- Proof of age schemes
- CCTV
- Door supervisors
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours.

This list is not exhaustive.

- 7.2 As regards the protection of vulnerable persons, the Authority will consider measures such as the use of self-barring schemes, provision of information leaflets / helpline numbers for organisations such as **BeGambleAware**.

8. Licensed Family Entertainment Centres

- 8.1 The Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures in place to ensure that under 18 year olds do not have access to the adult only gaming machine areas. Appropriate licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Door supervisors
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours

This list is not exhaustive.

- 8.2 With regard the protection of vulnerable persons, the Authority will consider measures such as the use of self-barring schemes, provision of information leaflets / helpline numbers for organisations such as **BeGambleAware**.
- 8.3 The Authority will, in accordance with the Gambling Commission's Guidance to Licensing Authorities, have regard to the conditions that apply to Operating Licences dealing with preventing access to Category C machines by under 18's. The Authority will also make itself aware of any mandatory or default conditions on these Premises Licences.

9. **Casinos**

- [9.1 The Authority passed a no casino resolution on xxx, such resolution taking effect on xxx. This resolution will remain in force for a period of 3 years commencing on xxx, unless the Authority passes a further resolution revoking the no casino resolution.]

Or

- [9.1 The Licensing Authority has not passed a no casino resolution under section 166 of the of the Gambling Act 2005, but is aware that it has the power to do so. Should the Licensing Authority decide in the future to pass such a resolution, it will update this policy statement with details of the resolution.]

Two options listed in the draft policy until decision taken by full Council

10. **Credit**

- 10.1 The Authority has noted that the Gambling Commission has stated in its Guidance at Part 9 that, "s.177 [of the Gambling Act 2005] does not prevent the licensee from contracting a third party to install cash dispensers (ATMs) on their premises, which may accept both credit and debit cards. Such an arrangement is subject to requirements that the premises licence holder has no other commercial connection in relation to gambling with the provider of the ATMs (aside from the agreement to site the machines), does not profit from the arrangement, and does not make any payment in connection with the machines. All premises licences also include a mandatory condition which requires that any ATM made available for use on the premises must be located in a place that requires any customer who wishes to use it to cease gambling in order to do so (Part1(5) of the Gambling Act 2005 (Mandatory and Default Conditions) Regulations)."

11. **Bingo Premises**

- 11.1 The Authority notes the Gambling Commission's Guidance at Part 18 which states that "Licensing authorities need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. An operator may choose to vary their licence to exclude a previously licensed area of that premises, and then apply for a new premises licence, or multiple new premises licences, with the aim of creating separate premises in that area. Essentially providing multiple licensed premises within a single building or site. Before issuing additional bingo premises licences, licensing authorities need to consider whether bingo can be played at each of those new premises."

12. **Betting Premises**

- 12.1 It is noted that the Gambling Commission's Guidance at Part 19 states that: "Section 181 [of the Gambling Act 2005] contains an express power for licensing authorities to restrict the number of SSBTs [Self Service Betting Terminals], their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence or to a casino premises licence (where betting is permitted in the casino). When considering whether to impose a condition to restrict the number of SSBTs in particular premises, the licensing authority, amongst other things, should take into account the ability of employees to monitor the use of the machines by children and young persons or by vulnerable people."

13. **Tracks**

- 13.1 A track is defined under the Act as a horse racecourse, greyhound track or other premises or any part of which a race or other sporting event takes place or is intended to take place.
- 13.2 The Act does not give a list of premises that are officially recognised as 'tracks' but there are a number of venues where sporting events do or could take place, and accordingly could accommodate the provision of betting facilities. Examples of racks include:
- a horse racecourse (referred to in this Guidance as 'racecourses')
 - a greyhound track
 - a point-to-point horserace meeting
 - football, cricket and rugby grounds
 - an athletics stadium
 - a golf course
 - venues hosting darts, bowls, or snooker tournaments
 - a premises staging boxing matches
 - a section of river hosting a fishing competition
 - a motor racing event.

This list is not exhaustive.

13.3 There may be some specific considerations with regard to the protection of children and vulnerable persons from being harmed or exploited by gambling and the Authority would expect Premises Licence applicants to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, although they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

13.4 Appropriate licence conditions may be:

- Proof of age schemes
- CCTV
- Door supervisors
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- The location of gaming machines.

This list is not exhaustive.

13.5 With regard to the protection of vulnerable persons, the Authority will consider measures such as the use of self-barring schemes, provision of information leaflets / helpline numbers for organisations such as **BeGambleAware**.

14. **Travelling Fairs**

14.1 It will fall to the Authority to decide if category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs. It is a statutory requirement that the facilities for gambling must amount to no more than an ancillary amusement at the fair.

14.2 The Authority will also consider whether the fair falls within the statutory definition of a travelling fair under the Act.

14.3 It has been noted by the Authority that the 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

15. **Provisional Statements**

15.1 A provisional statement application is a process which allows a developer to examine the likelihood of whether a building which has yet to be constructed or is about to be altered for the purpose of gambling, would be granted a premises licence when the building work is complete. A provisional statement is not a licence and merely gives the holder some form of guarantee that a premises licence would

be granted so the project can be started. Once works are complete a premises licence will still be required.

- 15.2 If a potential operator does not have a right to occupy premises but expects to acquire a right to occupy then an application for a provisional statement should be considered.
- 15.3 In terms of representations about a Premises Licence application, following the grant of a Provisional Statement, no further representations from Responsible Authorities or Interested Parties can be taken into account unless they concern matters which could not have been addressed at the time of the application for the Provisional Statement stage, or they reflect a change in the applicant's circumstances. In addition, the Authority may refuse the Premises Licence (or grant it on terms or conditions not included in the Provisional Statement) only by reference to matters:
- a) which could not have been raised by objectors at the application for the provisional licence stage; or
 - b) which in the Authority's opinion reflect a change in the applicant's circumstances; or
 - c) where the premises have not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and licensing authorities can discuss any concerns they have with the applicant before making a decision.
- 15.4 Section 210 of the Gambling Act 2005 makes it clear that the Authority must not have regard to whether or not a proposal by the applicant is likely to be permitted in accordance with planning or building law

16. **Reviews**

- 16.1 Application for a review of a Premise Licence can be made by Interested Parties or Responsible Authorities. In addition the Authority itself may in certain circumstances decide to conduct a review. Where application for a review is made by an Interested Party or Responsible Authority it is for the Authority to decide whether the review is to be undertaken. This will be determined on the basis of whether the request for the review is relevant to the matters listed below, as well as consideration being given as to whether the request is frivolous, vexatious or repetitious, or will certainly not cause the Authority to wish to take action of a kind open to it on completing a review, or are substantially the same as grounds specified in an earlier application for a review or in relation to the application for the relevant Premise Licence. In determining any request for a review application the Authority will determine the matter as far as the Authority thinks it:
- in accordance with any relevant code of practice issued by the Gambling Commission
 - in accordance with any relevant guidance issued by the Gambling Commission
 - reasonably consistent with the licensing objectives subject to the matters set out in the above two bullet points and
 - in accordance with the authority's statement of licensing policy subject to the matters set out in the above three bullet points

- 16.2 If the Authority intends to undertake a review of the Premises Licence notice of such review will be given in accordance with the Regulations.
- 16.3 Any Interested Party or Responsible Authority (other than the Authority) will need to state their reasons for seeking a review and produce supporting information or documents.
- 16.4 Once a valid application for a review has been received by the authority, representations can be made by Responsible Authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the Authority, who will publish notice of the application within 7 days of receipt.
- 16.5 The Authority must carry out a review hearing as soon as possible after the 28 day period for making representations has passed.
- 16.6 It will be for the Authority to determine what action to take, if any, following a review hearing in accordance with Section 202 of the Act. The Authority may:
- Add, remove or amend a condition imposed by the Authority
 - Exclude a default condition or remove or amend an exclusion
 - Suspend the premises licence for up to three months
 - Revoke the premises licence
- 16.7 In determining what action if any, should be taken following a review, the Authority must have regard to the principles set out in Section 153 of the Act, as well as any relevant representations.
- 16.8 In particular, the Authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative matter without intending to use them.
- 16.9 Once the review has been completed, the Authority must, as soon as possible, notify the decision to:
- The licence holder
 - The applicant for review (if any)
 - The Commission
 - Any person who made representations
 - The Chief Officer of Police or Chief Constable; and
 - Her Majesty's Revenue and Customs
17. **Appeals**
- 17.1 Where a Premises Licence application is refused the Applicant may appeal against the decision of the Authority. Where a Premises Licence is granted an Applicant and any Interested Party or Responsible Authority who made relevant representations can appeal. Appeal is to the Magistrates Court within 21 days of receipt of the decision notice.

- 17.2 Following a review application, the licensee, an interested person or a Responsible Authority who made representations in relation to the review, the person (if any) who applied for the review and Gambling Commission have a right of appeal to the Magistrates' Court within 21 days of receipt of the decision notice.
- 17.3 In relation to a transfer application and decision the licensee and the applicant for transfer have a right of appeal to the Magistrates' Court within 21 days of a decision notice.
- 17.4 In relation to an Application for a Temporary Use Notice either the applicant or person entitled to receive a copy of such notice has a right of appeal to the Magistrates' Court within 21 days of a decision notice.

Part C

Permits/temporary and Occasional Use Notice

1. General Principles – Permits

- 1.1 The Gambling Act 2005 introduces a range of permits which are granted by Authorities. Permits as opposed to Premises Licences are required when premises provide a gambling facility but either the stakes and prizes are very low or gambling is not the main function of the premises. The permits regulate gambling and the use of gaming machines in a specific premises.
- 1.2 This Authority has adopted a Statement of Principles which is found at Part E of this Statement in relation to applications for certain Family Entertainment Centre Gaming Machine Permits and Prize Gaming Permits. Applicants for those types of Permit should refer to Part E of this Statement of Licensing Policy.

2. Unlicensed Family Entertainment Centre Gaming Machine Permits (Schedule 10 of the Gambling Act 2005)

- 2.1 These Permits relate to unlicensed Family Entertainment Centres (uFECs) which can only offer category D gaming machines. Any number of such gaming machines can be offered under the Permit (subject to fire regulations and health and safety regulations). If the Application for a Permit is made by an individual that person must be over 18 years of age.
- 2.2 The Chief Officer of Police will be consulted in relation to such applications. Any Permit issued will last for 10 years unless it lapses or is surrendered or forfeited.
- 2.3 Where premises do not have the benefit of a Premise Licence and the occupier wishes to provide gaming machines from that premises, an application may be made to the Authority for a Family Entertainment Centre Gaming Machine Permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use.
- 2.4 An application for a Family Entertainment Gaming Machine Permit may be granted only if the Authority is satisfied that the premises will be used as an uFEC, and if the chief officer of police has been consulted on the application. Relevant considerations to take into account would be the applicant's suitability, such as any previous convictions that they may have that would make them unsuitable to operate a uFEC; and the suitability of the premises in relation to their location and issues about disorder.
- 2.5 In making its decision on an application for a Family Entertainment Centre Gaming Machine Permit, the Authority need not, but may, have regard to the licensing objectives. It shall have regard to any Gambling Commission's Guidance to Licensing Authorities.
- 2.6 The Authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not

limited to harm from gambling but includes wider child protection considerations including child abuse and sexual exploitation.

2.7 It should be noted that the Authority cannot attach conditions to this type of permit.

2.5 With regard to renewals of these Permits, the Authority may refuse an application for renewal only on the grounds that an authorised local authority officer has been refused access to the premises without reasonable excuse, or that renewal would not be reasonably consistent with the pursuit of the licensing objectives.

3. **Alcohol Licensed Premises Gaming Machine Permits – (Schedule 13 of the Gambling Act 2005)**

3.1 The holder of a Premises Licence issued under the Licensing Act 2003 which entitles the holder to supply alcohol for consumption on the premises will automatically be entitled to up to 2 gaming machines on those premises of categories C or D. To take advantage of this entitlement the licence holder must give notice of their intention to make gaming machines available for use to the Authority and pay the prescribed fee. The Authority has no discretion and cannot refuse this entitlement if notification is satisfactorily given.

3.2 The Authority can remove the automatic authorisation in respect of any particular premises by way of order if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act.
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises

3.3 Before making such an order however the licence holder will be given at least 21 days' notice of the intention to make the order. The Authority will consider any representations made by the licence holder and hold a hearing before a licensing sub-committee if they request this. The licence holder can appeal to the Magistrates' Court against the order removing the automatic entitlement to two gaming machines on licensed premises.

3.4 Where an On-Premises Alcohol Licence Holder wishes to offer more than 2 gaming machines from licensed premises, that licence holder must apply to the Authority for a Licensed Premises Gaming Machine Permit. That application will state the category and number of gaming machines being sought under the Permit. The Authority in determining the application will have regard to the licensing objectives and the Guidance to Licensing Authorities published by the Gambling Commission. If the Authority is minded to refuse an application for a Permit, or to grant a Permit but with a different category or number of machines sought by the applicant, the applicant will be notified of the reasons and will be given an opportunity to make representations either orally or in writing, or both, to the Authority.

3.5 The Permit will cease to have effect if the On-Premises Alcohol Licence ceases to have effect for those premises, the Permit holder ceases to be the holder of the On-Premises Alcohol licence or if the Permit is surrendered, cancelled or forfeited.

- 3.6 In addition to considering the licensing objectives and the Guidance to Licensing Authorities published by the Gambling Commission when determining an application for a Alcohol Licensed Premises Gaming Machine Permits, the Authority can also have regard to “such other matters” as it thinks relevant. The Authority considers that “such other matters” will be decided on a case-by-case basis but generally there will be regard given to the need to protect children and vulnerable persons from harm or being exploited by gambling. The Authority will expect the applicant to satisfy it that there will be sufficient measures in place to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures that will satisfy the Authority that there will be no access to such machines may include the machines being in clear sight of the bar, or in the clear sight of staff who will monitor those machines to ensure that they are not being used by those under 18. Notices and signage may also be helpful. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as **BeGambleAware**.
- 3.7 When an Alcohol Licensed Premises Gaming Machine Permit is granted this effectively replaces, and is not in addition to, the automatic entitlement to two gaming machines.
- 3.8 The Authority cannot attach conditions to this type of Permit.
- 3.9 The applicant may appeal to the Magistrates’ court against the Authority’s decision not to issue a Permit, to issue a Permit with a smaller number of machines applied for, a different category of machine than applied for or the cancellation of a Permit. Any appeal must be made within 21 days of receipt of the notice of the decision.
- 3.10 It should also be noted that the holder of a permit must comply with The Code of Practice for gaming machines in clubs and premises with an alcohol licence published by the Gambling Commission concerning the location and operation of the machines.
4. **Prize Gaming Permits – (Schedule 14 of the Gambling Act 2005)**
- 4.1 An application for a Prize Gaming Permit cannot be made if there is Premises Licence or Club Gaming Permit in force in relation to the premises.
- 4.2 Any individual who applies must be over 18 years. The application will specify the nature of the gaming for which the permit is sought. The Chief Officer of Police will be consulted in relation to such applications.
- 4.3 If the Authority is minded to refuse an application then reasons for the refusal will be given to the applicant who will be given an opportunity to make oral or written representations or both before any decision is formally taken to refuse the application or not. Upon receipt of such representations a licensing sub-committee will determine the matter.
- 4.4 In determining the application for this type of Permit the Authority need not, but may, have regard to the licensing objectives and to the Guidance to Licensing Authorities published by the Gambling Commission.
- 4.5 A permit will last for 10 years unless it lapses, is surrendered or is forfeited.

- 4.6 It should be noted that the Authority cannot attach conditions to the Permit. There are however four conditions that section 293 of the Gambling Act 2005 specifies should apply in relation to prize gaming (whether authorised by a Permit, taking place in an Adult Gaming Centre, Family Entertainment Centre or travelling fair namely:
- the limits on participation fees, as set out in regulations (The Gambling Act 2005 (Limits on Prize Gaming) Regulations 2009) must be complied with
 - all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played
 - the prize for which the game is played must not exceed the amount set out in Regulations (if a money prize), or the prescribed value (if non-monetary prize)
 - participation in the gaming must not entitle the player to take part in any other gambling.
- 4.7 The applicant may appeal to the Magistrates' court against the Authority's decision not to issue a Permit or to renew the Permit. Any appeal must be made within 21 days of receipt of the notice of the decision.

5. **Club Gaming and Club Machines Permits (Schedule 12 of the Gambling Act 2005)**

Club Gaming Permits

- 5.1 Members Clubs and Miners' Welfare Institutes (but not Commercial Clubs) may apply for a Club Gaming Permits which authorise the establishments to provide gaming machines, equal chance gaming and games of chance in accordance with The Gambling Act 2005 (Club Gaming Permits) (Authorised Gaming) Regulations 2007.
- 5.2 The Club Gaming Permit will enable the premises to provide no more than three gaming machines from categories B3A, B4, C or D but only one B3A can be used under this entitlement.
- 5.3 Where a club has gaming machines, it is required to comply with the code of practice issued by the Gambling Commission on the location and operation of gaming machines.
- 5.4 There are limits on stakes and prizes for poker played in those clubs and institutes that do not hold a club gaming permit issued by their local Authority. The holder of a Club Gaming Permit is advised to refer to The Gambling Act 2005 (Exempt Gaming in Clubs) Regulations 2007 to understand the limits on stakes and prizes.

Club Machine Permits

- 5.5 If a Members' Club or a Miners' Welfare Institute does not wish to have the full range of facilities permitted by a Club Gaming Permit, they may apply to the Authority for a Club Machine Permit. This authorises the holder of the Permit to have up to three category B3A, B4, C or D gaming machines.
- 5.6 Premises which operate membership-based social clubs (often work premises) can apply for a Club Machine Permit. The permit will allow up to three machines of category B3A, B4, C or D but only one B3A machine can be sited as part of this entitlement.

