



North Tyneside Council

Finance Sub Committee

20 March 2023

Tuesday, 28 March 2023 in Room 0.02, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

Agenda Item	Page
1. Apologies for Absence	
To receive any apologies for absence	
2. Appointment of Substitute Members	
To be notified of the appointment of any Substitute Members.	
3. Declarations of Interest and Notification of any Dispensations Granted	
You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.	
You are also invited to disclose any dispensation in relation to any registerable interests that have been granted to you in respect of any matters appearing on the agenda.	
You are also requested to complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.	
4. Minutes	5 - 8
To confirm the minutes of the meeting held on 7 February 2023.	

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Agenda Item	Page
<p>5. 2022/23 Financial Management Report to 31 January 2023</p> <p>To scrutinise the Authority’s financial management report to 31 January 2023 (reported to Cabinet on 27 March 2023) setting out the current financial position in the context of the policy priorities in the Our North Tyneside Plan, explaining where the Authority continues to face financial pressures and its plans to address these.</p>	9 - 70
<p>6. Section 106 Funding - Overview and Update on Spend and Project Delivery</p> <p>To examine the receipt and spend of developer contributions received from Section 106 legal agreements as at 28 February 2023, incorporating an examination of the plans to use Section 106 funding for the improvement of sports facilities and play sites.</p>	71 - 82
<p>7. Welfare Reform - Financial Update</p> <p>To receive an update on the three schemes that provide financial support to residents, that were implemented or revised in April 2013 onwards because of on-going welfare reform, as well as an update on Universal Credit.</p>	83 - 88
<p>8. Exclusion Resolution</p> <p>The Sub-Committee is requested to pass the following resolution: That under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.</p>	
<p>9. Business and Technical Partnerships Risks</p> <p>To consider the risks rated as red contained within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Equans and Capita.</p>	89 - 108

Circulation overleaf ...

Members of the Finance Sub Committee

Councillor Debbie Cox (Chair)
Councillor Tricia Neira
Councillor Bruce Pickard
Councillor Judith Wallace

Councillor Naomi Craven (Deputy Chair)
Councillor Martin Murphy
Councillor Willie Samuel

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Finance Sub Committee

Tuesday, 7 February 2023

Present: Councillor D Cox (Chair)
Councillors N Craven, T Neira, M Murphy, B Pickard and
J Wallace

F24/22 Appointment of Substitute Members

There were no substitute Members appointed.

F25/22 Declarations of Interest and Notification of any Dispensations Granted

There were no declarations of interest or dispensations reported.

F26/22 Minutes

Resolved that the minutes of the previous meeting held on 12 December 2023 be confirmed and signed by the Chair.

F27/22 2022/23 Financial Management Report to 30 November 2022

The sub-committee was presented with a report, which had been considered by Cabinet on 23 January 2023, relating to the financial position of the Authority as 30 November 2022 in the context of its policy priorities set out in Our North Tyneside Plan.

The Authority continued to see areas of pressure across Adults' and Children's Social Care and significant impacts on income particularly across Sport and Leisure Services, Home to School Transport and Catering Services. The 'cost of living crisis' was further increasing demand on the Authority's services and increasing costs, adding significant financial strain to the Authority's budgets. Consequently, it was reported that as of 30 November 2022 the Authority was facing a total pressure on its budget of £23.511m. The sub-committee examined details of various mitigations to be applied within the current financial year which together would reduce the in-year pressure to £8.625m. It was expected that future actions to review activity and performance across the organisation, reducing non-essential spend and controlled vacancy management, should see the pressure reduce in the coming months.

The report also included details of a small forecast underspend of £0.090m in the Housing Revenue Account, details of the additional grants received by the Authority since the Budget was set, the position so far on the 2022/23 schools' budgets and schools' funding, delivery of the Authority's Investment Plan, the Collection Fund position for 2022/23 and information on Treasury Management.

The sub-committee paid particular attention to the forecast revenue outturn for Children's

Services of £34.840m, which represented a variance of £13.477m over the budget of £21.363m. Members asked to be provided with a more detailed explanation of the long-term underlying causes for the financial pressures within the Children's Services and whether these pressures could continue to be managed within the Authority's existing financial plans. It was suggested that, in co-ordination with the Children, Education and Skills Sub-Committee, the Interim Director of Children's Services be invited to attend the next meeting of the sub-committee to examine these issues in more detail.