Applications for Club Gaming Permits and Club Machine Permits

- 5.7 Applications for Club Gaming Permits and Club Machine Permits must be made to the Authority with the fee. A copy of the application must be sent to the Gambling Commission and the Chief Officer of Police. The Commission and the Police have 28 days, beginning on the date on which the application was made to the Authority, to object to the granting of either type of Permit.
- 5.8 If a valid objection is received the Authority will hold a hearing before a Licensing Sub-Committee to determine the application.
- 5.9 The Authority in granting a Permit cannot add conditions to it.
- 5.10 The Authority may only refuse an application on the grounds that it is satisfied that:
- The applicant is not a Members' Club or a Miners' Welfare Institute, or
 - that the premises on which the applicant conducts its activities are used wholly or mainly by children, by young persons or by both,
 - that an offence, or a breach of a condition of a Permit, has been committed in the course of gaming activities carried on by the applicant,
 - that a permit held by the applicant has been cancelled during the period of ten years ending with the date of the application, or
 - that an objection to the application has been made by the Gambling Commission or by the Chief Officer of Police.
- 5.11 In determining whether a club is a genuine Members' Club, the Authority will take account of a number of matters, including (but not limited to):
- Is the primary purpose of the club's activities something other than the provision of gaming to its members? This is an indicator that it's a genuine Members' Club.
 - Are the profits retained in the club for the benefit of the members? This is the key difference between a Members' Club and a commercial club
 - Are there 25 or more members? This is the number of members a club has to have to qualify.
 - Are there genuine domestic addresses on the register of members? Are domestic addresses listed for every member? Are members local to the club? These are all indicators that the member lists are bona fide and are made up of genuine members.
 - Do members participate in the activities of the club via the internet? It is less likely to be a genuine Members' Club if this is the case.

- Do guest arrangements link a member to every guest? Is there evidence of a signing-in register for guests? Guests must be genuine guests of members and not members of the general public.
- Is the 48-hour rule between applying for membership and participating in any gaming properly applied? This is an indication that the club has a proper membership scheme.
- Are there annual accounts for more than one year? This would indicate that the club is permanent in nature, rather than temporary.
- How is the club advertised and listed in directories, including on the internet? If the club is categorised under 'gaming' or 'poker', it is less likely to be genuine Members' Club.
- What information is provided on the club's website? This can be a useful source of information about the club.
- Are children permitted into the club? Appropriate access to the premises by children may indicate that it is less likely that the club is primarily for gambling activities.
- Does the club have a constitution, and can it provide evidence that the constitution was approved by the members of the club? This provides further evidence that it is a properly constituted Members' Club.
- Is there a list of committee members and evidence of their election by the members of the club? Can the club provide minutes of committee and other meetings? These are further evidence that the club is a properly constituted Members' Club.

5.12 The Authority will also have regard to the constitution of a club as this could also indicate whether it is a legitimate Members' Club. the Authority will take account of a number of matters, including (but not limited to):

- Who makes commercial decisions on behalf of the club and what are the governance arrangements? Clubs are normally run by a committee made up of members of the club, rather than individuals or managers, who make decisions on behalf of the members. There will normally be a system (consultation, voting, paper ballots, annual general meetings, special meetings etc) which allows members to be involved in major decisions concerning the management and running of the club. Such arrangements would normally be spelt out in the constitution.
- Are the aims of the club set out in the constitution? A lack of aim or aims which involve gaming could indicate that it is not a genuine Members' Club.
- Are there shareholders or members? Shareholders would indicate a business enterprise linked to a commercial club.
- Is the Members' Club permanently established? Clubs can't be temporary and must be permanent in nature.
- Can people join with annual or quarterly membership? This would indicate that the club is permanent in nature.
- Are there long-term membership benefits? This would also indicate that the club is permanent in nature and that it is a genuine Members' Club. The benefits of membership would normally be set out in the rules of membership.

5.13 The Authority must satisfy itself that the gaming on offer at a club meets the conditions set out in the Gambling Act 2005 and the relevant Regulations. To do

this, the Authority may wish to ask questions of the applicant or ensure that the exempt gaming complies with these conditions.

- 5.14 Once the Authority has issued a Club Gaming Permit, various aspects need to be considered by the Authority in monitoring the Club Gaming Permit. In addition to monitoring whether the club continues to meet the requirements of the Gambling Act 2005 for a Club Gaming Permit (that is, whether it remains a genuine Members' Club) and whether the gaming meets the conditions set out in the Act and the relevant Regulations.
- 5.15 A Permit will have effect for ten years, unless it ceases to have effect because it is surrendered or lapses or is renewed. A Permit granted under the fast-track procedure to a club or institution holding a Club Premises Certificate granted under section 72 of the Licensing Act 2003 does not expire, unless it ceases to have effect because it is surrendered, cancelled or forfeited or it lapses.

The Fast-Track Procedure

- 5.16 It should be noted that there is a 'fast-track' procedure available for premises which hold a Club Premises Certificate under section 72 of The Licensing Act 2003. As the Gambling Commission's Guidance to Licensing Authorities states at in Part 6 at paragraph 25.41: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which an authority can refuse a permit are reduced". This is because the Club or Institute has been through a licensing process. As commercial clubs cannot hold a Club Premises Certificate under the Licensing Act 2003 the fast-track procedure is not available to such establishments.
- 5.17 The grounds on which an application under the fast-track procedure process may be refused are:
- that the club is established primarily for gaming, other than gaming prescribed under section 266 of the Gambling Act 2005;
 - that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
 - that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.
- 5.18 If the Authority rejects an application for either type of Permit or refuses to renew a Permit the applicant has 21 days from notification of the decision to appeal to the Magistrates' court.

The grounds on which an application under the process may be refused are:

- a. that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- b. that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- c. that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.

Cancellation of a Permit

5.19 The Authority may cancel the Permit if:

- the premises are used wholly by children and/or young persons
- an offence or breach of a Permit condition has been committed in the course of gaming activities by the Permit holder.

5.20 Before cancelling a Permit, Authority must give the Permit holder at least 21 days' notice of the intention to cancel and consider any representations that they may make. The Authority must hold a hearing if the Permit holder so requests. The Authority must notify the permit Holder, the Gambling Commission and Chief Officer of Police that the Permit has been cancelled and the reasons for the cancellation.

5.21 If the Authority cancels a Permit, the applicant has 21 days from notification of the decision to appeal to the Magistrates' court.

6. Temporary Use Notices (Part 9 of the Gambling Act 2005)

6.1 A Temporary Use Notice is not as such granted by the Authority. Rather the person seeking to rely on the Temporary Use Notice serves the Notice on the Authority (and on certain specified authorities) and the Authority endorses the Notice (provided it complies with the requirements of the Gambling Act 2005) . Where there are objections to the Notice, the Authority will hear the objections and then either serve a Counter-Notice that the Temporary Use Notice should not have effect, or should have effect subject to modifications, or dismiss the objections and endorse the Temporary Use Notice.

6.2 A Temporary Use Notice may only be given by the holder of a relevant Operating Licence. Where a Temporary Use Notice has effect, it allows the use of a "set of premises" for gambling where there is no Premises Licence and allows premises such as hotels, conference centres or sporting venues to be used temporarily for providing facilities for gambling.

6.3 The holder of an Operating Licence will give the Temporary Use Notice to the Authority and will specify in that Notice:

- the gambling activities to be carried on
- the premises where it will take place
- the dates and times that gambling will take place
- the period of time during which the Notice is to have effect
- specify any periods during the previous 12 months that a Temporary Use Notice had had effect for the same premises
- specify the date on which the Notice is given
- contain any other information that the Secretary of State prescribes.

6.4 The same set of premises may not be the subject of a Temporary Use Notice for more than 21 days in any 12 months period but may be subject to several Notices provided that the total does not exceed 21 days. The Authority must issue a Counter Notice if the above limit of 21 days is exceeded. However, the Authority

will, where the Notice could have effect for part of the period in the Notice, after consultation with the Applicant to issue a Counter-Notice limiting the number of days under the Notice to bring it within the 21 days permitted.

- 6.5 The applicant must give the Temporary Use Notice with the Authority not less than three months and one day before the day on which the gambling event will begin. The Notice must be copied to:
- the Gambling Commission
 - the Police
 - HM Revenues and Customs; and, if applicable
 - any other Authority in whose area the premises are situated.
- 6.6 If there are no objections (see below) the Authority must endorse the Notice whereupon it will become valid.
- 6.7 Within 14 days of being given the Temporary Use Notice the Authority and the Authorities to which the Notice has been copied can give a Notice of Objection, if they think that having regard to the licensing objectives the Notice should not have effect, or should have effect only with modification. Any Notice of Objection (not given by the Authority) is copied to the Authority. Upon receipt of any Notice of objection there will be a hearing before the licensing sub-committee (unless all relevant parties agree in writing that a hearing is unnecessary). Following consideration of the objections the Authority may either give a Counter-Notice that the Temporary Use Notice should not have effect, or should have effect only with specified modifications or dismiss the objections. If the objections are dismissed they will endorse the Temporary Use Notice.
- 6.8 An appeal against the Authority's decision may be made by the applicant, or any person entitled to receive a copy of the Temporary Event Notice, to the Magistrates' court within 14 days of receiving notice of the Authority's decision. There is a further right of appeal to the High Court on a point of law.

7. Occasional Use Notices (Section 39 of the Gambling Act 2005)

- 7.1 This type of Notice permits betting on a track on eight days or less in a calendar year without the need for a Premises Licence.
- 7.2 Occasional Use Notices are designed to allow licensed betting operators to provide betting facilities at genuine sporting events (such as point-to point racecourses and golf courses for major competitions) within the boundaries of the identified venue on a specific date.
- 7.3 Any such Notice must be served by a person responsible for the administration of events on the track or by an occupier of the track.
- 7.4 The following should be noted in relation to this type of Notice:
- The Notice can only be relied upon for eight days or fewer in a calendar year and therefore authorities should keep a record of the number of notices served in relation to each track. The period of eight days applies to the venue and not the individual who has submitted the notice.

- The Notice must be submitted for each day that betting activity will be conducted on the premises. If betting activity is to be held over a period of eight consecutive days, the operator will be required to submit eight separate notices.
- The Notice must specify the day on which it has effect. An event running past midnight and ending on the following day accounts for two occasional use days, even though in practice it is one event.
- No objection or counter notice (refusal) is possible unless the maximum number will be exceeded.
- The Notice must be given to the Authority and the Chief Officer of Police, in writing, before the event starts.
- No premises licence can exist for the place which is the subject of the Notice.
- Land can be used temporarily as a track, for example for a point-to-point race, provided that sporting events or races take place there. There is no need for a track to be permanently established.

7.5 While tracks are normally thought of as permanent racecourses, the Authority notes that the meaning of ‘track’ in the Gambling Act 2005 covers not just horse racecourses or dog tracks, but also any other premises on any part of which a race or other sporting event takes place or is intended to take place (s.353(1)). This means that land which has a number of uses, one of which fulfils the definition of track, can qualify for the occasional use notice provisions, for example agricultural land upon which a point-to-point meeting takes place.

7.6 Part 20 of The Gambling Commission’s Guidance to Licensing Authorities which relates to guidance on “tracks” should be consulted.

7.7 It must be noted that an Occasional Use Notices do not permit betting operators to provide gaming machines at tracks by virtue of this type of Notice.

Part D

Contact and Applications

For further information on this Statement of Licensing Policy as well as information about the application process please contact:

Licensing
Harvey Combe
Killingworth
Newcastle upon Tyne
NE12 6UB

The Licensing Section can be contacted on the following telephone number:
(0191) 643 2175

E-mail address: liquor.licensing@northtyneside.gov.uk

Summary of Licensing Authority delegations permitted under the Gambling Act

Matter to be dealt with	Full Council	Sub-committee of licensing committee	Officers
Three year licensing policy	X		
Policy not to permit casinos	X		
Fee setting (when appropriate)			X
Application for premises licences		X Where representations have been received and not withdrawn	X Where no representations received/ representations have been withdrawn
Application for variation to a licence		X Where representations have been received and not withdrawn	X Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		X Where representations have been received from the Commission and / or Responsible Authorities	X Where no representations received from the Commission and / or Responsible Authorities
Application for a provisional statement		X Where representations have been received and not withdrawn	X Where no representations received/ representations have been withdrawn
Review of premises licence		X	
Application for club gaming/club machine permits		X Where objections have been made (and not withdrawn)	X Where no objections made/ objections have been withdrawn
Cancellation of club gaming/club machine permits		X	
Applications for other permits		X If there is an initial minded to decision to refuse a permit application by officers and oral or written representations are received from the applicant	X Where no objections made/ objections have been withdrawn

Matter to be dealt with	Full Council	Sub-committee of licensing committee	Officers
Cancellation of licensed premises gaming machine permits		X If requested by applicant	X If no request received
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	
Order disapplying Section 279 or Section 282(1) of a specified premises holding an on premises alcohol licence		X	
Refusal to register a Small Lottery and representations are received from the Society		X	
Revocation of Small Lottery Registration and representations are received from the Society		X	
Any other Licensing functions under the Gambling Act 2005 except those not capable of such delegation			X

X indicates the lowest level to which decisions can be delegated

Part E

Statement of principles applied by North Tyneside Authority when applications are received for permits for Family Entertainment Centre Gaming Machine Permits, and Prize Gaming Permits

1. This Statement of Principles has been prepared in order to provide guidance to applicants, the Responsible Authorities, members of the public, Members and Officers. The Statement of Principles will assist applicants with the preparation of their applications for Permits and state the documentation and information which they are required to produce in support of their application and assist Responsible Authorities in making any representations as well as setting out the matters which members and officers will take into consideration when determining such applications.
2. This Statement of Principles relates to applications made for the following types of permit:
 - i) Applications for Family Entertainment Centre Gaming Machine Permits.
 - ii) Applications for Prize Gaming Permits.
3. This Statement of Principles does not apply to Club Gaming Permit, Club Machine Permit or Licensed Premises Gaming Machine Permit applications as the Gambling Act 2005 sets out different requirements in relation to applications for those types of permit.
4. The Licensing Officer has the delegated authority to consider all applications for Permits and can either grant an application for a Permit or make an initial decision to refuse to grant any such Permit.
5. As soon as reasonably practicable after the initial decision to refuse an application for a Permit is made, the Licensing Officer will write to the Applicant notifying him of the refusal and provide reasons for that decision.
6. In such circumstances the Licensing Officer will invite an applicant to make oral representations, written representations or both within 28 days of receipt of notification of the refusal. If such representations are received they will be referred to a Licensing Sub-Committee for consideration and the Applicant if they wish to do so can request a hearing before the Licensing Sub-Committee to make oral representations.
7. The Licensing Sub-Committee will forward a written notice of its decision and reasons for that decision to the Applicant within five working days of the Licensing Sub-Committee's determination of the application.

8. The type of permit being applied for will determine the documentation and information which needs to be submitted to the Authority in support of any application for a permit. The documentation and information which needs to be submitted is as follows:

(a) Family Entertainment Centre Gaming Machine Permit

The Authority will have regard to:

- the application form duly completed in full
- a plan of the premises showing the number and location of any gaming machines, points of access for the public, location of fire extinguishers, location of smoke detectors
- insurance certificate (or certified copy certified by a Solicitor/Commissioner for Oaths or notary) confirming the availability of public liability insurance
- appropriate fee
- that the applicant has demonstrated the following: -
 - a full understanding of the maximum stakes and prizes of the gambling that is permissible
 - has no relevant convictions
 - that staff are trained to have a full understanding of the maximum stakes and prizes.
 - An awareness the need to prevent child abuse and sexual exploitation and how to spot the possible signs of such abuse and what action should be taken in that regard.

The Authority will consider any representations made by the Police and the North Tyneside Safeguarding Partnership in relation to such matters and will attach such weight to those representations as considered appropriate. An applicant will also need to show that he has the right to occupy the premises or prove to the Authority's satisfaction that he/she proposes to occupy the premises in question. In the case of an individual applicant they will need to be over 18 years of age.

- The Authority in determining the application for a permit has a discretion as to whether or not to consider the licensing objectives. The Authority will determine whether or not to consider the licensing objectives on a case-by-case basis but it is anticipated that the licensing objectives will be considered with most applications for a Permit. The Authority will consider the Guidance to Licensing Authorities issued by the Gambling Commission.
- The Authority will give notification of applications to the Tyne & Wear Fire & Rescue Service and to the North Tyneside Safeguarding Partnership.

(b) Prize Gaming Permits

- application form provided by the Licensing Department of North Tyneside Council duly completed in full
- a plan of the premises showing the location of each gaming activity to take place on the premises, points of access for the public, location of fire extinguishers and location of smoke detectors
- insurance certificate (or certified copy certified by solicitor/commissioner for oaths or notary) confirming the availability of public liability insurance

- the applicant will be asked to specify the types of gaming that he or she is intending to offer and should be able to demonstrate:
- that they understand the limits to stakes and prizes that are set out in Regulations
- that the gaming offered is within the law
- Appropriate fee
- An awareness the need to prevent child abuse and sexual exploitation and how to spot the possible signs of such abuse and what action should be taken in that regard.
- The Authority will give notification of applications to the Tyne & Wear Fire & Rescue Service and to the North Tyneside Safeguarding Partnership.

The Authority will consider any representations made by the Police and the North Tyneside Safeguarding Partnership in relation to such matters and will attach such weight to those representations as considered appropriate. An applicant will also need to show that he has the right to occupy the premises or prove to the Authority's satisfaction that he proposes to occupy the premises in question. In the case of an individual applicant they will need to be over 18 years of age.

- The Authority in determining the application for a permit have a discretion as to whether or not to consider the licensing objectives. The Authority will determine whether or not to consider the licensing objectives on a case-by-case basis, but it is anticipated that the licensing objectives will be considered with most applications for a permit. The Authority will consider the Guidance issued by the Gambling Commission.

9. If an application does not contain all of the information as outlined in this Statement of Principles, the application will be returned requesting that the Application be re-submitted with the full information being provided.
10. When a Authority rejects an application for the issue or renewal of a permit the applicant may appeal to North Tyneside Magistrates Court within 21 days of receiving notification of the decision not to grant the application for a permit.

APPENDIX ONE

Local Risk Assessment Template

Local Risk Assessment

When completing this Risk Assessment, the Applicant or Operator should have regard to Section 3 “Local Risk Assessment” of the Authority’s Statement of Licensing Policy. The Authority’s Statement of Licensing Policy is available at:

<https://my.northtyneside.gov.uk/category/936/statement-gambling-policy>

Premises Name:	Premises Licence Number (If Applicable):
Premises Address:	
Post Code:	
Category of Gambling Premises Licence:	
Name of Person Completing Assessment:	
Operating Company/Operator:	
Operating Licence Number (If Applicable):	
Date Assessment Completed:	

Requirement to comply with requirement to undertake a local Risk Assessment

All non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences must assess local risks.

Social Responsibility Code Provision 10.1.1

1. Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the Authority’s Statement of Licensing Policy.
2. Licensees must review (and update as necessary) their local risk assessments:
 - a. To take account of significant changes in local circumstances, including those identified in a Authority’s Statement of Licensing Policy;
 - b. When there are significant changes at a licensees premises that may affect their mitigation of local risks;
 - c. When applying for a variation of a premises licence; and
 - d. In any case, undertake a local risk assessment when applying for a new premises licence.

Licensing Objectives

When completing this local Risk Assessment the Applicant or Operator should have regard to the licensing objectives set out in the Gambling Act 2005 namely:

- a. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime, (code **CD** for this Assessment)
- b. Ensuring that gambling is conducted in a fair and open way, (code **FO** for this Assessment) and
- c. Protecting children and other vulnerable persons from being harmed or exploited by gambling (code **PC** for this Assessment).

Local Area Profile

The Applicant/Operator should set out here the local area in which the premises are located including the sort of premises there are within the vicinity of the premises, particularly if there are any establishments of the type (or similar) listed in Section 3, Paragraph 3.3 of the Authority's Statement of Licensing Policy.

Regard should also be had to the crime mapping website and neighbourhood statistics website.

If there are any known problems with crime or anti-social behaviour in the area of the premises this should be stated here.

Risk Assessment

Risk Assessment	Licensing Objective	Level of Risk	Impact	Control System	Risk Management	Date of Assessment and Review Date
<i>e.g. children entering premises</i>	<i>PC</i>	<i>Low</i>	<i>Severe to child and severe for the business</i>	<i>Interior Design</i>	<i>Effective monitoring of entrance by "floor walking" staff.</i> <i>Clear line of sight from counter to only public entrance to the premises.</i>	<i>January 2019 Review</i> <i>January 2020</i>
				<i>Exterior Design</i>	<i>Shop frontage designed not to be attractive to children.</i>	
				<i>Physical</i>	<i>CCTV system with cove</i>	
				<i>Systems</i>	<i>Use of a Challenge 25 Age Verification Policy</i> <i>Regular staff training</i> <i>Challenge 25 materials displayed</i> <i>No wearing of hoods policy</i>	
<i>e.g. Failure to deal properly with customers making complaints about the outcome of a bet</i>	<i>FO</i>	<i>Low</i>	<i>Moderate to business severe to customer</i>	<i>Systems</i>	<i>Complaints procedure and complaints form on premises.</i> <i>Staff trained on handling complaints</i>	
<i>e.g. Awareness of educational establishment within 200 metres of premises.</i>	<i>PC</i>			<i>Systems</i>	<i>No educational establishments are in the vicinity of the premises but monitoring of the entrance will be increased between 3.00p.m. and 4.00p.m.</i>	

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**Overview, Scrutiny & Policy Development
Committee 4 October 2021**

Cabinet Report 20 September 2021

**2022-2026 Financial Planning and Budget Process
incorporating the Associated Engagement Strategy**

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North Tyneside Council

Report to Cabinet

Date: 20 September 2021

Title: 2022-2026 Financial Planning and Budget Process incorporating the Associated Engagement Strategy

Portfolio(s):	Elected Mayor Deputy Mayor Finance and Resources Housing	Cabinet Member(s):	Norma Redfearn Councillor C Johnson Councillor M Rankin Councillor S Cox
Report from Service Area:	Resources		
Responsible Officer:	Janice Gillespie, Director of Resources	Tel:	(0191) 643 5701
Wards affected:	All		

PART 1

1.1 Executive Summary

- 1.1.1 This is the initial report to Cabinet outlining the process to be adopted for the Authority's Financial Planning and Budget process for 2022/23 as part of the proposed framework for the four years 2022/23 to 2025/26. Further reports will follow as part of the process of setting the Authority's Budget for the financial year 2022/23. The next report to Cabinet will be on 29 November 2021 and will outline Cabinets initial Budget proposals.

This report sets out information in relation to the proposed 2022-2026 Financial Planning and Budget process, including key decision milestones. This will include:

- A review of the Medium-Term Financial Strategy (MTFS) and Medium-Term Financial Plan (MFTP);
- Development of the detailed General Fund and Housing Revenue Account Budgets for 2022/23;
- An update of the Investment Plan and the Treasury Management Strategy; and
- The Budget Engagement Strategy to be adopted as part of the 2022-2026 Financial Planning and Budget process.

- 1.1.2 While this report forms an important part of the Authority's Budget-setting process for the 2022/23 Budget, it also provides Cabinet with an overview of the potential financial implications of COVID-19, for both the current year and for the period of the Authority's Medium-Term Financial Strategy (MTFS). An initial review of the MTFS has been carried

out in light of future government announcements and, as the scale of the financial impact of COVID-19 becomes clear, it will need to be updated.

- 1.1.3 In addition, this report acknowledges the continuing exceptional circumstances in which the 2022/23 Budget will need to be prepared as the Authority starts to emerge from the pandemic. This will have an impact on the organisation's ability to achieve planned Budget savings and income for 2022/23, its capacity to develop and deliver new Budget proposals for 2022/23, and on the wider Budget position, which is the subject of extremely high levels of uncertainty. The report sets out details of a proposed Budget planning process for 2022/23 but recognises that there will be a need for flexibility. In this context, the report also provides a summary of key areas of wider risk and uncertainty for Cabinet to consider.

1.2 Recommendations

It is recommended that Cabinet:

- (a) notes the revised Medium-Term Financial Strategy and the proposed principles for Budget planning for 2022/23, as set out at Appendix A and section 1.5.8;
- (b) approves the proposed outline 2022-2026 Financial Planning and Budget process which incorporates the key decision milestones and dates, as set out at Appendix B;
- (c) recognises that there may be a requirement for flexibility within both the Budget-setting process and the assumptions used, as a result of future Government announcements and other developments relating to COVID-19;
- (d) approves the Budget Engagement Strategy as part of the 2022-2026 Financial Planning and Budget process as set out at Appendix C; and
- (e) considers the key Budget risks and uncertainties as set out in the Medium-Term Financial Strategy, including the implications of announcements made at the Spring Budget 2021 and subsequently as part of the COVID-19 response.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 20 August 2021.

1.4 Information

Council Plan and Policy Framework

- 1.4.1 The Budget and Policy Framework Procedure Rules are set out in Part 4.7 of the Authority's Constitution. The Budget is guided by paragraph 4.7.3 covering the process for the preparation, consideration and final approval of the Authority's Budget. The constitutional requirements for preparing, considering and approving the Budget drive the timetable for the Financial Planning and Budget process.
- 1.4.2 The development of the Budget will follow the process laid down in the Authority's Constitution. The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This in turn provides assurance that the Budget is considered as part of preparing the Annual Governance Statement to Council each year.

- 1.4.3 The priorities in the Council Plan (the “Our North Tyneside Plan”) provide the strategic policy framework within which Budget resources will be allocated for 2022-2026.

Background

- 1.4.4 The last few years have been uncertain and challenging for local government but financial planning for 2022/23 is particularly difficult. Since March 2020, the COVID-19 pandemic has repeatedly highlighted the vital role that the Authority continues to play in supporting vulnerable people and communities across the Borough. This once again demonstrates the critical need to set a balanced and sustainable budget to enable the Authority to continue to deliver the services which are so important for all North Tyneside’s residents, businesses and visitors. This report therefore sets out the process by which the Authority will build on the 2021/22 Budget in order to develop the detailed financial plans for future years, which will secure the Authority’s financial position and safeguard the provision of essential services into 2022/23 and beyond.
- 1.4.5 The Chancellor of the Exchequer, Rishi Sunak, delivered the Spring 2021 Budget on 3 March 2021. This was only the Chancellor’s second Budget, but as part of the Government’s response to COVID-19 there have been 13 major fiscal announcements since the previous Budget on 11 March 2020. This was also the first budget since the UK entered the various lockdowns imposed in response to COVID-19, and the UK’s departure from the European Union.

The Chancellor confirmed that economic support will be maintained until the country has exited lockdown. This includes extensions to furlough, support for the self-employed, support for businesses in the form of business rate relief and targeted grants, and education catch-up funding.

- 1.4.6 The Government continues to explore the long-term reform of adult social care, the Fair Funding and Business Rates Retention reviews have been pushed back to April 2023 at the earliest, and the future of Government grants such as the Better Care Fund and Troubled Families are also uncertain. The outcome of these has the potential for a significant impact on local government and, in the absence of any announcements, this only adds to the challenge.
- 1.4.7 As in recent years, the Authority will not receive detailed information about funding allocations for 2022/23 until autumn 2021 at the earliest. In the absence of a Comprehensive Spending Review, any long-term funding allocation is unlikely. There is very little time for Government to undertake a full multi-year spending review and in this context a one-year roll over of the local government settlement is increasingly likely for 2022/23.

Beyond the immediate impact of COVID, the overall level of uncertainty means that the financial environment for local government is set to remain highly challenging. There continues to be a growing gap between funding and service pressures. This is driven by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children’s services, in both social care and education (particularly the High Needs Block), are also under very significant pressure.

- 1.4.8 Any consideration of the Authority’s Medium-Term Financial Strategy and Medium-Term Financial Plan must be undertaken in the context of the funding outlook for local

government and what that means for the Authority. Full details of the funding outlook for local government are included in section 3 of the Medium-Term Financial Strategy.

- 1.4.9 The current Medium-Term Financial Plan (MTFP) covers the period to the end of 2024/25. Whilst there continues to be a great deal of financial uncertainty, recommended practice suggests that due consideration is given not only to the short-term but to how the Authority will continue to finance its activities in the medium-term. It is therefore recommended at this stage that the MTFP covers the four-year period 2022/23 to 2025/26.

1.5 Policy Context

Council Plan 2021-2025

- 1.5.1 The Council Plan vision and context is currently being refreshed and updated following the mayoral election in May 2021 and to consider the impact the COVID-19 pandemic has had on the Borough. The updated Council Plan was approved by Cabinet on 2 August 2021, subject to consideration of any supplementary information received as a result of the ongoing engagement process, which concluded on 15 August. A report will be presented to Full Council on 23 September 2021 for approval of the updated Council Plan, in advance of the Council's budget setting process beginning.
- 1.5.2 The updated Council Plan reflects the current policy priorities of the Elected Mayor and Cabinet for the next four years and the future vision of North Tyneside in the following five themes:
- Thriving
 - Family friendly
 - Caring
 - Secure
 - Green

Each of these five themes has a clear set of policy priorities and outcomes as set out below.

A thriving North Tyneside

- We will regenerate the high streets of North Shields and Wallsend and will bring forward Master Plans for Wallsend and Whitley Bay town centres. We will also bring investment and improvements to the North West area of the Borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents;
- We will bring more good quality jobs to North Tyneside – by helping local businesses to grow and making it attractive for new businesses to set up or relocate in the Borough;
- We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job;
- We will keep our libraries and leisure centres open as part of a vibrant cultural and leisure offering;
- We will continue to be the destination of choice for visitors through the promotion of North Tyneside's award-winning parks, beaches, festivals and seasonal activities; and
- We will reduce the number of derelict properties across the Borough.

A family-friendly North Tyneside

- We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic;
- We will provide outstanding children's services, events and facilities so North Tyneside is a great place for family life; and
- We will ensure all children are ready for school including through poverty proofing the school day – giving our kids the best start in life.

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic;
- We will work with the care provision sector to improve the health and well-being working conditions of our care heroes;
- People will be cared for, protected and supported if they become vulnerable, including if they become homeless;
- We will support local community groups and the essential work they do; and
- We will work to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making.

A secure North Tyneside

- Council wardens will work with Northumbria Police to tackle antisocial behaviour;
- We will continue to invest £2m per year in fixing our roads and pavements;
- We will maintain the Council Tax support scheme that cuts bills for thousands of households across North Tyneside;
- We will take a holistic view to tackling health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty;
- We will provide 5000 affordable homes; and
- We will review the supply chain of services delivered on behalf of the Council to maximise value for money and environmental sustainability.

A green North Tyneside

- We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes;
- Council environmental hit squads will crack down on littering;
- We will secure funding to help households to install low-carbon heating;
- We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast; and
- 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.

Review of the Medium-Term Financial Strategy (MTFS) and Medium-Term Financial Plan

- 1.5.3 In line with the principles agreed with Cabinet for setting the annual Budget, an initial review of the Medium-Term Financial Strategy (MTFS) has been performed. The revised MTFS is included as Appendix A to this report.

- 1.5.4 The Authority's 2021/22 Budget and Medium-Term Financial Strategy (MTFS) were agreed in February 2021, during the third national lockdown imposed in response to the COVID-19 pandemic. Although some of the impacts of COVID-19 have become clearer during this time, there remain many significant unknowns in terms of the societal, organisational and financial implications. Over the last 18 months, the Authority has made fundamental changes in relation to both ways of working, and financial planning. However, at this point it appears that Government intends that funding support for COVID-19 pressures will be withdrawn during, or in some cases at the end, of the current financial year.

The Authority's financial planning largely assumes that COVID-19 pressures will abate in line with the withdrawal of Government support. Therefore, £34.659m, of COVID resources provided in 2021/22 (as at the end of July 2021) will cease before the start of 2022/23. The MTFS also assumes that COVID-related cost pressures of £18.420m, identified at the end of July 2021, will not continue in 2022/23. Any ongoing COVID cost pressures would increase the gap to be addressed, conversely any further funding allocations for 2022/23 would reduce the gap. However, as the budget setting process progresses, if and when longer term cost pressures for 2022/23 become clearer, there may be a need to reflect further changes in budget assumptions.

- 1.5.5 As described in section 1.4.6 above, funding announcements are not expected until the Autumn 2021. Whilst a multi-year settlement is welcomed and will give local authorities some degree of certainty, until the details are released Budget planning for 2022/23 remains extremely challenging.

The impact of the pandemic is having far-reaching consequences and has required an adjustment in both organisational priorities and ways of working. The pandemic has undoubtedly caused long term changes to a number of the Authority's services, particularly in respect of joint working, public expectations, levels of demand, and the underlying cost base. Services such as children's and adult social care have seen a significant impact from the pandemic, affecting service delivery, demand, and ways of working across almost all areas of the business.

- 1.5.6 Legislation, policies and practices have all seen changes in the previous months; consolidating these and responding to further changes in future will be crucial. In addition, it is highly likely that key income sources including council tax, through both the Collection Fund and tax base growth, and business rates will continue to be under significant pressure in 2022/23. The current MTFS position therefore incorporates prudent assumptions about these income streams, which will need to be reviewed over the course of the Budget-setting period.

- 1.5.7 Finance officers have worked through a range of assumptions and the potential gap between available resources and anticipated expenditure for the General Fund across the next 4 years could be anywhere between £30m to £45m.

- 1.5.8 The Authority has previously agreed a set of principles as part of the process to develop the Budget. The majority of those principles remain relevant for Budget-setting for 2021/22 and for the Medium-Term Financial Plan (MTFP). However, it is important that there is a clear understanding of the work that will need to be undertaken in the lead up to Cabinet presenting its initial Budget proposals in November 2020. It has therefore been necessary to revise the approach to preparing the Budget for 2022/23 and the MTFP.

Where appropriate, the principles set out below provide more detail of the how the work will be undertaken. This will give a clear focus on financial planning priorities over the coming months in order to produce a balanced Budget in 2022/23 and achieve financial balance over the medium-term.

- 1.5.9 The underlying aim is to ensure that the Authority can continue to deliver the Council Plan, and do this within the available resources:
- 1) The overall financial strategy will be to ensure that the Authority's resources are directed to achieving the Council Plan and associated outcomes. The Authority's strategy will be reviewed on at least an annual basis;
 - 2) Overall, Authority spending should be contained within original Budget estimates. If, following monthly budget monitoring, Service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates;
 - 3) In preparation for setting the 2022/23 Budget all services will be required to take part in Budget Challenge sessions;
 - 4) In order to inform further revisions of the 2022/23 Medium-Term Financial Strategy, there will be a fundamental review of the assumptions relating to:
 - a. Council Tax and Business Rates planning;
 - b. forecast delivery of planned 2021/22 savings programmes and viability of previously planned savings;
 - c. cost and income pressures, including unfunded pressures resulting from COVID-19;
 - d. any further Government funding announcements for 2021/22 and future years; and
 - e. Seek to identify proposals to begin to address future years, reflecting need for longer-term planning.
 - 5) Options to address any shortfall in savings to close the 2022/23 Budget gap will include:
 - a. The Government providing additional funding;
 - b. Corporate / centrally identified savings opportunities; and
 - c. Services identifying further savings.
 - 6) The Authority will maintain its General Fund Balance at a minimum level of £7.000m at the end of each year, subject to a risk assessment as part of the annual Budget-setting process;
 - 7) The Authority will aim to balance its revenue Budget over the period of the Medium-Term Financial Plan without reliance on the use of the General Fund Balance. The MTFP will cover the period 2022/23 to 2025/26;
 - 8) The Authority will plan for any changes to specific grants/interim funding/financial settlement/legislation;
 - 9) The Authority will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually;

- 10) Opportunities for working in collaboration and partnership and for different ways of working will be identified and developed where this will support the delivery of the Authority's outcomes and improve service efficiency and delivery. This will include the use of wellbeing powers/general power of competence, development of trading opportunities and different business models, and the sourcing and securing of external funding;
- 11) The Authority will consider the use of prudential borrowing to support capital investment to deliver the Council Plan and will ensure that the full costs of borrowing are taken into account when investment decisions are taken;
- 12) The Authority will aim to promote and stimulate strong and sustainable economic growth leading to wellbeing and prosperity for residents and communities, supported by a planned approach to strategic investment managed through the Authority's Investment Plan;
- 13) The Authority will continue to review its strategic assets to maximise the potential to release value for strategic re-investment and to ensure that asset requirements are aligned to the delivery of services across the Borough;
- 14) The Authority recognises the impact of increases in Council Tax levels and fees and charges on our residents, many of whom are struggling on relatively low income and low wealth and will therefore balance the need for increases against the delivery of the Our North Tyneside Plan and demand for services. This will include the consistent application of an agreed fees and charges policy;
- 15) The Authority will continue to consider business risk in all decision-making process and, alongside this, will ensure that resources are aligned to reduce any material financial risk to the Authority; and
- 16) The Authority will continue to review its Treasury Management Strategy and the efficient management of debt on an annual basis, with an ongoing focus on delivering safe stewardship.