Members also examined the actions taken to recruit a Head of Law and to restructure the legal service to attract and retain permanent staff in the service thereby reducing a reliance on locums which resulted in increased staff costs.

It was **agreed** that (1) the 2022/23 Financial Management Report to 30 November 2022 be noted; and

(2) in co-ordination with the Children, Education and Skills Sub-Committee, the Interim Director of Children's Services be invited to attend the next meeting of the sub-committee to examine the long-term underlying causes for the financial pressures within the Children's Services and whether these pressures can continue to be managed within the Authority's existing financial plans.

F28/22 Section 106 Funding - Overview and Update on Spend and Project Delivery

The sub-committee received the latest in a series of reports setting out details of the current balances, commitments and spend in relation to Section 106 agreements.

The Authority had the power under Section 106 of the Town and Country Planning Act 1990 to require developers to make financial contributions towards the delivery of a range of services including highways, affordable housing, sport and leisure facilities, health services and play sites where these contributions would make a development proposal acceptable in planning terms and mitigate the impact of the development on an area.

The sub-committee noted that on 31 December 2022, the Authority had received £20.266m in contributions of which £6.609m had been spent. A balance of £13.656m remained in the budget but £3.910m was committed.

At its previous meeting the sub-committee had agreed to invite those officers responsible for the delivery of projects to be funded from Section 106 contributions to attend future meetings to explain the reasons why these sums were not yet committed or spent. In accordance with this decision the Head of Environment & Safer Neighbourhoods, Kim Pye, attended the meeting to present a detailed analysis of developer contributions received, spent and committed for the improvement of parks together with emerging plans to use the remaining balances.

Members of the sub-committee asked a series of question of officers when the following issues were examined and officers were asked to provide supplementary information:

- a) Members expressed concern that the spreadsheet did not contain an end date for two financial contributions. Officers indicated that work was progressing to confirm an end date but in the meantime the use of the funding had been committed and approved for

- improvements to Chirton Dene Park and Benton Quarry Park.
- b) It was noted that a number of developer contributions had not been spent prior to the expiry of the Section 106 legal agreement or “end date” and rated as red in the spreadsheet presented to the sub-committee. Members expressed concern that funding which appeared to have been received up to 10 years ago remained unspent and now at risk of repayment to developers. Members asked that they be provided with an explanation of the reasons why each of the financial contributions which had reached its end date had not been spent prior to that date.
 - c) With reference to the financial contributions received from Bellway Homes, associated with the Moorhouses Reservoir development, it appeared that the funding had been secured without a clear plan as to how it would be spent. The sub-committee asked that they be provided with an explanation as to the Authority’s approach to identifying and developing projects to be funded from Section 106 contributions. Members also asked that they be provided with a more detailed breakdown of the dates on which the contributions had been received to provide a clearer indication of how long the funding had been available.
 - d) As many of the contributions had been ear marked for delivery of the Regeneration Killingworth Master Plan, the sub-committee asked that they be provided with details of the proposed improvements to parks contained within the plan.
 - e) A residual amount of £540 received from development of 16 John Street, Cullercoats was to be transferred for the management of the Section 106 process. Members asked officers to confirm whether the amount could be used to supplement the budgets for play sites which they understood was currently £500 per playsite.

The sub-committee considered which areas of Section 106 spending it wished to examine at its next meeting. It was suggested that the relevant officers responsible for the delivery of projects to improve sports facilities and play sites be invited to attend the meeting. To aid the sub-committee’s understanding of how the Authority identifies and develops projects to be funded from Section 106 contributions, it was suggested that officers be invited to comment on the extent to which the Authority adopts a strategic approach to pooling contributions together to deliver longer term programmes of improvements.