Housing Revenue Account (HRA)

- 1.5.10 Following an unprecedented period of uncertainty during 2020/21 due to the pandemic, the Service continues to ensure that the enhanced level of investment due to re-programming can be delivered in 2021/22. As the Authority emerges from the pandemic, the focus is to ensure that at all times the safety of the Authority's tenants and staff is paramount. These factors will continue to be built into modelling assumptions for the refresh of the 30-year HRA Business Plan, along with any anticipated impact on inflation and trends in other issues nationally, as the UK deals with an anticipated slow recovery from one of the most serious economic downturns the country has ever faced.
- 1.5.11 The Authority's in house repairs and construction service continues to develop and strive to ensure it aligns to the Our North Tyneside Plan, delivers value for money to both the General Fund and the HRA and sees greater flexibility between repairs and capital works resources to improve services to customers. The benefits of the new service continue, and additional resources have been made available for both new build housing and to create a tenant priorities element to the repairs budget with an initial focus on improving empty homes standards and carrying out property MOTs. The main

targets for the Service remain to ensure that the key priorities of delivering excellent, flexible and value for money services are achieved.

- 1.5.12 2021/22 saw the second year of rent increases following the end of the 4-year 1% per annum reduction enacted by Government via the Welfare Reform and Work Act 2016. From April 2020 rent policy returned to being based on increases of Consumer Prices Index (CPI) + 1% per annum for at least the next 5 years in order to give housing authorities greater planning certainty. This saw a rent increase of 2.7% for 2020/21, and an increase of 1.5% for 2021/22, as the rate of CPI dropped down to 0.5% mainly due to the level of financial assistance the Government put into the economy to try and sustain it during the pandemic. The long-term assumption remains at 3% per annum based on Government targets of 2% rates for CPI.

This is an area of close scrutiny as the rate of CPI has continued to rise during 2021 and there is now a possibility that by September the rate may be above the Government target of 2%, which would see a rent increase of more than 3%. The Government had stated that for at least 5 years from 2019/20 rents would remain based on CPI, to give authorities more certainty around longer-term financial planning.

- 1.5.13 Cabinet can continue to consider options for further HRA capital investment funded by increased borrowing in accordance with the principles of the Prudential Code. Consideration of such options available as part of the 2021/22 Budget process, determined that the existing approach to debt management and repayment should be maintained in relation to the HRA. The COVID-19 pandemic and potential risks to levels of available resources mean that this will remain an option that is available to raise additional resources if required, and due consideration will be given to these options as part of the business plan refresh and Budget-setting process for 2022/23.
- 1.5.14 The impact of the changes as outlined above will to be considered as part of the updating of the 30-year HRA Business Plan, which aims to ensure the long-term viability of the HRA in line with the policy direction of the Elected Mayor and Cabinet and the needs of tenants. The work continues to re-assess the HRA Business Plan, particularly in light of the fluctuating picture as the Borough emerges from the COVID-19 pandemic, and the options available to Cabinet will be reported as part of the HRA Budget proposals which Cabinet will receive in November. For the purposes of the current Financial Planning and Budget process, a four-year revenue plan will be updated and presented in line with the principles adopted for the General Fund.

Investment, Prudential Borrowing and Treasury Management

- 1.5.15 The Capital Investment Strategy is the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Authority's Services and informs decisions on capital spending priorities within the Authority's Investment Plan. Investment priorities are considered in the context of the strategic objectives of the Our North Tyneside Plan and other key strategies and plans of the Authority. The Ambition for North Tyneside report, adopted by Cabinet on 26 November 2018 and updated annually, articulates the Elected Mayor and Cabinet's ambition for North Tyneside and explains in more detail their future ambitions for each part of the Borough. Delivery of these plans sets the challenge of meeting competing priorities against limited financial resources. It is intended that a borrowing ceiling will be applied for the Authority in terms of both borrowing requirements and revenue costs.

The Authority's capital investment plans are set out in the Investment Plan, with the latest approved programme covering the period 2021-2026. The effective use of capital

resources, including asset management, is fundamental to the Authority achieving its medium and long-term strategic objectives. Capital investment has a significant impact upon the local economy and helps to ensure that the Authority can continue to provide the best possible services and outcomes within North Tyneside.

- 1.5.16 Any capital investment decision will have implications for the Budget. The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within the Authority's financial plans and to demonstrate that the capital investment is affordable. Revenue implications may include the costs associated with supporting additional borrowing as well as any changes to the running costs associated with the asset or wider benefits to the Authority, such as the delivery of ongoing revenue savings or additional income through the generation of Business Rates, Council Tax or energy revenues.
- 1.5.17 The 2022-2026 Financial Planning and Budget process will include a review of the current Investment Plan and the Capital Investment Strategy with a view to the development of a five-year Investment Plan for the period 2022/23 to 2026/27.
- 1.5.18 The Authority continues to explore external funding possibilities and other resources such as Community Infrastructure Levy (CIL) income, section 106 contributions and section 278 contributions when developing capital projects in order to minimise the borrowing requirement as far as possible. Within the MTFP, assumptions have been made around the level of external funding in the future, but detailed work programmes are not committed to until the allocations have been confirmed. Projects and investment plans may therefore be re-prioritised depending on the availability of external funding and alignment with the policy direction of the Elected Mayor and Cabinet.
- 1.5.19 The generation of capital receipts can help to provide resources to support additional capital investment or to reduce the borrowing requirement (and therefore the associated revenue costs). The availability of capital receipts has also reduced in recent years. Currently, no new capital receipts have been included within the MTFP projections. If additional capital receipts are generated during the year, this provides the Authority with the flexibility to consider the introduction of additional projects to the Investment Plan or the ability to reduce its borrowing requirements.
- 1.5.20 The Treasury Management Strategy will be reviewed in light of the refreshed Investment Plan and the overall MTFP for both the General Fund and the HRA.

Update on developing the 2022-2026 General Fund Financial Plan and Budget

- 1.5.21 Whilst decisions around Budget-setting are approved on an annual basis, the Authority must demonstrate robust medium-term financial and resource planning. Best practice suggests between three and five years as a reasonable financial planning period.
- 1.5.22 Despite the level of uncertainty with regard to local government funding beyond 2021/22 and the continued unknown future impact of COVID-19, a four-year Financial Plan is in development. This reflects, as far as possible, known pressures and changes but is based on a range of assumptions in local government funding.
- 1.5.23 Local authorities are legally obliged to set a balanced Budget each year, and to ensure that they have sufficient reserves to cover any unexpected events. To legally balance the Budget, the Authority must make spending plans that match the estimated funding available over that time. The gap between available funds and planned net expenditure

is referred to as the funding gap, or efficiency requirement. In essence, the funding gap is the best estimate of additional resources, be those reductions in expenditure or increases in income, needed to cover rising cost pressures and demand for services alongside a reduced amount of funding from the Government and, to a lesser extent, other external sources.

Financial Sustainability

- 1.5.24 As part of the update of the MTFS and the MTFP, full consideration has been given to the Authority's Reserves and Balances Policy and level of reserves to ensure adequate protection against unforeseen events. Within the existing statutory and regulatory framework, it is the responsibility of the Director of Resources (in her role as Chief Finance Officer) to advise the Authority about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.
- 1.5.25 The Authority, acting on the advice of the Chief Finance Officer, must make its own judgments on the level of reserves and balances taking into account all the relevant local circumstances. These include operational and financial risks, and the arrangements in place to manage them, including adequate and effective systems of internal control. The duties of the Chief Finance Officer in relation to the level of reserves are covered by the legislative framework described in 1.4.1 above. Under the Local Government Act 2003, the Chief Finance Officer must report to Full Council on the adequacy of reserves (section 27) and reserve transactions must be taken account of within the required Budget monitoring arrangements (section 28).
- 1.5.26 Setting the level of reserves is just one of several related decisions in the formulation of the financial strategy and the Budget for a particular year. This is carried out as part of the Authority's Financial Planning and Budget process. Account is taken of the key financial assumptions underpinning the Budget, alongside consideration of the Authority's financial management arrangements. In addition to the cash flow requirements of the Authority, the following factors are considered:
- The treatment of inflation and interest rates;
 - Estimates of the level and timing of capital receipts;
 - The treatment of demand-led pressures;
 - The treatment of planned efficiency savings / productivity gains;
 - The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital investment developments;
 - The availability of other funds to deal with major contingencies and the adequacy of provisions; and
 - The general financial and economic climate in which the Authority operates.
- 1.5.27 Reserves are reviewed during the financial year and table 1 below shows the estimated use, following reviews of all General Fund reserves over the period to March 2026:

Table 1: General Fund Reserves Summary 2020/21 to 2025/26

Reserves Summary	Closing Balance 31/03/21 £m	Net Contribution (to) / From Reserves					Total
		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	
General Fund Balances	(7.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(7.000)
General Fund Reserves	(45.669)	9.131	3.518	0.671	0.450	4.746	(27.154)
General Fund Grants	(42.254)	38.837	0.777	0.202	0.283	0.280	(1.874)
Dedicated Schools Grant	7.932	0.393	4.674	(2.000)	(2.000)	(1.000)	8.000
Total Reserves	(86.990)	48.361	8.970	(1.127)	(1.267)	4.026	(28.028)

1.5.28 In assessing the adequacy of reserves, consideration is given to the level of un-earmarked reserves available for the management of financial risk to the Authority. The General Fund reserves total of £45.669m includes £24.859m of earmarked reserves, and £20.810m of un-earmarked reserves. The un-earmarked reserves are made up of the following:-

- Strategic Reserve
- Support Change Fund Programme Reserve
- Redundancy and Remuneration Reserve

There is anticipated use of the Redundancy & Remuneration reserve and the Support Change Fund Programme reserve over the period of the MTFP. As reported in the 2021/22 Financial Management Report to 31 July 2021, the current forecast pressure is estimated to be £7.420m. Should this materialise it would be necessary for the Authority to utilise the Strategic Reserve to cover any residual pressure at the end of the current financial year.

With regards to Earmarked Reserves there is an anticipated use of the Training reserve, Education Change reserve, Feasibility Study reserve and the Poverty Intervention Fund.

1.5.29 Table 2 below sets out the level of un-earmarked General Fund reserves held at the end of the 2020/21 financial year as a proportion of the 2021/22 Gross Expenditure Budget and General Fund Net Revenue Budget.

Table 2: Reserves comparison for 2020/21 against 2021/22 North Tyneside Gross Expenditure and Net General Fund Budget

	2020/21 Balance £m
Strategic Reserve	14.504
Support Change Fund Programme	4.671
Redundancy and Remuneration Reserve	1.635
Total Un-earmarked Reserves	20.810
Gross Expenditure Budget	354.881
Reserves as a % of Gross Expenditure Budget	5.61%
General Fund Net Revenue Budget	150.154
Un-earmarked Reserves as a % of General Fund Net Revenue Budget	13.86%

- 1.5.30 There are many factors involved when considering appropriate levels of reserves which need to be assessed by individual local authorities. Included in the 2019/20 Annual Completion Report from the external auditor was a comparison across the LA7 region of levels of balances. This indicated that un-earmarked reserves within North Tyneside are lower than most in the region.
- 1.5.31 The Chief Finance Officer considers that, at this time, these reserve levels are adequate, but will continue to review this in light of the degree of uncertainty surrounding the future of local government funding and the potential ongoing impact of COVID-19. The Chief Finance Officer will consider the level of Strategic Reserve that should be sustained over the period of the four-year MTFP as part of the refresh of the Plan.

Equality and Diversity Considerations

- 1.5.32 The Authority has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made. The Authority will continually monitor the effect of its Budget-setting process and decision-making by using equality impact assessments.
- 1.5.33 Full impact assessments will be included in all proposals for inclusion with the initial Budget proposals in November 2021 in order to be available to Cabinet when it further considers the MTFP and Budget proposals on 29 November 2021. An equality impact assessment is also carried out on the proposed Budget Engagement Strategy.

The Public Sector Equality Duty of the 2010 Equality Act requires that public sector organisations publish information annually relating to people with protected characteristics who are its employees or are affected by its policies and practices. In addition, at least once every four years, organisations should include consideration of the equality objectives the organisation thinks it should achieve to meet the general equality duty.

The Authority has not published the Annual Equality and Diversity Review as the Equality and Human Rights Commission has relaxed monitoring due to COVID-19. A

report outlining the review will be presented to Cabinet once it has been completed in accordance with the Authority's Equality and Diversity governance arrangements.

2022/23 Financial Planning and Budget process - Timetable of Key Decision Milestones

- 1.5.34 Key aspects of the 2022/23 Financial Planning and Budget process timetable are set out at Appendix B to this report, highlighting key decision milestones in the process.
- 1.5.35 The Elected Mayor and Cabinet are responsible for formulating the Authority's Budget. The Cabinet Member for Finance and Resources, in close consultation with the Elected Mayor, has been nominated as the lead Cabinet Member for the overarching 2022-2026 Financial Planning and Budget process. The Director of Resources will be the project sponsor.

The Budget Engagement Strategy

- 1.5.36 North Tyneside Council is committed to being an organisation that works better for residents and to ensure that it listens and cares. This commitment includes giving residents and other key stakeholders an opportunity to be involved in the Financial Planning and Budget process.
- 1.5.37 The aim of the Budget Engagement Strategy is to reach different sectors of the population through an approach that encompasses engagement with residents as a whole and customers/users of services as well as particular groups of people, including those with protected characteristics. The approach also ensures reach with particular interest groups such as carers, older people, children and young people, council housing tenants. The Budget Engagement Strategy also ensures targeted activity with specific external and internal stakeholder groups. Full details of the Budget Engagement Strategy are set out at Appendix C to this report.

1.6 Decision options:

- 1.6.1 The Authority's Constitution and Budget and Policy Framework Procedure Rules set out the stages to be completed in relation to agreeing the Budget of the Authority. There are no other options available in relation to this. The Budget Engagement Strategy forms part of the 2022-2026 Financial Planning and Budget process.
- 1.6.2 Cabinet is referred to the legal requirements as stated in paragraph 2.2 of this report.

1.7 Reasons for recommended option:

- 1.7.1 The reasons for the recommendations are mainly legal in nature, as stated in paragraphs 2.1 and 2.2 of this report.

1.8. Appendices:

Appendix A: 2022-2026 Medium-Term Financial Strategy

Appendix B: Financial Planning and Budget process: Timetable of Key Milestones

Appendix C: 2022/23 Budget Engagement Strategy

1.9. Contact officers:

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Jacqueline Laughton, Assistant Chief Executive
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1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (a) Authority's Constitution and Budget and Policy Framework Procedure Rules

<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/December%202019.pdf>

N.B. The Budget and Policy Framework can be found at part 4.7 of the Constitution.

- (b) 2020-2024 Our North Tyneside Plan

<https://democracy.northtyneside.gov.uk/documents/s2188/Appendix%20A%202020-%20-%202024%20Our%20North%20Tyneside%20Plan.pdf>

- (c) Treasury Management Strategy

<https://democracy.northtyneside.gov.uk/documents/s2195/Appendix%20E%20-%20Treasury%20Management%20Strategy%20Statement%20and%20Annual%20Investment%20Strategy%202020-21%20Credit%20Cr.pdf> (Annex 1, Section 8, page 61)

- (d) COVID-19 – A Framework for Recovery in North Tyneside

<https://democracy.northtyneside.gov.uk/documents/g425/Public%20reports%20pack%2029th-Jun-2020%2018.00%20Cabinet.pdf?T=10>

- (e) 2020/21 Provisional Finance Outturn Report

<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=174&MId=738&Ver=4>

- (f) 2020/21 Draft Statement of Accounts

<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=157&MId=600&Ver=4>

- (g) North Tyneside Highway Asset Management Plan Annual Information Report 2020

<https://democracy.northtyneside.gov.uk/documents/g379/Public%20reports%20pack%2014th-Oct-2019%2018.00%20Cabinet.pdf?T=10>

- (h) An Ambition for North Tyneside Update

<https://democracy.northtyneside.gov.uk/documents/s1477/8%20An%20Ambition%20for%20North%20Tyneside%20Update.pdf>

- (i) Ten Year Plan for Waste

<https://democracy.northtyneside.gov.uk/documents/s1482/2%2010%20Year%20plan%20for%20Waste.pdf>

- (j) Climate Emergency Update

<https://democracy.northtyneside.gov.uk/documents/s1484/Climate%20Emergency%20Update.pdf>

- (k) North Tyneside Homlessness Prevention and Rough Sleeping Strategy 2019-2021
<https://democracy.northtyneside.gov.uk/documents/s1188/Homelessness%20Prevention%20Strategy%202019%20-2021.pdf>
- (l) A Digital Strategy for North Tyneside
<https://democracy.northtyneside.gov.uk/documents/s2638/A%20Digital%20Strategy%20for%20North%20Tyneside.pdf>
- (m) North Tyneside Trading Company - Strategic Business Plan 2020-2023
<https://democracy.northtyneside.gov.uk/documents/s3893/North%20Tyneside%20Trading%20Company%20-%20Strategic%20Business%20Plan%202020-23.pdf>
- (n) North Tyneside Transport Strategy Annual Report
<https://democracy.northtyneside.gov.uk/documents/s805/North%20Tyneside%20Transport%20Strategy%20Annual%20Report.pdf>
- (o) Workforce Development Plan

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

- 2.1.1 The financial implications arising from the outcomes of this report will be appraised as part of the decisions included in the Authority's 2022-2026 Medium-Term Financial Plan (MTFP), incorporating the 2022/23 Budget-setting process. Decisions on the Budget in relation to the General Fund, Housing Revenue Account, school's funding and the Investment Plan need to be made within the overall context of the resources available to the Authority and within the legal framework for setting budgets. The Authority will need to examine closely the links with key funding partners and their proposed financial plans, including an assessment of the impact of any grant fall-out over the proposed four-year resource-planning period.
- 2.1.2 Cabinet and Council need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the four-year MTFP for 2022-2026 in accordance with the Authority's Reserves and Balances Policy most recently agreed by Council on 18 February 2021.
- 2.1.3 The only direct financial implications arising from this report will be any residual costs arising from support for engagement activity. These costs will be met from existing budgets.
- 2.1.4 The Budget Engagement Strategy for 2022/23 will, in part, help to inform decisions about what will be included in the four-year MTFP for 2022-2026.

2.2 Legal

- 2.2.1 The Local Government Finance Act 1992 requires the Authority to set a balanced budget in the context of the resources available, including Government grants, Business Rates and Council Tax income.

- 2.2.2 The Local Government Act 2003 imposes duties on local authorities in relation to budget setting. The Act requires that, when an authority is deciding its annual Budget and Council Tax level, members and officers must take into account a report from the Chief Finance Officer on the robustness of the Budget and the adequacy of the Authority's financial reserves.
- 2.2.3 The 2022-2026 Financial Planning and Budget process has been prepared to comply with the timescales required within the Budget and Policy Framework Procedure Rules contained within the Authority's Constitution.

2.3 Consultation/community engagement

2.3.1 Internal consultation

Consultation has been carried out with the Elected Mayor, Deputy Mayor, and the Cabinet Member for Finance and Resources, the Cabinet Member for Community Safety and Engagement, the Chief Executive and the Senior Leadership Team. At the appropriate stage in the process, and the Budget proposals will be scrutinised as set down in the Authority's Constitution and Budget and Policy Framework Procedure Rules.

2.3.2 External consultation / engagement

The Budget Engagement Strategy for 2022/23 as outlined in this report sets out the process by which residents and other stakeholders will be involved in the consultation on the 2022/23 Budget as part of the 2022-2026 Financial Planning and Budget process.

2.4 Human rights

All actions and spending contained within the Budget are fully compliant with national and international human rights law. This will be detailed as part of the Financial Plan and Budget at the appropriate stage in the process. For example, Article 10 of the European Convention on Human Rights guarantees freedom of expression, including the freedom to 'hold opinions and to receive and impart information and ideas'. Article 8 of the Convention guarantees the right to respect for private and family life.

2.5 Equalities and diversity

In undertaking the process for the Budget, the Authority's aim will at all times be to secure compliance with its responsibilities under the Equality Act 2010 and in particular the Public Sector Equality Duty under that Act.

To achieve this the Authority will be taking a phased approach:

- An Equality Impact Assessment will be carried out on the proposals for the Budget Engagement Strategy. The aim will be to remove or minimise any disadvantage for people wishing to take part in the engagement activity. The Authority will make direct contact with groups representing persons with protected characteristics under the Equality Act 2010 to encourage participation and provide engagement in a manner that will meet their needs. Appendix C outlines the approach the Authority is taking.

- The outcome of any decisions made following engagement activity will be subject to further Equality Impact Assessment.

2.6 Risk management

Individual projects within the Budget are subject to full risk reviews. For larger projects, individual project risk registers are / will be established as part of the Authority's agreed approach to project management. Risks will be entered into the appropriate Service or Corporate / Strategic Risk Register(s) and will be subject to ongoing management to reduce the likelihood and impact of each risk.

2.7 Crime and disorder

- 2.7.1 Individual proposals within this report do not themselves have direct implications for crime and disorder. However, ultimately decisions may be made and considered as part of the overall Financial Planning and Budget process, as set down in this report. These will be detailed as part of reporting the Budget at the appropriate stage in the process.
- 2.7.2 Under the 1998 Crime and Disorder Act, local authorities have a statutory duty to work with partners on the reduction of crime and disorder. This is fulfilled through the Safer North Tyneside partnership within the framework of the North Tyneside Strategic Partnership.

2.8 Environment and sustainability

The proposals within this report do not themselves have direct implications in relation to the environment and sustainability. However, ultimately decisions may be made and considered as part of the overall Financial Planning and Budget process of the Authority, as set down in this report. These will be detailed as part of the Budget at the appropriate stage in the process.

PART 3 - SIGN OFF

- Chief Executive ☒
- Directors(s) of Service ☒
- Mayor/Cabinet Member(s) ☒
- Chief Finance Officer ☒
- Monitoring Officer ☒
- Assistant Chief Executive ☒

2022-2026 Medium-Term Financial Strategy

Date: 20 September 2021 **Version:** Version 1 **Author:** Janice Gillespie



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Background Papers / Information

CIPFA Resilience Index Indicators & Interpretation

1. Executive Summary

- 1.1 This is an initial review of the Authority's Medium-Term Financial Strategy (MTFS). The MTFS sets the financial context for the Authority's resource allocation process and budget-setting. It is based on a financial forecast over a rolling four-year timeframe from 2022/23 to 2025/26 which will help ensure resources are aligned to the outcomes in the Our North Tyneside Plan.
- 1.2 The Authority's 2021/22 Budget and Medium-Term Financial Strategy (MTFS) were agreed in February 2021, during the third national lockdown imposed in response to the COVID-19 pandemic. Although some of the impacts of COVID-19 have become clearer during this time, there remain many significant unknowns in terms of the societal, organisational and financial implications. Over the last 18 months, the Authority has made fundamental changes in relation to both ways of working, and financial planning. However, at this point it appears that Government intends that funding support for COVID-19 pressures will be withdrawn during, or in some cases at the end, of the current financial year.
- 1.3 The Authority is still evaluating how the likely 2022/23 gap will be funded. Without an increased level of Government assistance, there are likely to be significant savings needed to deliver a balanced Budget in 2022/23 and over the medium-term to 2025/26. Initial estimates are that the budget gap for the period of the MTFS is likely to be in the region of between £30m and £45m.
- 1.4 Despite the level of uncertainty, reviewing the MTFS remains essential to ensuring the Authority's medium-term financial sustainability. The Authority will have to make very difficult choices in the years ahead about which services to prioritise. To avoid cuts to services, the Authority continues to explore alternative options of service delivery to ensure that services remain fit for purpose in the context of smaller budgets. This may mean revisiting the expectations of residents in order to protect services for the most vulnerable. The opportunity to work with partners and neighbouring authorities remains in order to maintain and improve outcomes against a backdrop of reducing public spending.
- 1.5 Looking beyond the impacts of coronavirus, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children's services, in both social care and education, particularly for children with special educational needs and disabilities, are also under very significant stress. This pressure is anticipated to increase in the medium-term as a result of additional needs driven by the effects of COVID-19 and the associated lockdown. Other services have been subject to significant restrictions which have also seen increasing pressure placed on discretionary and preventative services.
- 1.6 Over the coming months and whilst the budget activity for 2022/23 is progressing the refresh of the Medium-Term Financial Strategy will determine the likely levels of resources available; determine the level of spending and priority commitments

arising from the COVID-19 recovery plan and the Authority's ambitions over the medium-term. Given that there is likely to be a funding gap the refresh will also identify additional options to deliver budget reductions that can be evaluated alongside spending priorities.

2. Introduction

- 2.1 The Medium-Term Financial Strategy (MTFS) is a key part of the Authority's Budget and Policy Framework which aims to ensure that all financial resources are directed towards delivery of Authority priorities. The MTFS is a four-year plan which sets out the Authority's commitment to provide services that meet the needs of people locally and that represent good value for money within the overall resources available to it.

The MTFS is what links the Authority's vision and priorities with forecasted resources and budgets and shows how the Authority's finances will be structured and managed to ensure that this fits with, and supports, the priorities of the Authority and its partners.

The strategy considers:

- International and national economic influences on the Authority;
- The influence of Central Government policy and strategy;
- Local factors which influence policy within the Authority; and
- Delivering key policies and priorities.

The strategy brings together the key issues affecting the:

- Revenue Budget;
- Investment Plan;
- Treasury Management Strategy; and
- Capital and Investment Strategy.

- 2.2 The MTFS establishes the likely level of revenue resources available to the Authority over the medium-term and also estimates the financial consequences of the demand for Authority services. It improves financial planning and strategic financial management through providing the financial context within which the Authority's budget will be set.

The review of the MTFS also allows for consideration of the Authority's reserves policy and level of reserves to ensure there is adequate protection against unforeseen events.

The Principles of the MTFS

- 2.3 The Authority has previously agreed a set of principles as part of the process to develop the Budget. The majority of those principles remain relevant for budget-setting for 2022/23 and for the Medium-Term Financial Plan (MTFP). However, it is important that there is a clear understanding of the work that will need to be undertaken in the lead up to Cabinet presenting its initial Budget proposals in November 2021. It has therefore been necessary to revise the approach to preparing the Budget for 2022/23 and the MTFP.

Where appropriate, the principles set out below provide more detail of the how the work will be undertaken. This will give a clear focus on financial planning priorities over the coming months in order to produce a balanced Budget in 2022/23 and achieve financial balance over the medium-term.

2.4 The underlying aim is to ensure that the Authority can continue to deliver the Council Plan, focus on delivering the phased approach to recovery, as set out in the Framework for Recovery report described in section 6, and do this within the available resources:

- 1) The overall financial strategy will be to ensure that the Authority's resources are directed to achieving the Council Plan and associated outcomes. The Authority's strategy will be reviewed on at least an annual basis;
- 2) Overall, Authority spending should be contained within original Budget estimates. If, following monthly budget monitoring, Service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates;
- 3) In preparation for setting the 2022/23 Budget all services will be required to take part in Budget Challenge sessions;
- 4) In order to inform further revisions of the 2022/23 Medium-Term Financial Strategy there will be a fundamental review of the assumptions relating to:
 - a. council tax and business rates planning;
 - b. forecast delivery of planned 2021/22 savings programmes and viability of previously planned savings;
 - c. cost and income pressures, including new pressures resulting from COVID-19;
 - d. any further Government funding announcements for 2021/22 and future years; and
 - e. seek to identify proposals to begin to address future years, reflecting need for longer term planning.
- 5) Options to address any shortfall in savings to close the 2022/23 Budget gap will include:
 - a. Government providing additional funding;
 - b. Corporate / centrally identified savings opportunities; and
 - c. Service departments identifying further savings.
- 6) The Authority will maintain its General Fund Balance at a minimum level of £7.000m at the end of each year, subject to a risk assessment as part of the annual budget-setting process;
- 7) The Authority will aim to balance its revenue Budget over the period of the Medium-Term Financial Plan without reliance on the use of the General Fund Balance. The MTFP will cover the period 2022/23 to 2025/26;

- 8) The Authority will plan for any changes to specific grants/interim funding/financial settlement/legislation;
- 9) The Authority will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually;
- 10) Opportunities for working in collaboration and partnership and for different ways of working will be identified and developed where this will support the delivery of the Authority's outcomes and improve service efficiency and delivery. This will include the use of wellbeing powers, development of trading opportunities and different business models, and the sourcing and securing of external funding;
- 11) The Authority will consider the use of prudential borrowing to support capital investment to deliver the Council Plan and will ensure that the full costs of borrowing are taken into account when investment decisions are taken;
- 12) The Authority will aim to promote and stimulate strong and sustainable economic growth leading to wellbeing and prosperity for residents and communities, supported by a planned approach to strategic investment managed through the Authority's Investment Plan;
- 13) The Authority will continue to review its strategic assets to maximise the potential to release value for strategic re-investment and to ensure that asset requirements are aligned to the delivery of services across the Borough;
- 14) The Authority recognises the impact of increases in Council Tax levels and fees and charges on our residents, many of whom are struggling on relatively low income and low wealth and will therefore balance the need for increases against the delivery of the Our North Tyneside Plan and demand for services. This will include the consistent application of an agreed fees and charges policy;
- 15) The Authority will continue to consider business risk in all decision-making process and, alongside this, will ensure that resources are aligned to reduce any material financial risk to the Authority; and
- 16) The Authority will continue to review its Treasury Management Strategy and the efficient management of debt on an annual basis, with an ongoing focus on delivering safe stewardship.

3. Financial Context

Financial Strategy

- 3.1 The Medium-Term Financial Strategy (MTFS) is designed to ensure that the Authority's resources are prioritised to meet the needs of residents; the Authority is able to operate as a going concern; and is able to set a balanced budget each year. The MTFS ensures that:

- The Authority maintains a prudent approach in regard to its finances over the 4 years of the MTFS; and
- The savings programme focuses on the achievement of ongoing savings but recognises the value of one-off savings to support both the implementation of savings and one-off investment.

In compiling the MTFS the Authority has considered a number of factors which influence the resources and expenditure that it has available to it. These have been reviewed and take into consideration international, national, regional and local issues. These have been examined to ensure that the MTFS reflects the most up to date financial position for the Authority.

Factors Influencing the Medium-Term Financial Strategy

- 3.2 Local authority funding is subject to both national and international influences, which can have a significant impact on the level of services to be provided and our Authority's ability to provide them. This section will briefly outline some of the key economic issues affecting the Authority's forecasts over the next few years.

Spring Budget 2021 and local government funding

- 3.3 The Chancellor of the Exchequer, Rishi Sunak, delivered the Spring 2021 Budget on 3 March 2021. This was only the Chancellor's second Budget, but as part of the Government's response to COVID-19 there have been 13 major fiscal announcements since the previous Budget on 11 March 2020. This was also the first budget since the UK entered the various lockdowns imposed in response to COVID-19, and the UK's departure from the European Union. The Budget included details of the continuing package of measures and set out the next phase of the Government's plan to tackle the virus and protect jobs. The two main issues for the Budget to address were:

- How and when to begin paying down the debts arising from the pandemic; and
- What continued support will be offered to households and businesses impacted by the pandemic.

In this context, the Chancellor's speech addressed the response to the COVID-19 pandemic and plans for the recovery. However, it should be noted that there were very few announcements about the detail of public sector funding and in particular:

- No mention of the long-term funding of social care;
- No mention of various other reforms to local government finance including fair funding and business rates (although the Government's interim response to the fundamental review of business rates was published on 23 March 2021, with final report due in Autumn 2021); and
- Departmental funding allocations have only been published for 2021/22 which would suggest there may be little prospect of a long-term local government settlement for 2022/23 onwards.

The Chancellor confirmed that economic support will be maintained until the country has exited lockdown (until September 2021). This includes extensions to furlough, support for the self-employed, support for businesses in the form of business rate relief and targeted grants, and education catch-up funding.

- 3.4 The Chancellor also used the Budget to outline a number of other initiatives which will see funding flowing to local authorities. These included the Levelling Up Fund, and the UK Community Renewal Fund. Both funds will be subject to a bidding process.
- 3.5 The Office for Budget Responsibility (OBR) published updated March 2021 forecasts for the economy alongside the Budget and commented that forecasts reflected “an economy that is weaker in the near term but rebounding faster than we forecast in November” and that this enabled the Chancellor to do three things:
- extend the virus-related rescue support to households, businesses and public services by a further £44.3 billion, taking its total cost to £344 billion;
 - boosted the recovery, through a temporary tax break costing more than £12 billion a year that encourages businesses to bring forward investment spending from the future into this year and next; and
 - as the economy normalises, he has taken a further step to repair the damage to the public finances in the final three years of the forecast by raising the headline corporation tax rate, freezing personal tax allowances and thresholds, and taking around £4 billion a year more off annual departmental spending plans, raising a total of £31.8 billion in 2025/26.
- 3.6 The Budget provided detailed Departmental Expenditure Limits for 2021/22 only, although longer term commitments/settlements have been provided for schools, the NHS and defence. At a summary level, the OBR state that Government forecasts indicate a cut of “more than £15 billion a year from departmental resource spending from 2022/23 onwards”, which suggests a challenging Spending Review later this year, particularly for unprotected areas of spending. The Budget document states that the Government “will conduct a Spending Review later this year to set future departmental RDEL and CDEL budgets as well as devolved administrations’ block grants. Details on the Spending Review, including the RDEL and CDEL envelopes, will be set out in due course.” However, for now, the general approach to strengthening the public finances appears to be centred on tax increases (including freezing the rates for personal tax allowances and higher rate threshold from April 2022 and increasing the rate of corporation tax

from 2023). As such the precise implications for local government and other public sector funding are hard to determine.

- 3.7 As in previous years, the Authority will not receive detailed information about funding allocations for 2022/23 and beyond until Autumn 2021 following the outcome of the CSR. Whilst a multi-year settlement is welcomed and will give local authorities some degree of certainty, until the details are released Budget planning for 2022/23 remains extremely challenging. There is very little time for Government to undertake a full multi-year spending review and in this context a one-year roll over of the local government settlement is increasingly likely for 2022/23.

Beyond the immediate impact of COVID, the overall level of uncertainty means that the financial environment for local government is set to remain highly challenging. There continues to be a growing gap between funding and service pressures. This is driven by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children's services, in both social care and education (particularly the High Needs Block), are also under very significant stress. Other Council services (for example transport, planning, environment, and trading standards) have been subject to significant financial restrictions. In turn these have a knock-on effect by increasing the pressure placed on discretionary and preventative services.

Latest Consumer Prices Index Figures

- 3.8 The latest CPI figures were published in July by the Office for National Statistics. The CPI rose by 2.0% in the 12 months to July 2021, down from 2.5% to June; on a monthly basis, CPI was unchanged in July 2021, compared with a rise of 0.4% in July 2020. The September CPI figure is usually used to set the business rates multiplier for the coming year, and (for the 2021/22 financial year) was the inflation figure applied to authorities Settlement Funding Assessment levels.

4. Local Policy Context

- 4.1 From a local policy context, in addition to the Medium-Term Financial Strategy, the Authority also has the following:
- 4.2 The Our North Tyneside Plan 2020-2024 sets out the overall vision and policy context within which the Financial Plan and Budget are set.

This vision and policy context is currently being refreshed and updated following the mayoral election in May 2021 and to consider the impact the COVID-19 pandemic has had on the Borough. The proposed policy priorities in the refreshed Our North Tyneside are subject to consideration of any supplementary information received during the engagement process, which concludes on 15 August. The final policy priorities will be presented to the full Council Meeting on 23 September 2021.

The proposed refreshed Council Plan reflects the current policy priorities of the Elected Mayor and Cabinet for the next four years and the work of the North Tyneside Strategic Partnership, which includes all of the organisations and sectors who work together with the Authority to deliver an improved future for the Borough and its residents.

By listening to our residents, businesses and visitors, the proposed refreshed Council Plan provides a clear framework for the Authority to plan its use of resources. It provides the context for all financial decisions and the operational delivery of services both at Borough level but also increasingly as we work alongside other local authorities across the region, statutory partners, the community and voluntary sector and with business through the North East Local Enterprise Partnership.