It was **agreed** that (1) the current balances, commitments and spend in relation to Section 106 agreements be noted;

(2) the sub-committee be provided with the following supplementary information:

- i) an explanation of the reasons why each of the financial contributions which had reached its expiry or end date had not been spent prior to that date;
- ii) an explanation as to the Authority’s approach to identifying and developing projects to be funded from Section 106 contributions;
- iii) a more detailed breakdown on the dates on which each of the financial contributions were received to provide a clearer indication of how long the funding had been available;
- iv) details of the proposed improvements to parks contained within the Killingworth Master Plan; and
- v) confirmation as to whether the residual amount of £540 received from development of 16 John Street, Cullercoats could be used to supplement the budgets for play sites; and

(3) the relevant officers responsible for the delivery of projects to improve sports facilities and play sites be invited to attend the next meeting to explain the reasons why financial contributions received from developers remain unspent or uncommitted and they be asked to comment on the extent to which the Authority adopts a strategic approach to pooling contributions together to deliver longer term programmes of improvements.

F29/22 Exclusion Resolution

Resolved that under Section 100A(4) of the Local Government Act 1972 (as amended), and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

F30/22 Business and Technical Partnerships - Risk Management

The sub-committee considered a report that detailed the monitoring on the risks rated as high within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Equans (Business) and Capita (Technical).

It was **agreed** that the Strategic and Operational Risk Registers of each partnership be noted.

North Tyneside Council Report to Cabinet 27 March 2023

Title: 2022/23 Financial Management Report to 31 January 2023

Portfolios: Elected Mayor Finance and Resources	Cabinet Member: Dame Norma Redfearn DBE Councillor Martin Rankin
Report from: Finance	
Responsible Officer: Jon Ritchie, Director of Resources Tel: 643 5701	
Wards affected: All	

PART 1

1.1 Executive Summary:

- 1.1.1 This report is the fifth monitoring report to Cabinet on the 2022/23 financial position. The intention of the report is to explain the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the fifth indication of the potential revenue and capital position of the Authority at 31 March 2023. The report explains where the Authority continues to face financial pressures and the plans to address these.
- 1.1.2 The 2021/22 financial year was highly complex for the Authority due to the operational response to the pandemic and, like all local authorities, North Tyneside Council is continuing to feel the legacy impact of the Covid-19 pandemic. As such, this report sets out the potential financial impact the pandemic will have on the Authority in 2022/23. The Authority continues to see areas of pressure across Adults' and Children's Social Care, but there are also significant impacts on income particularly across Sport and Leisure Services, Home to School Transport and Catering Services.
- 1.1.3 In addition to pressures seen in previous financial years, a number of global issues have emerged in more recent months including the war in Ukraine, leading to more supply chain issues and adding to rising inflation, especially in utility costs. The impact of these factors is leading to a 'cost of living crisis', further increasing demand on the Authority's services, which is adding significant financial strain to the Authority's budgets.
- 1.1.4 The Authority's finances are complex in any year given the range of services that are delivered; the picture this financial year is even more volatile given these national and global economic challenges. At a Service level, before the application

of planned contingencies and central funding, the gross pressure would be £22.872m, a slight improvement of £0.639m from the previous monitoring report.

- 1.1.5 However, when the Authority set the balanced budget for the year at Council in February 2022, this included contingencies of £6.752m and other central funding of £1.006m (both shown within the Central Items figure in Table 1). As a result, the total forecast year-end pressure for the General Fund, shown in Table 1 reduces to £15.114m.
- 1.1.6 Table 1 includes mitigations from the revised approach to the Minimum Revenue Provision (MRP) calculations of £4.927m, which are included in Central Items. Cabinet will be aware that a change was made towards the end of the previous financial year, with the External Auditors having confirmed in the autumn that there are no issues with this revised methodology, so these can now be factored into in-year budget monitoring.
- 1.1.7 When the Budget was set, the potential impact of some of these additional pressures were foreseen by Cabinet. A number of mitigations through the use of grants and reserves, totalling £6.700m, were set aside in the 2022-2026 Medium-Term Financial Plan to support the 2022/23 financial position, with a further £0.428m release of provisions reported in November. The latest forecast has been updated with a reduction of £0.100m relating to the usage of legacy Covid-19 grants, taking the total amount of mitigations shown in Table 2 to £7.028m, which reduces the overall forecast in-year pressure to £8.086m. This is an overall improvement of £0.539m from the last report to Cabinet.
- 1.1.8 Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to challenge the projected risks facing the Authority whilst continuing to deliver planned efficiencies. However, and consistent with the messages in the reports to Cabinet and Council when setting the 2023/24 budget, it is inevitable that there will be a general fund overspend at the year-end. As such, a call on the Strategic Reserve will be required. However, the recently set 2023/24 budget and Medium-Term Financial Plan (MTFP), includes the planned replenishment of this reserve through to 2026/27.
- 1.1.9 The Mayor and Cabinet will be aware of recent increases in the Bank of England base rate, with an expectation that interest rates will continue to rise in 2023. The Authority drew down £10m of Public Works Loan Board (PWLB) borrowing in August 2022 whilst rates were at the lower end of the interest rate curve and prior to the more recent financial markets volatility seen since September 2022. Whilst there is no immediate need to borrow, future borrowing costs may now be higher than originally forecast. This may lead to additional Capital and Treasury financing pressures in future years. As Cabinet would expect, interest rates continue to be proactively monitored and cash flow management undertaken to secure the maximum return/minimum cost for the Authority in line with the Prudential Code.
- 1.1.10 In terms of the Housing Revenue Account, an underspend of £0.187m is forecast. This position has been impacted by the cost-of-living crisis and in particular issues with repairs and maintenance costs, with increased material and contractor costs. In addition, there has been significant increases in energy costs, however, these pressures have been mitigated by an improved rental income position, vacancy savings and a lower forecast for increased arrears and the impact on in-year Bad Debt Provision.

- 1.1.11 The report includes details of the additional grants received by the Authority since the previous report. The report also advises Cabinet of the position so far on the 2022/23 Schools' budgets and Schools' funding. On top of the reported grants for the financial period considered in this report (i.e., to the end of January), Cabinet should also note a more recent announcement of external funding of £1.850m from the Department of Levelling Up, Housing & Communities towards public realm improvements in North Shields Town Square. This recent award included commendations for the quality of the bids submitted.
- 1.1.12 In terms of the Investment Plan, work has been undertaken to consider the impacts of supply chain issues and inflation pressures. The focus has been to manage within the current financial envelope across the plan which may lead to a delay in delivery of some planned activity. Any such implications will be considered at the Investment Programme Board and brought to the Mayor and Cabinet for consideration as part of the normal financial management process.

1.2 Recommendations:

1.2.1 It is recommended that Cabinet:

- (a) notes the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 31 January 2023 (Annex sections 1, 2 and 3);
- (b) approves the receipt of £1.192m new revenue grants (as outlined in section 1.5.4 of this report);
- (c) notes the Authority's Investment Plan spend of £53.366m to 31 January 2023 and the financing of the Plan to the end of the year (Annex Section 4);
- (d) approves variations of £1.521m and reprogramming of (£6.938m) for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4);
- (e) Notes the information on the Collection Fund (Annex section 6); and

1.3 Forward Plan:

1.3.1 Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 17 February 2023.

1.4 Authority Plan and Policy Framework:

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

1.5 Information:

1.5.1 Financial Position

1.5.1.1 This report is the fifth monitoring report presented to Members on the Authority's 2022/23 financial position. It provides an indication of the expected revenue and capital financial position of the Authority on 31 March 2023. The view in this report may change over the remaining months of the financial year, as the recovery from Covid-19 continues, the impact of market conditions becomes clearer, further inflationary factors become apparent and management actions continue to take

effect.

1.5.1.2 The report covers:

- The forecast outturn of the Authority's General Fund and HRA revenue budget including management mitigations where issues have been identified;
- The delivery of 2022/23 approved budget savings plans; and
- An update on the Capital Investment Plan, including details of variations and reprogramming, that is recommended for approval.

1.5.2 General Fund Revenue Account

1.5.2.1 The Budget for 2022/23 was approved by full Council at its meeting on the 17 February 2022. The net General Fund revenue budget was set at £163.512m, which included £7.257m of savings to be achieved in year.