The Council Plan future vision is of a North Tyneside in the following five themes:

- thriving
- family-friendly
- caring
- secure
- green

Each of these five themes has a clear set of policy priorities and outcomes as set out below

A thriving North Tyneside

- We will regenerate the high streets of North Shields and Wallsend and will bring forward Master Plans for Wallsend and Whitley Bay town centres. We will also bring investment and improvements to the North West area of the Borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents

- We will bring more good quality jobs to North Tyneside – by helping local businesses to grow and making it attractive for new businesses to set up or relocate in the Borough;
- We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job;
- We will keep our libraries and leisure centres open as part of a vibrant cultural and leisure offering;
- We will continue to be the destination of choice for visitors through the promotion of North Tyneside's award-winning parks, beaches, festivals and seasonal activities; and
- We will reduce the number of derelict properties across the Borough.

A family-friendly North Tyneside

- We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic;
- We will provide outstanding children's services, events and facilities so North Tyneside is a great place for family life; and
- We will ensure all children are ready for school including through poverty proofing the school day – giving our kids the best start in life.

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic;
- We will work with the care provision sector to improve the health and well-being working conditions of our care heroes;
- People will be cared for, protected and supported if they become vulnerable, including if they become homeless;
- We will support local community groups and the essential work they do; and
- We will work to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making.

A secure North Tyneside

- Council wardens will work with Northumbria Police to tackle antisocial behaviour;
- We will continue to invest £2m per year in fixing our roads and pavements;
- We will maintain the Council Tax support scheme that cuts bills for thousands of households across North Tyneside;
- We will take a holistic view to tackling health and socio-economic inequalities across the Borough including through our Poverty Intervention Fund to tackle food poverty;
- We will provide 5000 affordable homes.
- We will review the supply chain of services delivered on behalf of the Council to maximise value for money and environmental sustainability

A green North Tyneside

- We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes;
- Council environmental hit squads will crack down on littering;
- We will secure funding to help households to install low-carbon heating;
- We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast; and
- 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.

Local Plan

- 4.3 The Local Plan is the second key strategic element that drives the direction of resources in the Borough and was adopted by the Authority on 20 July 2017. The Plan, the first spatial strategy for 15 years, sets a vision for the Borough for the next 15 years. It sets out in detail how the Borough can be a thriving, prosperous and attractive place to live and work. It details how the Borough will require around 9,800 homes (in addition to about 4,700 that already have planning permission) and employment land for at least 12,700 new jobs. The Office of National Statistics projected an increase of 15,800 people between 2014 and 2032. The population of North Tyneside in 2032 is expected to be 218,500.
- 4.4 The Our North Tyneside Plan has at its core, two fundamental policy aims. First, whilst there has been success across the plan there is still a need to reduce the inequalities that persist in North Tyneside. Within our Borough we continue to have some of the least deprived neighbourhoods in the country but also some of the most deprived in terms of financial independence, skills, qualifications, health and well-being. This will mean working in a very different way to ensure that resources can be more effectively targeted at the people who need them most to ensure that all residents have a successful, healthy and safe future, no matter where they live in the Borough.

The second is to continue to invest in the Borough's future and to create a prosperous economy that will generate income and provide the jobs and training opportunities that will be essential to successfully tackling these inequalities. The key areas of investment being:

- coastal regeneration
- Swans/the North Bank of the Tyne
- town centres
- new and improved schools
- road and other transport improvements in line with the agreed Transport Strategy

- housing (particularly affordable homes) in line with agreed Housing Strategy
- support for businesses
- marketing the Borough to secure more inward investment and generate more visitors as a tourist destination

Ambition for North Tyneside

- 4.5 At its meeting on the 26 November 2018, Cabinet considered and adopted the Ambition for North Tyneside. The report, which articulates the Elected Mayor and Cabinet's ambition for North Tyneside, explains in more detail the Elected Mayor and Cabinet's future ambitions for each part of the Borough. The Ambition for North Tyneside plan aligns with the Local Plan and aims to match the ambition for the Borough with the plans set out for the Borough. Cabinet receives an annual update on the delivery of these plans and a further updates will be received by Cabinet in due course. These reports are included as background papers to the MTFS.

5. Approach to Balancing the Medium-Term Financial Plan

5.1 The 2021/22 Medium Term Financial Plan agreed in February 2021 included planned efficiency savings for 2021/22, 2022/23 and 2023/24 and covered the following:-

- Contractual changes
- Expenditure reduction
- Income growth
- Service provision – commissioning
- Corporate

In addition to the planned savings, options are being developed to continue to drive down costs and balance the General Fund over the next four years of the Medium-Term Financial Plan. The aim is to do this via a range of opportunities under four themes:-

Digital, Data & Customer; Using technology and our data to identify and deliver opportunities to improve customer service and efficiency. Maximising innovation opportunities.

Workforce Planning & Organisational Development; Organisation wide proposals, which underpin the other three themes, to make the best use of our greatest asset, our teams. What skills we will need and where the market and our succession planning will need to be considered.

Commissioning, Procurement & Commercial Opportunities; How we purchase and engage with our supply chain, delivering against a transparent procurement plan to secure financial benefits, transparency of demand will assist with commercial leverage.

Asset Management; Having a full and clear understanding of the costs of our asset base, both in terms of our operational assets and moving towards a comprehensive Asset Management Plan.

6. Key Challenges facing the Authority

- 6.1 On 29 June 2020 Cabinet received a report which outlined a framework for recovery in North Tyneside. The report set out how work will be taken forward within the Authority and across the Borough to move from the COVID-19 crisis response phase to the recovery phase.
- 6.2 The Authority's planning assumptions for the recovery phase are as set out below. These are in line with the Government's COVID-19 Recovery Strategy:
- the Authority must adapt to live with the virus in the community for the foreseeable future;
 - any further easements to lockdown and the restart of businesses and services set by Government will be very gradual and on a phased basis;
 - the "test, track and trace" arrangements will slow the spread of the virus and the Authority will work with partners on local outbreak control measures;
 - shielding for the most medically critically vulnerable will remain for some time and the Authority will need to retain its support arrangements for those people;
 - the Authority will see a changing nature of demand for some services such as Adult Social Care;
 - social distancing and good respiratory hygiene will be key to manage the spread of infection and all work places, schools and other education facilities, retail settings and public spaces will need to be COVID-Secure;
 - PPE will still be required where appropriate and the Authority will follow and promote Government guidance on its use such as the use of face coverings on public transport and in some other settings;
 - there will be a significant financial impact for the Authority; and
 - the economic impact across the Borough as a whole will be substantial – nationally the forecast is for 14% GDP down this year and 15% GDP up next.
- 6.3 The Authority's approach to recovery for North Tyneside is a long term one, starting with three distinct phases linked to the Government's COVID-19 Recovery Strategy as well as the regional economic recovery framework. The three phases are
- Immediate "restart" phase (June – September 2020);
 - Medium "transition" phase (October 2020 to March 2021 linked to Government's "Smarter Controls" phase); and
 - Long term "rebuild and grow" phase (April 2021 – July 2021 linked to Government's "Reliable Treatment" phase).
- 6.4 A comprehensive plan of how the Authority will deliver the phased approach has been produced and a set of activities have been developed across a number of workstream areas which are aligned to the Our North Tyneside Plan priorities. As plans are developed it is important to understand the longer-term financial impact of the third phase of recovery "rebuild and grow". The Authority has a clear responsibility to drive economic recovery and support this phase for the residents and businesses across the Borough. The challenge will be how economic recovery can be sustained with limited financial resources. Work will continue with the North

of Tyne Combined Authority and the wider region to ensure the opportunities for investment within North Tyneside are maintained.

Impact on Resources

- 6.5 The basic model of resource forecasting used for the 2020/21 MTFS remains valid. However, due to the level of uncertainty the Authority is now facing means, at least initially, there are a range of potential resource scenarios which will have to be used when considering the resources available for 2021/22 and the medium-term. The scenarios will have to be continually revised as the economic position, the pace of recovery from COVID-19 and the Government's national response becomes clearer.
- 6.6 It is highly likely that key income sources including Council Tax (through both the Collection Fund and Tax Base growth) and Business Rates will be under significant pressure in 2021/22 and over the medium-term, requiring a revision to planning assumptions. Work is underway to establish the likely impacts, but at this stage it remains too early to forecast with any confidence.

Likely impacts on Business Rates include:

- Total Business Rates collectable will potentially reduce where increased numbers of businesses close (particularly as temporary financial support measures are withdrawn);
- An increase 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; and
- Appeals against rateable values may increase where rental values have been impacted.

Likely impacts on Council Tax include:

- The Tax Base may not increase as forecast due to suppressed growth in new properties;
- Council Tax support is likely to increase linked to increased levels of claimants due to unemployment and Universal Credit claims; and
- Decreases in the Council Tax collection rate due to households experiencing a reduction in income.

Social Care Services

- 6.7 COVID-19 has had a significant financial impact on social care services for both children and adults, in addition to the ongoing demand pressures in both of these areas. It is expected that there will be a lasting impact from COVID-19 on the social care finances at least in the short to medium-term, as the country continues to recover whilst still managing outbreaks of the virus.
- 6.8 There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but which have become more acute with the operational impact of Covid-19 on care homes and issues around high vacancy levels in a small number of care homes within the Borough. On top of this, the

impact of COVID-19 on adult social care finances has been profound. In addition to the government's Infection and Prevention Control Grant for care providers, the Authority has provided further payments to compensate for additional costs incurred. It is anticipated that demand for care and support will increase as a range of informal support arrangements that have been in place for adults during the pandemic reduce or cease. Additional measures that will need to be taken to ensure quality care is delivered whilst still controlling the spread of COVID-19 infection will further increase the financial pressures in this area.

- 6.9 At the end of 2020/21, all but three local authorities in the region had seen an in-year reduction in the rate of referrals to Children's Services. North Tyneside was one of the three authorities that had seen an increase, which amounted to 6.4%. Across the region, the rate of referrals and complexity around safeguarding and the nature of concerns has increased. Demand has increased across Children's Services from Early Help to Child in Need and Child Protection. Children in Care numbers, however, have remained relatively stable in North Tyneside when compared to the rest of the region. Internal sufficiency of placements has been impacted throughout Covid and the Authority, at times had to source/commission external placements because of this. It is projected that there will be increased demand for children's early help and social care due to the economic and emotional impact of COVID-19 on children and families. Other significant pressures exist around High Needs and the costs associated with the number of children with an Education Health and Care Plan.
- 6.10 The impact of COVID-19 across all services is currently under review. Any longer-term implications will need to be considered in the build up to budget-setting for 2022/23. Currently, a significant proportion of the increased financial pressures on Adults and Children's Social Care is supported by Government Covid grant funding. If, as expected, this stops at the end of the 2020/21 financial year, the pressures that remain post Covid, will need to be supported by the Service. The Medium-Term Financial Strategy will be updated to reflect the review and as part of the approach to budget-setting this will form part of the Budget challenge sessions.

7. The Authority's Current Financial Position and Outlook

- 7.1 The Budget for 2020/21 was approved by full Council at its meeting on the 20 February 2020. The net General Fund revenue budget was set at £161.361m. This included £3.244m of savings to be achieved (£0.805m relating to 2020/21). The final outturn reported to Cabinet on 15 July 2021 stated an overall surplus of £2.500m.

The surplus has arisen substantially from a reduced call on the contingency budget provision for Adult Social Care, increased interest savings and savings on the Strain on the Fund budget. Consideration has been given to the risks the Authority has to manage and the following proposed use of the surplus:

- £1.000m to the Change Reserve as we move into the final third of the current Strategic Partnership contracts and prepare for exit;
- £0.500m to the Insurance Reserve in recognition of the potential investment required to manage health and safety risks of the council's estate; and,
- £1.000m to an Education Change Reserve recognising the risk to the Authority in respect of Schools in deficit.

This position was agreed by Cabinet on 15 July 2021 pending the completion of the External Audit of the Statement of Accounts.

- 7.2 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 is estimated at £7.420m against the approved net budget. This is made up of a forecast pressure of £1.813m on normal activities and £5.607m relating to the impact of Covid-19. The pressure on normal activities in the services is driven mainly by Health, Education, Care and Safeguarding at £7.281m, reflecting the continued pressures in Children's Services, partly mitigated by the contingency balances that were created by Cabinet as part of the 2018/19 budget setting process and continue to be held centrally to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection is £5.720m of pressures in Corporate Parenting and Placements, and £1.624m in Integrated Disability & Additional Needs. The drivers for these pressures continue from 2020/21 and arise 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 is anticipated that the outturn forecast for normal activities will improve over the course of the financial year as planned remedial actions begin to impact on both expenditure and income.

With regards to the impact of Covid-19, the main drivers behind the £18.420m impact on services are also within Health, Education, Care and Safeguarding where £9.600m is for increased costs to the Authority. Significant Covid-19 related pressures also exist in Environment, Housing and Leisure (£5.608m) and in Commissioning & Asset Management (£2.012m).

- 7.5 There have been a range of financial interventions introduced by the Government. The Authority received its share of the Government's Local Support Grant of £16.370m, £0.733m of this was allocated to additional costs and income lost in March 2020, meaning £15.636m was available to support council services in 2020/21. Of this, £13.466m was allocated to support revenue activities and a further £0.485m was allocated to capital. The remaining £1.685m has been carried forward to support the identified on-going impact of COVID-19 into 2021/22.
- 7.6 Local authorities were also compensated for losses incurred against their sales, fees and charges budgets. North Tyneside Council received £5.757m from this grant to support services and this was fully allocated.
- 7.7 As mentioned previously the Authority has received grants to support the businesses in the Borough. During 2020/21 £66.072m was received and £54.731m was paid across to businesses. The remaining balance will be paid out during the early stages of 2021/22.
- 7.8 Additional funding of £11.811m was received to support our residents, including direct financial support for our most vulnerable but also to support the Authority to put in place measures to keep residents safe whilst they continued to enjoy our coastline, town centres and the many attractions throughout the Borough, when restrictions allowed. Of this funding £4.616m was spent during 2020/21, with £7.195m carried forward to 2021/22. Of the funding carried forward £5.302m of it related to Contain Outbreak Management and the Authority has a range of proposals to spend this funding to help contain outbreaks as the Borough continues to see an easing of restrictions.
- 7.9 The Government provided £5.471m to help support the Care Home market and all of the £5.471m was allocated in 2020/21. The Authority also received £2.264m to support its schools and £2.031m was allocated with the remaining £0.233m anticipated to be allocated in early 2021/22.
- 7.10 There were further indirect impacts of the COVID-19 pandemic which included the delay in the 2020 Spending Review, which was scheduled to be completed by July 2020. Additionally, the Fair Funding and Business Rates Retention (BRR) schemes review, scheduled for implementation in April 2021, will now not go ahead until April 2022 at the earliest. This led to further significant risk and challenges remain to the Authority's ability to update the four-year Medium-Term Financial Plan.

- 7.11 It has been highlighted previously by the Chief Finance Officer that the Authority has a relatively low level of reserves. Uncertainty with regard to the levels of funding for Local Government Finance beyond 2020/21, alongside the long-term implications of how the Borough and indeed the country will recover from the impacts of COVID-19 is of concern. The financial sustainability of the Authority remains a significant concern, particularly when taken in the context of funding reductions the Authority has managed since 2011/12.
- 7.14 The other general fund earmarked reserves total £65.487m, which is an increase of £33.130m from the 2019/20 position of £32.357m. Of this increase £19.298m relates to COVID-19 grants with specific conditions that have been imposed in spending those grants, and some of which the Authority acts as an agent for the government on. These COVID-19 balances are projected to be spent over the early part of 2021/22.
- 7.15 When setting the 2021/22 Budget reference was made to the impact of reliefs given to business for NNDR and residents for Council Tax on the collection fund which flows through into future years. Grant funding received in 2020/21 in respect of this relief of £15.153m is planned to be used during 2021/22 to mitigate the collection fund deficit and the impact on overall resources.
- 7.16 The net movement in HRA reserves and balances is a decrease of £2.179m. The HRA reserves have increased by £0.623m to £19.725m in 2020/21 and the HRA balances have decreased by £2.802m to a total of £5.001m. Within the HRA reserve total, £12.390m relates to PFI reserves.
- 7.17 School Balances show an increase of £3.556m this is a significant improvement of £10.476m against the planned deficit balance position of £6.755m. As at 31 March 2021, the DSG account is showing a net deficit balance of £7.932m, mainly caused by the increased pressures in High Needs. This compares to a deficit balance of £3.262m in 2019/20. Whilst the Authority does have some plans to recover this deficit position, there remains uncertainty as to how this is to be resolved, adding further risk for the Authority in the short to medium term.
- 7.18 The Government has confirmed that the Fair Funding and Business Rates Retention (BRR) schemes review, scheduled for implementation in April 2021, will now not go ahead until April 2022 at the earliest. The statement also said that the Government will continue to work with authorities on the best approach to the next financial year, including how to treat accumulated business rates growth and the approach to the 2022/23 local government finance settlement. Until this approach is confirmed significant risks remain on the Authority's ability to update the four-year MTFP due to the ongoing uncertainty about future funding arrangements.
- 7.19 It has been highlighted previously by the Chief Finance Officer that the Authority has a relatively low level of reserves. The level of uncertainty with regard to the levels of funding for Local Government Finance beyond 2021/22 alongside the uncertain long term implications of how the Borough and indeed the country will recover from the impact of COVID-19 is of concern when considering the financial sustainability of the Authority, particularly when taken in the context of funding reductions the Authority has managed since 2010/11. Despite some increases, the

general level of reserves available to support the Authority's budget remains relatively low when considering the current estimated gap arising from the financial impact of COVID-19.

- 7.20 The Strategic Reserve (£14.504m) represents 4.09% of the General Fund 2021/22 gross Budget and 11.46% of the 2021/22 net Budget, with the General Fund balances (£7.000m) added, these represent 6.06% of the 2021/22 gross Budget and 16.99% of the 2021/22 net General Fund Budget. There is no prescribed level of reserves advice by finance bodies with the level being considered in light of risks the Authority faces not just in the current year but looking ahead.
- 7.21 In these unrepresented times the importance of robust financial management across the Authority remains paramount. A range of tighter spending controls have been put in place to ensure no non-essential spend is incurred during 2020/21 and to ensure any COVID-19 related expenditure is appropriately considered and approved in advance of being incurred.
- 7.22 Medium-term financial planning remains extremely difficult due to the impact of COVID-19, the financial impacts of which are impossible to predict accurately. In addition to the impact of COVID-19 there is great uncertainty in relation to the level of funding beyond 2020 due to the changes in the Local Government finance system resulting in greater risks in relation to the localisation of business rates and the local Council Tax scheme. The unknown impacts alongside the level of risk to finances mean that these forecasts will need to be closely monitored and refreshed more frequently than usual as consequences become clear. Staying the same is not an option. The Authority is required to change to deliver its priority outcomes within the limited funding available.