1.5.2.2 The Authority's finances are complex in any year given the range of services that are delivered; the picture this financial year is even more volatile given the national and global economic challenges. At a Service level, before the application of planned contingencies and central funding, the gross pressure would be £22.872m. However, the budget for the year included contingencies of £6.752m and other central funding of £1.006m (both shown within the Central Items figure in Table 1). As a result, the total forecast year-end pressure for the General Fund, shown in Table 1 reduces to £15.114m. Table 1 below sets out the initial variation summary across the General Fund, with a detailed commentary of variances included in Annex 1.

1.5.2.3 Included within the position for Central Items is £6.752m of contingencies. Whilst held in Central Items, its use is identified as: £3.116m to offset the pressures in Children's Social Care; £1.301m is supporting the under achievement of savings targets; and £2.325m to support the inflationary pressures being faced by the Authority. In September's report, a £0.316m saving was included reflecting the part year reversal of the national insurance increase along with a £4.927m of Minimum Revenue Provision (MRP) savings following the conclusion of External Audit work into the methodology change; these items remain in the forecasts. In 2021/22 these savings were set aside in a new MRP reserve, which remains on the balance sheet, but it is likely that the in-year saving will be required to support the bottom-line position in 2022/23, so is currently included in the forecast position. Since the last report to Cabinet, the Authority has received a one-off contribution of £0.405m relating to the Levy Account surplus. This gives a total underspend for Central Items of £13.407m.

1.5.2.4 Table 2 adds further detail to the information in Table 1. The top half of table 2 breaks down the forecast £15.114m pressure into the main factors of covid legacy, utility, other inflation, and other pressures. The covid pressures of £7.757m arise primarily from fees and charges income not yet returning to pre-pandemic levels and additional fixed term staff employed to cover increased demand or to enable front-line service provision to continue.

1.5.2.5 The lower half of Table 2 includes details of funding set aside to support known pressures. As part of the 2022-2026 Medium-Term Financial Plan (MTFP) agreed by full Council in February, £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£0.400m), Special Educational Needs (£0.400m), additional children's social care provision (£1.200m)

and for the development of the Customer Relationship Management programme (£0.200m). The £0.400m relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, with the remaining £1.800m supporting the overall corporate pressure, in Table 2.

- 1.5.2.6 In addition £2.000m was also set aside to create a Covid-19 Reserve as part of the 2022-2026 MTFP, this included £0.650m to support additional caseloads within Children's Services, £0.350m to support Home to School Transport and £1.000m to support reduced fees and charges income following the pandemic. The £0.350m relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, leaving £1.650m to support the overall corporate pressure in Table 2.
- 1.5.2.7 Within the 2022-2026 MTFP, £0.150m was identified as planned use of the Insurance Reserve to support additional Repairs and Maintenance costs. The use of this funding has been included in Table 2.
- 1.5.2.8 Table 2 includes a further £1.300m of contingencies that has not been applied to specific service areas/central items, so can support the overall corporate position.
- 1.5.2.9 Following the on-going review of provisions, the Authority has been able to release provisions of £0.728m (of which £0.300m relates to Special Guardianship Order costs).
- 1.5.2.10 £1.925m of funding previously reported in July has now been allocated to help cover the cost of the Pay Award, which is now approved at £1,925 for every full-time equivalent employee. Despite this additional allocation, the cost of the pay award is higher than the funding set aside and is reflected in the overall forecast for the year, which is reflected in individual service areas in the top part of Table 2.
- 1.5.2.11 The Authority carried forward £2.962m of Covid-19 related central Government grants from 2021/22. Of this £1.562m has been committed and is reflected in the £15.114m position reported in Table 1. The remaining balance of £1.400m is available to support on-going Covid-19 legacy pressures and is reflected in the revised position shown in Table 2.
- 1.5.2.12 Taking all of the above into account, the result is a forecast year-end pressure of £8.086m, which is an improvement of £0.539m since the previous Cabinet report.
- 1.5.2.13 The main service areas facing forecast overspends are those most exposed to the new, emerging pressures, which are impacting on top of the residual covid-impacts. Environment, which includes Sports and Leisure activities, is experiencing income shortfalls from fees and charges, which continue to be at lower than pre-pandemic levels. That Directorate is significantly affected by energy costs, given it includes streetlighting, leisure centres and customer first centres which are all energy intensive activities. In addition, higher inflation rates are significantly impacting on the waste management contract.
- 1.5.2.14 Children's and Adults' Services are forecasting significant pressures, as the impact of Covid-19 has seen the need to increase staffing levels to manage increases in both the complexity and volume of demand for services. This is also resulting in increased payments to external providers. This is not unique to North Tyneside and is being seen across the region and nationally.

- 1.5.2.15 Commissioning & Asset Management is forecasting overspends in catering supplies and the cost of Home to School Transport, with the cost of supplies and fuel rising rapidly in this period of high inflation.
- 1.5.2.16 The Resources directorate is experiencing overspends in Legal Services, associated with the level of locum solicitors dealing with a combination of increased demand and job vacancies, which is being addressed by a restructure that is underway, with increased resources included as part of the 2023/24 budget setting process. There is also an ongoing impact of the recovery of benefit overpayments in the Revenues and Benefits Service on the directorate position, although this has improved by £0.063m since the last report.
- 1.5.2.17 Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to review Business as Usual activity as well as challenging and reviewing the current projected risks the authority is facing in a number of key areas:
- Children's Services – need and cost assumptions;
 - High needs/SEND pressures;
 - Adults Social Care – need and cost assumptions;
 - Unachieved savings targets;
 - Commissioning & Asset Management – Impact of schools' service level agreement reductions;
 - Law & Governance Structure – use of locums; and
 - Revenues & Benefits position – review of the level of benefits overpayments and subsequent recovery.
- 1.5.2.18 The aim of this work will be to ensure actions are in place to bring the outturn forecast for normal activities in on balance and it is anticipated the position will continue to improve over the remaining months of the financial year as planned remedial actions begin to impact on both expenditure and income. However, at this stage of the year it is certain that some level of overspend will need to be supported from the Strategic Reserve, significantly reducing the level of un-ringfenced reserves the Authority has available. The recently agreed 2023/24 budget and MTFP included the replenishment of this reserve in the period through to 2026/27.

1.5.2.19 Table: 1 2022/23 General Fund Revenue Forecast Outturn as at 31 January 2023

Services	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Adults Services	56.840	60.632	3.792	5.233	(1.441)
Children's Services	22.453	37.088	14.635	13.477	1.158
Public Health	1.882	1.882	0.000	0.000	0.000
Commissioning & Asset Management	6.943	12.867	5.924	5.801	0.123
Environment	38.698	40.196	1.498	1.554	(0.056)
Regeneration & Economic Development	10.767	10.960	0.193	0.282	(0.089)
Corporate Strategy	1.358	1.882	0.524	0.500	0.024
Chief Executive Office	(0.069)	(0.143)	(0.074)	(0.027)	(0.047)
Resources	3.588	5.244	1.656	1.585	0.071
General Fund Housing	2.154	2.527	0.373	0.350	0.023
Central Items	(1.283)	(14.690)	(13.407)	(13.002)	(0.405)
Support Services	20.181	20.181	0.000	0.000	0.000
Total Authority	163.512	178.626	15.114	15.753	(0.639)