8. Capital and Prudential Borrowing (Investment Strategy)

- 8.1 Capital investment generally relates to spending on physical assets that have a useful life of more than one year. This can be new assets, improvements to existing assets, or loans to third parties for a capital purpose.

Investment of this nature plays an important role in ensuring the Authority meets its health and safety responsibilities, it also plays an important role in improving economic opportunities across all parts of the Borough. Whilst some investment directly contributes to economic development, all has an indirect impact by providing stimulus to the economy, creating employment opportunities, supporting skills and development or contributing to confidence.

- 8.2 The Capital Investment Strategy has been developed to help support the delivery of capital investment and ensure that the investment programme builds on previous success, with a strong focus on delivery of the Our North Tyneside Plan outcomes and linking to the Our Ambition for North Tyneside. The Strategy also provides a framework to enable projects to be developed with the aim of helping to deliver revenue savings to assist the Authority in managing the financial pressure it faces.

All proposals for capital investment follow a structured gateway process, and are challenged by Members and senior officers, from the initial ideas stage, through the delivery stage and finally to post implementation. All proposals are considered in terms of their strategic alignment with the Our North Tyneside Plan, Our Ambition for North Tyneside and the revised Efficiency Programme.

The Investment Programme Board (IPB) meets on a monthly basis and, as part of its monthly meetings, receives an update on all ongoing projects included in the approved Investment Plan (currently 2021-2026).

Summary of the Investment Plan 2021-2026

Spend	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
General Fund	56,366	25,714	18,344	17,488	13,435	131,347
Housing	31,747	26,274	27,400	29,949	31,424	146,794
Total	88,113	51,988	45,744	47,437	44,859	278,141

The estimated revenue implications of these schemes are included in the revenue Budget.

Summary of Financing 2021-2026

Spend	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
General Fund						
Council contributions:						
Unsupported borrowing	17,210	10,960	10,546	10,276	6,223	55,215
Capital receipts	765	254	0	0	0	1,019
Revenue contribution	579	746	500	0	0	1,825
Use of reserves	262	0	0	0	0	262
	18,816	11,960	11,046	10,276	6,223	58,321
Grants and contributions	37,550	13,754	7,298	7,212	7,212	73,026
Total General Fund Resources	56,366	25,714	18,344	17,488	13,435	131,347
Housing – HRA						
Capital receipts	2,047	1,886	2,871	2,689	2,984	12,477
Revenue contribution	10,759	9,831	9,485	11,932	12,760	54,767
Major Repairs Reserve	17,689	14,557	15,044	15,328	15,680	78,298
Grants and contributions	1,252	0	0	0	0	1,252
Total HRA Resources	31,747	26,274	27,400	29,949	31,424	146,794
TOTAL RESOURCES	88,113	51,988	45,744	47,437	44,859	278,141

Capital Allocations 2021/22

- 8.3 A number of capital allocations (grants) are announced by the Government as part of the Local Government Finance Settlement. These include Education Funding (Capital Maintenance and Devolved Formula Capital) (Department for Education), the Local Transport Plan (Department for the Environment) and Disabled Facilities Grants (through the Better Care Fund). Figures for 2022/23 have not yet been announced and therefore indicative figures, based on previous allocations, will be included in the draft Investment Plan. As soon as actual allocations are announced these figures will be updated and included in subsequent reports.

Annual Minimum Revenue Provision (MRP)

- 8.4 The Capital Finance Regulations require the full Council to agree an annual policy for the Minimum Revenue Provision (MRP).

The MRP is the amount that is set aside to provide for the prepayment of debt (principal repayment). The regulations require the Authority determines an amount

of MRP which it considers to be prudent. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits.

The proposed 2022/23 policy is set out in full below:

- (a) Existing assets pre-1 April 2007: MRP will be charged at 2% per annum;
- (b) Supported borrowing: MRP will be charged at 2%;
- (c) Unsupported borrowing: for all assets financed by unsupported borrowing, MRP will be charged over the estimated life of the assets. This may include assets financed through PFI schemes and finance leases;
- (d) Lease transactions treated as “on balance sheet”: an element of the annual charge to the Authority for the lease will be treated as repayment of capital (i.e. repayment of principal and interest). The principal element is effectively the MRP charge for the year. This MRP charge will be equal to the element of the rent/service charge that goes to write down the balance sheet liability; and
- (e) Loans made for capital purposes for which borrowing is taken out: MRP will be based on the actual principal repayment schedule relating to the loan provided.

Prudential Indicators

- 8.6 The Local Government Act 2003 requires authorities to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. The Prudential Code requires authorities to develop a set of Prudential Indicators for capital as laid out in this Code. The indicators for 2022-2027 will be prepared using this guidance.
- 8.7 The Capital Investment Strategy and Investment Plan will be updated as part of the budget-setting process. The impact of COVID-19 and the long-term view of how the Authority can support the Boroughs economic recovery through investment will be a focus for the update.

9. Reserves

- 9.1 Local authorities must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Head of Resources is required, as part of the budget-setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.
- 9.2 The Authority keeps a level of reserves to protect against the risk of any uncertainties or unforeseen expenditure. This is considered best practice and demonstrates sound financial planning. Much like using savings to offset monthly household bills the use of financial reserves cannot solve a budget problem outright but allows for smoothing of impacts or allows the Authority time to ride any short-term situations before returning to normal. Therefore, reserves are mainly used to:
- Manage the impact of cuts over a longer period of time
 - Invest in schemes that allow services to be delivered cheaper
 - Take “one-off hits” for the Authority as a whole without the need to further reduce budgets
 - Provide capacity to absorb any non-achievement of planned budget reductions in each year
 - To temporarily roll over unused portions of grants that can legally be used at a later date
 - To insure against major unexpected events (such as flooding)
 - To guard against general risk (i.e. saving up for unexpected events)
 - To guard against emergent specific risks, such as business rate appeals, Authority tax support funding cuts and welfare reform. These risks are predicted to continue to increase.

Reserves Policy

- 9.3 The Authority’s policy on reserves is outlined within the MTFS principles as follows:

The Authority will maintain its general balances at a minimum of £7.000m. The Strategic Reserve will be maintained at a level of £10.000m over the period of the MTFP to cover any major unforeseen expenditure. The Authority will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.

The Authority will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed annually.

The Authority’s Strategic Reserve is available to support budget-setting over the period of the MTFS and usage should be linked to the achievement of financial sustainability over the medium-term.

Review of Reserves

9.4 A review of all reserves is undertaken twice a year and covers:

- The purpose for which the reserve is held,
- An assessment of the appropriate level of the reserve to meet potential future;
- liabilities, in line with the Authority's reserves policy and aligned to the risk management framework;
- Procedures for the reserve's management and control, and
- A process and timescale for future reviews to ensure continuing relevance and adequacy.

9.5 The 2020/21 Revenue Outturn position was reported to Cabinet on 15 July 2021, showing the balance of usable reserves of £99.715m. (including ring fenced reserves and un-ringfenced), Grant Reserves of £34.321 and HRA Reserves of £19.725m. Of the above balances only £20.810m was un-ringfenced. A projection of the reserves and balances position over the MTFP is shown below.

The General fund grants projected MTFP balances include negative DSG balances.

Reserves & Balances	Projected Closing Balances				
	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
Reserves					
General Fund Ringfenced	25.082	23.515	23.094	22.894	18.398
General Fund Unringfenced	11.456	9.506	9.256	9.006	8.756
General Fund Grants	(4.909)	(10.361)	(8.563)	(6.845)	(6.126)
HRA	19.770	19.592	19.287	19.203	19.104
Reserves Sub Total	51.399	42.252	43.074	44.257	40.132
Balances					
General Fund	7.000	7.000	7.000	7.000	7.000
Schools	2.221	0.721	(0.779)	(2.279)	(3.779)
HRA	3.012	2.633	2.705	2.667	2.661
Balances Sub Total	12.233	10.354	8.926	7.388	5.882
Grand Total Reserves & Balances	63.632	52.605	52.000	51.654	46.014

9.6 Whilst an initial review of the reserves position for 2021/22 has taken place it will be necessary to undertake a thorough assessment of the impact on reserves over the MTFP throughout the budget-setting process. An explanation of each reserve and balances as at 31 March 2021 can be found in the Authority's draft Statement of Accounts for 2020/21

In these unrepresented times the importance of robust financial management across the authority remains paramount. A range of tighter spending controls have been put in place to ensure no-nonessential spend is incurred during 2021/22 and to

ensure any COVID-19 related expenditure is appropriately considered and approved in advance of being incurred.

The Chief Finance Officer considers that, at this time, these reserve levels are adequate, but will continue to review this in light of the degree of uncertainty surrounding the future of local government funding and the potential impact of COVID-19. The Chief Finance Officer will consider the level of Strategic Reserve that should be sustained over the period of the four-year MTFP as part of the refresh of the plan.

Financial Assurance

- 9.7 Each year as part of the annual accounts process the Authority must demonstrate that it is a going concern. This means it must show that it is financially sound in this time of austerity and changing local authority structures. The Authority has an Internal Audit function who continually assess and review the financial management and control framework to ensure that it remains fit for purpose. On top of this the Authority is scrutinised by its external auditors, Ernst & Young, who will review and comment on whether the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

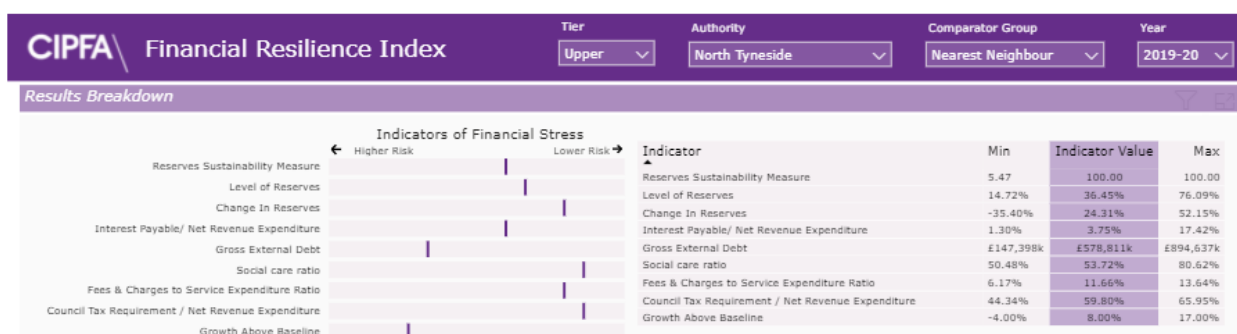
Financial resilience

- 9.8 CIPFA Financial Resilience Index

The Chartered Institute for Public Finance Accountants (CIPFA) has recently published a paper: 'Building financial resilience: managing financial stress in local authorities' intended to help Chief Financial Officers and their authorities build financial resilience into all aspects of their planning and operations. It identifies the warning signs of financial stress and explains the pillars on which financial resilience depends.

CIPFA has outlined the warning signs of financial stress exhibited by local authorities. The table below shows how the Authority is performing against these warning signs.

Resilience Index 2021



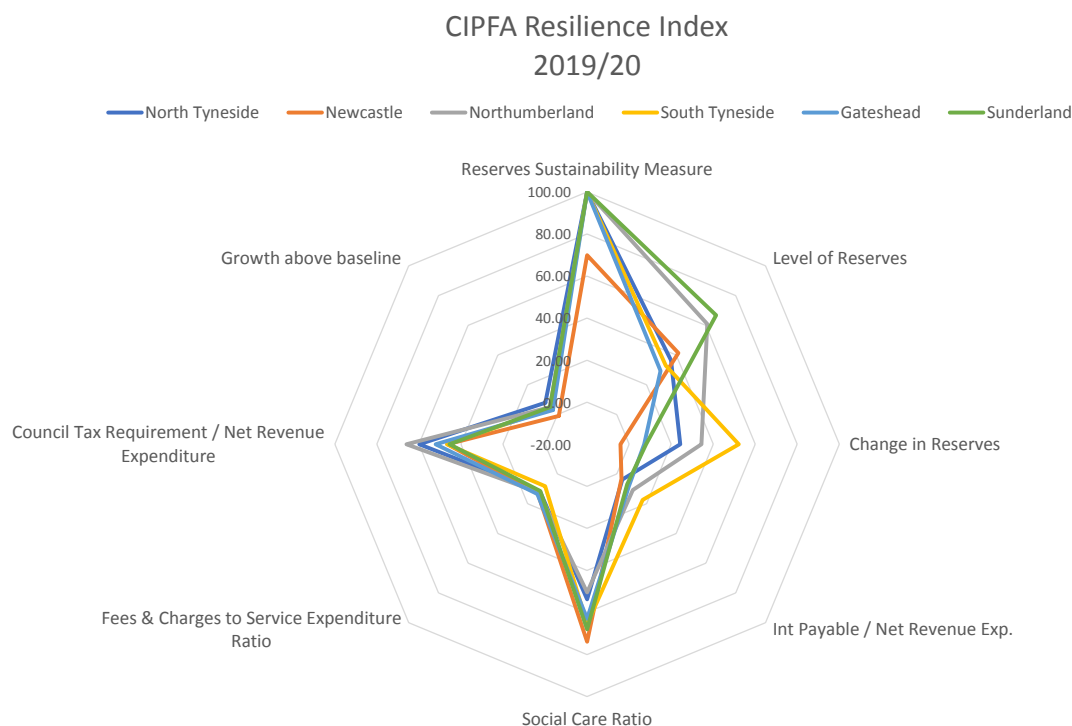
CIPFA has identified four key pillars of financial resilience:

- Getting routine financial management right
- Benchmarking
- Clear plans for delivering savings
- Managing reserves Indicators used in the Index include 'reserves depletion time', 'level of reserves', 'change of reserves', 'council budget flexibility', and 'council tax to net revenue expenditure'.

These measures have indicated that the majority of local authorities are in a stable financial position and are not showing signs of financial failure in spite of managing severe budget cuts. The Index above shows the Authority to be relatively low risk across the majority of the indicators of financial risk. The CIPFA Resilience Index Indicators & Interpretation is included on pages 34 and 35 of this document.

9.6.1 The CIPFA Resilience index plotted against neighbouring Authorities show North Tyneside Council as being in robust and sustainable financial position as well as demonstrating the Authority being broadly aligned against our neighbours for financial resilience.

Note the 2019/20 Resilience Index from CIPFA is currently the latest set of indicators.



The Authority identifies how it achieves financial resilience via the annual VFM assessment. This forms part of the annual external audit of the Authority's accounts.

CIPFA Financial Management Code

- 9.9 CIPFA has developed a Financial Management Code (FM Code), which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets the standards of financial management for local authorities. It applies a principles-based approach and relates to other statutory and good practice guidance. It builds on other codes and frameworks. The principles translate into financial management standards which are obligatory but not prescriptive regarding how they are achieved.

Local authorities need to ensure that their governance and financial management meets the requirements of the code. CIPFA considers that the implementation date of April 2020 should indicate the commencement of a 'shadow year' and that by the end of 2020/21, local authorities should be able to demonstrate that they are working towards full implementation of the code. The first full year of compliance with the FM Code will be 2021/22.

10. Risk Assessment

Overall Financial Risk Assessment

- 10.1 Financial risks are driven by changes to Government policy and the national financial climate, issues arising throughout the year and reported as part of the financial management reporting process and those risks highlighted as part of the Authority's risk management procedures and monitored through the Authority's risk registers. As part of the monitoring process the Authority's Corporate Risk Register is monitored twice yearly by Cabinet.

Key Financial Risks

- 10.2 The key financial risks for the Authority (including the HRA), which have been considered as part of the Financial Planning and Budget process, are set out in the table below along with mitigating actions.

Potential Risk	Initial Response
COVID-19	
Financial Impact on Authority: There is a risk that due to the implementation of government guidelines due to the outbreak of COVID-19 that the Authority may face significant financial pressures through the loss of income from income generating services, public venues and events.	Controls will include: Assessment of income targets that will be affected; Government assurances to cover the cost of Business Rate holiday; Government Funding to cover cost of COVID-19 on the Authority; Grants received for Business Grants; Grant received for Business Rate Relief; COVID-19 Grant; A named finance officer to be aware of and collate impacts; monthly return to Central Government; Liaison with local and national finance peer groups for comparator discussions.
Long Term Financial Impact: There is a risk that there may be long term impact on the ongoing income from council tax and business rates	Revenue monitoring to understand affected services and areas; Update financial planning assumptions; A planned use of reserves; A named finance officer to be aware of and collate impacts.
Capture of Costs: There is a risk that we may not capture the costs associated with the response resulting in the full cost not being recovered from central government	Asked all services to set up separate cost centres specific COVID-19 costs; Head of Resources part of RCG to ensure finance actions are identified and completed; Weekly ANEC Treasurers call; Sharing information capture on issues and capture from ANEC participating Authorities. Network of organisations collating and sharing data e.g. LGA, SIGOMA

There is a risk of being unable to set a balanced budget for 2022/23 and over the period of the MTFP.	Managed during the budget setting for 2022/23 and robust budget challenge.
There is a risk that the levels of savings and income the Authority has included in the Budget proposals are not fully deliverable.	A robust challenge process has taken place to ensure proposals can be delivered. All savings and income will be monitored throughout the year to identify any areas which are not delivering savings as planned so corrective action can be taken.
There is a risk that if the Efficiency Programme is not successfully implemented the Authority may be unable to deliver improved services and meet the increased demand for services within reducing resources. This could have the financial impact of the Authority not delivering on its Budget.	An overall Budget Proposal Document and Terms of Reference are in place for all existing and new Efficiency Programme projects. This spans all service redesign projects Monthly Updates to the Senior Leadership Team are provided as part of the in-year financial management process. The Customer Service Steering Group will be sighted on the outcomes from any Service reviews undertaken during 2022/23.
There is a risk that the assumptions that have been made based on the indicative settlement up to and including 2025/26 may be wrong, resulting in changes to the current targeted savings by 2025/26, for the General fund and for the HRA, which will be considered by Cabinet in January 2022.	Through a robust approach to financial management the authority is in a position to respond to determine actions necessary if the assumptions that have been made prove to be incorrect. The Authority work closely with national, regional and sub-regional financial networks to help ensure that the Authority is informed and aware of any national developments. Being involved in the consultation process enables any issues or concerns specific to NTC to be highlighted before final decisions are made.
There is a risk that not all growth pressures have been identified in the 2022/23 proposed Budget.	Detailed proposals have been put forward by each Head of Service and challenged by the Senior Leadership Team, Cabinet Members and the Elected Mayor.
There is a risk that demand - led pressures exceed Budget provision.	Demand-led pressures continue in areas such as adults' and children's social care and the impact of the Living Wage on our care providers (and the price for services the Authority then has to pay) have been

	taken into consideration as part of these initial Budget proposals.
There is a risk that specific factors arising during 2021/22 will not been fully taken into account when preparing the 2022/23 Budget.	The 2021/22 financial position is monitored through bi-monthly reporting to Cabinet and monthly reporting to the Senior Leadership Team. This process ensures factors arising during the year are taken into account.
There is a risk that the in-year pressures being reported through the 2021/22 financial management process impact on the deliverability of the 2022/23 budget.	As at 31 July 2021, a pressure of £7.420m of which £5.607m related to COVID-19 was reported against the 2021/22 Budget. All Services continue to develop and deliver actions to mitigate these financial pressures and expect the outturn forecast to improve through the year. In addition, non-essential spend continues to be minimised and a detailed review of demand-led projections aims to reduce over-commitments. Progress will be monitored through bi-monthly reporting to Cabinet and monthly reporting to the Senior Leadership Team.
There is a risk that the contingency provision included in the Financial Plan for 2021/22 is insufficient.	The review of the base Budget and the reflection of the 2021/22 pressures into 2022/23 will be considered.
There is a risk that there are insufficient levels of reserves and balances.	A full review of reserves and balances is undertaken on a regular basis as part of both the in-year monitoring and planning processes.
There is a risk that the Authority will be unable to protect its housing assets and services to tenants as a consequence of reduced income to the HRA. Government policy on welfare reform is resulting in a number of direct challenges to rent collection; the spare room subsidy and the benefit cap have already had an impact.	The budget-setting process incorporates a review of the HRA Business Plan to reflect the changes. The cost and quantity of work within the 30-year Investment Plan is revised annually to help mitigate the impact of changes. In addition, the Financial Inclusion Strategy sets out how the Authority and its partners will support its residents to better manage their finances and maximise their income. The HRA budget includes proposal to increase support to tenants in managing their ability to sustain their tenancies.