1.5.2.20 Table: 2 2022/23 Adjusted General Fund Revenue Forecast Outturn Position as at 31 January 2023

	Covid Legacy £m	Utility Inflation Pressures £m	Other Inflation Pressures £m	Other Pressures £m	Total £m	Nov £m	Change £m
Adults Services	4.300	0.281	2.324	(3.113)	3.792	5.233	(1.441)
Children's Services	2.361	0.324	1.132	10.818	14.635	13.477	1.158
Public Health	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Commissioning and Asset Management	0.710	0.216	3.310	1.688	5.924	5.801	0.123
Environment	0.386	2.623	0.182	(1.693)	1.498	1.554	(0.056)
Regeneration and Economic Development	0.000	0.013	0.000	0.180	0.193	0.282	(0.089)
Corporate Strategy	0.000	0.000	0.011	0.513	0.524	0.500	0.024
Resources and Chief Executive	0.000	0.000	0.000	1.582	1.582	1.558	0.024
General Fund Housing	0.000	0.000	0.039	0.334	0.373	0.350	0.023
Central Items	0.000	(1.480)	0.000	(11.927)	(13.407)	(13.002)	(0.405)
Grand Total	7.757	1.977	6.998	(1.618)	15.114	15.753	(0.639)
Planned use of Change Reserve	0.000	(0.000)	(1.800)	0.000	(1.800)	(1.800)	0.000
Planned use of Covid-19 Reserve	(1.650)	0.000	0.000	0.000	(1.650)	(1.650)	0.000
Planned use of Insurance Reserve	0.000	(0.000)	(0.150)	0.000	(0.150)	(0.150)	0.000
Planned use of Contingencies	0.000	(1.300)	0.000	0.000	(1.300)	(1.300)	0.000
Planned release of Provision	0.000	(0.677)	(0.051)	(0.000)	(0.728)	(0.728)	(0.000)
Planned use of Covid-19 Grants	(1.400)	0.000	0.000	0.000	(1.400)	(1.500)	0.100
Total	(3.050)	(1.977)	(2.001)	0.000	(7.028)	(7.128)	0.100
Revised Pressure	4.707	0.000	4.997	(1.618)	8.086	8.625	(0.539)

1.5.3 Delivery of Budget Savings Proposals

1.5.3.1 New savings of £4.720m were agreed as part of the Budget approved by full Council in February 2022 taking the total savings the Authority has had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) to £134.268m.

1.5.3.2 The governance structure of the Efficiency Savings Programme includes a monthly review of progress by the Senior Leadership Team (SLT). In addition, in-year budget and performance progress meetings are held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The variations in relation to the savings are outlined in the sections below, with more detail included in the regular reports on this topic to Overview Scrutiny and Policy Development Committee.

1.5.3.3 The new savings of £4.720m are combined with £2.537m of brought forward targets that still required a permanent solution from previous years, meaning the overall target to achieve in 2022/23 is £7.257m. These savings are factored into Tables 1 and 2 above but are shown separately in this section for transparency.

1.5.3.4 **Table 3 – Efficiency Savings Programme 2022/23**

Service	B/F Balances £m	2022/23 Business Cases £m	2022/23 Target £m	Projected Delivery £m	In Year Actions £m	Yet to be achieved £m
Adults	0.000	0.950	0.950	0.950	0.000	0.000
Children's	2.373	0.850	3.223	0.025	0.598	2.600
Environment	0.000	0.520	0.520	0.520	0.000	0.000
C&AM	0.164	0.582	0.746	0.232	0.150	0.364
Resources	0.000	1.563	1.563	1.563	0.000	0.000
Central	0.000	0.255	0.255	0.255	0.000	0.000
TOTAL	2.537	4.720	7.257	3.545	0.748	2.964

1.5.3.5 Adults Services are projecting to achieve the full £0.950m target. Within the Children, Young People and Learning (CYPL) pressure of £14.635m reported earlier, £2.600m relates to the non-achievement of savings targets. In the previous financial year these savings have been significantly impacted by Covid-19 and as such, achievement has been supported by Central Government Covid-19 grants. With these grants not available in 2022/23 and on-going demand-led pressures already impacting the service, current projections are for these CYPL savings to remain unachieved in 2022/23.

1.5.3.6 Within Commissioning & Asset Management, £0.400m of cross-cutting 2022/23 savings are held with £0.100m projected to be achieved and £0.100m of the Procurement saving projected to be achieved to date by in year actions, with work on-going across the Authority to achieve the balance by the year end. The unachieved savings are included in the forecast pressure in Table 1.