	<p>The Authority has representation on the MHCLG and CIPFA HRA working groups. This enables specific issues to be raised and allows the Authority to comment and influence change on HRA regulation</p>
<p>There is a risk that there may be a significant financial impact on school resources if the number of schools requesting deficit continues to rise at its current rate.</p> <p>This risk is currently driven by the number of surplus places at secondary schools.</p>	<p>The school deficit has been identified as a priority for the Authority, headteachers and governing bodies. A programme of work has been identified, working with schools to improve the schools deficit position. This will highlight the work that is required and through working with the schools a number of initiatives will be identified and progressed.</p>
<p>There is a risk that North Tyneside may be placed at a disadvantage following the decision to leave the European Union in both financial and economic growth terms. The full extent of the impact will not be clear until the Authority know the precise trade terms which will apply once the UK formally leaves the EU. This has a potentially significant financial impact due to loss of revenue grant and a potential loss of opportunities, e.g. capital grant and other revenue sources.</p>	<p>The potential impact from leaving the EU has been included in the Authority's Medium-Term Financial Strategy. This is helping to ensure that potential areas of impact following the EU exit are highlighted and included (where relevant) in Budget planning. The Authority is a member of various regional groups which will help it keep up to speed on progress and have the opportunity to exert any influence that the Authority can. It is inevitable that there will be some impact from the decision to leave the EU, the challenge is to manage the impact where possible.</p>

11 Conclusion

- 11.1 The review of the Medium-Term Financial Strategy (MTFS) has again been undertaken against a background of significant uncertainty due to the implications of the COVID-19 pandemic. It is impossible to predict with any accuracy the financial impact of the pandemic which will not only be felt in the current financial year but also over the medium-term. This will undoubtedly have implications for how the Authority delivers its services in the future and its approach to financial planning. The Authority continues to assess the financial impact and as such a further revision of the MTFS will be presented to Cabinet in November 2021.
- 11.2 The initial review of the MTFS identifies a potential financial gap of between £30m and £45m for the next four years from 2022/23 to 2025/26. The MTFS supports the requirement to continue a rolling programme of internal indicative budget-setting and efficiency plans to bridge the financial gap. This funding gap comes on top of budget savings of £127.756m that have already been taken from budgets by this Authority since 2011/12.
- 11.3 Although the financial context continues to be increasingly challenging and uncertain the Authority has a track record of identifying and delivering significant savings and achieving budget outturn under agreed budget, supported by a framework of effective financial planning. This approach will need to continue to ensure that a sustainable medium-term financial position can be maintained. The approach will need to be built upon the delivery of significant changes in service delivery arising from effective decision making at an appropriate pace.
- 11.4 The Authority will continue to keep the MTFS estimates under more frequent review given the high degree of uncertainty surrounding not only the implications of COVID-19 but also the potential impact on government policy and government funding decisions in relation to local government arising from future finance reforms.

The following background papers/information have been used in the compilation of this report, where there is no link included those reports are available at the office of the author:

Background papers:

Local Plan
Workforce Development Plan

Background information:

- (a) Authority's Constitution and Budget and Policy Framework Procedure Rules

<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/December%202019.pdf>

N.B. The Budget and Policy Framework can be found at part 4.7 of the Constitution.

- (b) 2020-2024 Our North Tyneside Plan

<https://democracy.northtyneside.gov.uk/documents/s2188/Appendix%20A%202020%20-%202024%20Our%20North%20Tyneside%20Plan.pdf>

- (c) Treasury Management Strategy

<https://democracy.northtyneside.gov.uk/documents/s2195/Appendix%20E%20-%20Treasury%20Management%20Strategy%20Statement%20and%20Annual%20Investment%20Strategy%202020-21%20Credit%20Cr.pdf> (Annex 1, Section 8, page 61)

- (d) COVID-19 – A Framework for Recovery in North Tyneside

<https://democracy.northtyneside.gov.uk/documents/g425/Public%20reports%20pack%2029th-Jun-2020%2018.00%20Cabinet.pdf?T=10>

- (e) 2020/21 Provisional Finance Outturn Report

<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=174&MId=738&Ver=4>

- (f) 2020/21 Draft Statement of Accounts

<https://democracy.northtyneside.gov.uk/ieListDocuments.aspx?CId=157&MId=600&Ver=4>

- (g) North Tyneside Highway Asset Management Plan Annual Information Report 2020

<https://democracy.northtyneside.gov.uk/documents/g379/Public%20reports%20pack%2014th-Oct-2019%2018.00%20Cabinet.pdf?T=10>

- (h) An Ambition for North Tyneside Update

<https://democracy.northtyneside.gov.uk/documents/s1477/8%20An%20Ambition%20for%20North%20Tyneside%20Update.pdf>

- (i) Ten Year Plan for Waste
<https://democracy.northtyneside.gov.uk/documents/s1482/2%2010%20Year%20plan%20for%20Waste.pdf>
- (j) Climate Emergency Update
<https://democracy.northtyneside.gov.uk/documents/s1484/Climate%20Emergency%20Update.pdf>
- (k) North Tyneside Homelessness Prevention and Rough Sleeping Strategy 2019-2021
<https://democracy.northtyneside.gov.uk/documents/s1188/Homelessness%20Prevention%20Strategy%202019%20-2021.pdf>
- (l) A Digital Strategy for North Tyneside
<https://democracy.northtyneside.gov.uk/documents/s2638/A%20Digital%20Strategy%20for%20North%20Tyneside.pdf>
- (m) North Tyneside Trading Company - Strategic Business Plan 2020-2023
<https://democracy.northtyneside.gov.uk/documents/s3893/North%20Tyneside%20Trading%20Company%20-%20Strategic%20Business%20Plan%202020-23.pdf>
- (n) North Tyneside Transport Strategy Annual Report
<https://democracy.northtyneside.gov.uk/documents/s805/North%20Tyneside%20Transport%20Strategy%20Annual%20Report.pdf>

CIPFA Resilience Index Indicators & Interpretation

Indicator	Description	Relationship to risk and interpretation
Reserves Burn Rate	This indicator is the ratio between the current level of reserves and the average change in reserves in each of the past three years. A negative value (which implies reserves have increased) or one greater than 100 is recoded to 100.	The indicator provides a measure of how long (in years) it will take for a council to completely denude its reserves, if they continue to use reserves at the same rate as in the previous three years. A low value suggests that there is a risk that the authority will run out of reserves. A high value says, that on current trends, they are unlikely to deplete their reserves.
Level of Reserves	This is the ratio of the current level of reserves (total useable excluding public health & schools) to the council's net revenue expenditure. We have set the figure at 100% for a small number of district councils to remove the impact of extreme outliers.	A low level of reserves may indicate that a council has low capacity to cope with financial shocks. It will also face a risk should expenditure exceed income.
Change in Reserves	This indicator shows the average percentage change in reserves (total useable excluding public health and schools) over the past three years	A council that is using up its reserves may be at risk if they do not move to a more balanced budget.
Unallocated Reserves	This indicator is calculated as the ratio of unallocated reserves to net revenue expenditure	This indicator provides some further information on the reserves indicator. A low level of unallocated reserves may be a sign that a council will struggle with financial shocks.
Earmarked Reserves	This indicator is calculated as the ratio of earmarked reserves (excluding public health and schools) to net revenue expenditure	This indicator provides some further information on the reserves indicator. A low level of earmarked reserves could mean that a council will struggle with financial shocks or that they have not planned effectively for their use of reserves.
Change in Unallocated Reserves	This indicator is the average percentage change in unallocated reserves over the past three years	This indicator provides some further information on the reserves indicator. A council that is using up its reserves may be at risk if they do not move to a more balanced budget.

Appendix A

Indicator	Description	Relationship to risk and interpretation
Change in Earmarked Reserves	This indicator is the average percentage change in unallocated reserves over the past three years	This indicator provides some further information on the reserves indicator. A council that is using up its reserves may be at risk if they do not move to a balanced budget.
Social Care & Interest payments ratio	This indicator is the ratio of total spending on adults' social care, children's social care and debt interest to net revenue expenditure.	This indicator provides a measure of the degree of flexibility within a council's budget. Spending on these items is less likely to be reduced compared to other categories. A high ratio suggests that the council has little flexibility to make further savings, potentially leading to risk
Children's Social Care Ratio	This indicator is the ratio of spending on children's social care to net revenue expenditure	This indicator provides a breakdown of the total ratio to allow councils to understand their relative position for this component
Adult Social Care Ratio	This indicator is the ratio of spending on adult social care to net revenue expenditure	This indicator provides a breakdown of the total ratio to allow councils to understand their relative position for this component
Grants to Expenditure Ratio	This indicator shows the proportion of net revenue expenditure funded by central government grants.	Grants are a diminishing source of funding. However, a relatively high level of grants may suggest that a council may experience financial difficulties in the future as grants continue to be a declining source of income.
Council Tax Requirement / Net Expenditure	This indicator shows the ratio of council tax as a proportion of net expenditure	As locally raised council tax becomes more important, a lower ratio may be associated with difficulties in raising the income necessary to support spending.
Retained Income from business Rates/ Net Expenditure	This indicator shows the ratio of retained income from business rates as a proportion of net expenditure	As locally raised business rates become more important, a lower ratio may be associated with difficulties in raising the income necessary to support spending.
Children's Social Care Judgement	This indicator shows the latest OFSTED judgement on the quality of children's social care	A rating of inadequate or requires improvement may be associated with future higher spending on children's social care adding to council funding pressures
Auditors VfM Assessment	This indicator shows whether auditors have produce a non-standard conclusion on a council's accounts	A non-standard judgement may indicate some concern over the financial management and decisions within a council.

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2022-2026 Financial Planning and Budget Process

Timetable of Key Milestones for 2022/23

Date / Meeting	Detail
2 August 2021 Cabinet	Cabinet approves the 2022-2026 Financial Planning and Budget process, incorporating the associated Engagement Strategy.
29 November 2021 Cabinet	Cabinet considers its 2022-2026 initial Budget proposals in relation to General Fund, Schools, Housing Revenue Account & Investment Plan for 2022-2026.
30 November 2021	Notice of Objection process for the 2022/23 Budget commences.
30 November 2021	Budget and Council Plan engagement process begins. Ends in January 2022.
December 2021 Scrutiny Process	Scrutiny of the 2022-2026 Financial Planning and Budget process.
Mid December 2021	Estimated timing of the 2022/23 Provisional Local Government Finance Settlement.
17 January 2022 Overview, Scrutiny and Policy Development Committee	Overview, Scrutiny and Policy Development Committee considers the results of its review of the 2022-2026 Financial Planning and Budget and Council Plan process.
24 January 2022 Cabinet	2022/23 Council Tax Base agreed by Cabinet
31 January 2022 Cabinet	Cabinet approves the final proposals in relation to the 2022/23 Housing Revenue Account budget and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2021/22). In addition, Cabinet will agree the Annual Housing Rent policy for 2022/23.
31 January 2022 Cabinet	Cabinet considers its Budget proposals for 2022-2026 in relation to General Fund Revenue, Schools & Investment Plan for 2022-2026, taking into account feedback received as part of Budget Engagement and any recommendations from Overview and Scrutiny and Policy Development Committee.

Appendix B

Date / Meeting	Detail
1 February 2022 Overview, Scrutiny and Policy Development Committee	Overview, Scrutiny and Policy Development Committee/Budget Study Group as appropriate considers Cabinet's final Budget proposals.
7 February 2022 Cabinet	Cabinet meeting to consider any recommendations of the Overview and Scrutiny Budget Study Group following its review of the Cabinets 2022/23 Budget and Council Tax proposals.
15 February 2022	4pm deadline for responses to the Authority's Notice of Objection
17 February 2022 Council	Cabinet submits to the Council its estimates of amounts for the 2022-2026 Financial Plan and 2022/23 Budget & Council Tax levels.
21 February 2022 (if required) Cabinet	<p>Cabinet Meeting to consider any objections to Cabinet's Budget and Council Plan proposals.</p> <p>The Cabinet meeting on 21 February 2022 is now a scheduled meeting with other items of business and will proceed even where no objections are approved.</p>
1 March 2022 (if required) Council	Council meeting to agree the Budget for 2022/23, the Council Tax level for 2022/23 and the Investment Plan for 2022-2026

2022/23 Budget Engagement Strategy

North Tyneside Council is committed to being an organisation that works better for residents and to ensure that it listens and cares. This commitment includes giving residents and other key stakeholders an opportunity to be involved in the Financial Planning and Budget process.

The Authority's overall approach to engagement ensures that the public have opportunities to have their say throughout the year, through a series of different methods, including engaging with the Elected Mayor, Cabinet and ward members and through activities such as the Big Community Conversation. Due to the restrictions of the Covid Pandemic our face-to-face engagement has been limited but the Authority has increased the amount of online engagement which included the first ever virtual State of The Area event and interactive engagement regarding the North Shields Master Plan.

In all its engagement activity, the Authority is committed to ensuring that residents with protected characteristics, as set out in the 2010 Equality Act, can participate. In line with this an Equality Impact Assessment has been undertaken on the 2022/23 Budget Engagement Strategy and this is available on request.

In line with the proposed 2022-2026 Financial Planning and Budget Process as set out in Appendix B, engagement on Cabinet's initial budget proposals will take place from November 2021 to January 2022. The engagement approach is set out below.

Target Audiences

The aim of the Budget Engagement Strategy is to reach different sectors of the population through an approach that encompasses engagement with residents as a whole and customers/users of services as well as particular groups of people, including those with protected characteristics. The approach also ensures reach with particular interest groups such as carers, older people, children and young people and council housing tenants.

The Budget Engagement Strategy also ensures targeted activity with the following specific external and internal stakeholder groups:

External stakeholder groups

- North Tyneside Strategic Partnership
- Businesses
- Schools and education sector
- Voluntary and community sector (including faith groups)
- BAME Task Force

Internal stakeholder groups:

- Elected Members
- Staff

- Strategic Partners (Engie and Capita)
- Trade Unions

Approach

The Authority's approach aims for maximum reach by offering a range of different opportunities for people to have their say. In line with the Authority's corporate engagement strategy the approach will be consistent with the following principles

- Inclusive - making sure that everyone can engage in the process
- Clear - being clear on the aims of the engagement activity at the outset and the extent to which residents and others can be involved
- Integrated - ensuring that engagement activities are joined up with the relevant decision-making processes
- Tailored - aiming to better understand our audience and using different methods appropriately to enable and encourage people to be involved
- Feedback - giving feedback through agreed channels when engagement activity is completed
- Timely - aiming to give enough notice to make opportunities available to all and taking into account those times when it is more appropriate to engage depending on the target audience.

Budget engagement activity for the 2022/23 budget will be in line with any Government advice relating to the COVID-19 Pandemic and comprise of

- providing clear information about the Financial Planning and Budget process in the Autumn edition of the Our North Tyneside magazine. This will include information about this engagement strategy and how people can have their say throughout the process including how to join the Residents Panel to do so.
- in November 2021, publishing information about Cabinet's initial budget proposals. This will be published online via the Council's website and at front line locations including the Community Conversation Corners in the four Customer First centres, where these are available. Feedback will be able to be provided by residents and others via a questionnaire either on-line or at these front-line locations. This will be supported by communications activity via posters in our Leisure Centres and Libraries, the media and social media to ensure that people know they can get involved in this way.

- there will also be opportunities for face-to-face engagement with lead officers and Cabinet members during November/December 2021. Building on our engagement last year these face-to-face sessions will comprise, where possible.
- two in-depth sessions with the Residents Panel (which any resident can join). These sessions will provide people with the opportunity to gain an understanding of the Council's budget and to be able to appraise in detail the initial budget proposals and then provide feedback and
- engagement sessions for the following internal and external stakeholder groups
 - staff
 - businesses
 - schools
 - children and young people
 - community and voluntary sector
 - Trade Unions,
 - North Tyneside Strategic Partnership
 - older people
 - carers
 - BAME Task Force
 - groups representing people with protected characteristics under the Equality Act 2010.

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