1.5.3.7 All savings in the other service areas are forecasted to be achieved.

1.5.4 New Revenue Grants

1.5.4.1 The following revenue grants have been received during December 2022 and January 2023.

1.5.4.2

Table 4 – Revenue Grants Received December and January 2022/23

Service	Grant Provider	Grant	Purpose	2022/23 value £m
Adults	Department for Health & Social Care	ICB Discharge Funding	ICB equivalent of the ASC Discharge Funding to be managed and reported via Better Care Fund arrangements	0.893
Children's	Department for Work and Pensions	Reducing Parental Conflict Local Grant	Reducing Parental Conflict Workforce Development Programme	0.015
Commissioning and Asset Management	European Social Fund (via DWP)	Step to Employment	To support residents aged 29 and over along a journey into employment / self-employment	0.137
Commissioning and Asset Management	European Social Fund (via DWP)	Building Steps for Young People to a Brighter Future	To support residents aged 18-29 and over along a journey into employment / self-employment	0.118
Public Health	Police and Crime Commissioner for Northumbria	Hub and Spoke Funding	To deliver and oversee an effective 1:1 service for high harm, high risk and serial perpetrators of domestic abuse over the funding period	0.014
Public Health	Police and Crime Commissioner for Northumbria	Supporting Victims of ASB Fund	To commission victim services and award grants from the Police and Crime Commissioners funding	0.005
Environment	Trees for Climate	Trees for Cities	Following a successful planting season last year (2021/22) which saw Trees for Cities support a suite of projects across the North East Community Forest (NECF) in its launch year, TfC is delighted to again be supporting the NECF. Through this partnership with NTC, TfC will support 1,200 whips across three sites encompassing both Authority led and community driven projects.	0.003

Service	Grant Provider	Grant	Purpose	2022/23 value £m
Environment	Trees for Climate	North East Community Forest – Seaton Burn Scheme	Following a successful planting season last year (2021/22) which saw Trees for Cities support a suite of projects across the North East Community Forest (NECF) in its launch year, TfC is delighted to again be supporting the NECF. Through this partnership with NTC, TfC will support 1,200 whips across three sites encompassing both Authority led and community driven projects.	0.004
Environment	Trees for Climate	North East Community Forest – Wideopen Scheme	Following a successful planting season last year (2021/22) which saw Trees for Cities support a suite of projects across the North East Community Forest (NECF) in its launch year, TfC is delighted to again be supporting the NECF. Through this partnership with NTC, TfC will support 1,200 whips across three sites encompassing both Authority led and community driven projects.	0.003
Total				1.192

1.5.5 School Funding

- 1.5.5.1 Schools are required to submit their rolling three-year budget plan by 31 May each year and as reported previously the total planned in-year deficit for 2022/23 is £5.533m. Cabinet will be aware that the Authority has been working with schools for a number of years with regard to the long-term strategic issue of surplus secondary places and the associated financial pressures, which continue to be compounded by rising employment costs.
- 1.5.5.2 The first set of monitoring for the 2022/23 year is complete, with schools overall showing a £1.145m improvement against budget plans prior to the impact of pay award on staffing costs. The position with the pay award costs included is a deficit of £7.453m. This represents a decrease in balances of £1.920m.
- 1.5.5.3 Cabinet will recall that the High Needs Block ended 2021/22 with a pressure of £13.511m. The forecast of the Budget position for 2022/23 indicates an anticipated in-year pressure of £4.416m reflecting continued demand for special school places, producing a cumulative deficit balance of £17.927m.
- 1.5.5.4 The Authority submitted a final DSG Management Plan on 3 February 2023 to the Department for Education (DfE). This was to agree a package of reform for the Authority's high needs system that will bring the Dedicated School Grant (DSG) High Needs overspend under control. The Authority was required to demonstrate lasting sustainability, effective for children and young people, which included reaching an in-year balance within five years.

- 1.5.5.5 The Authority engaged with partners across SEND to co-create the DSG Management Plan. On 16 March 2023 the Authority received confirmation that the submission had been successful and an award of £19.5m of additional funding will flow over the next 5 years subject to compliance with specific conditions set out in the Safety Valve Agreement (link included within background papers). This includes the requirement for the High Needs Block to move into an in-year surplus by 2026/27. £7.8m of additional DSG will be received in the current financial year, reducing the cumulative deficit on the High Needs Block, with the remainder paid over the period to 2027/28 if those conditions are met.
- 1.5.6 Housing Revenue Account (HRA)
- 1.5.6.1 The HRA is now forecast to have year-end balances at 31 March 2023 of £3.316m. This reflects an in-year improvement against the budget of £0.248m, with £0.187m relating to a forecast under-spend against the budget which was set at £0.371m, and £0.061m relating to an improvement in brought-forward balances.
- 1.5.6.2 Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of the end of January 2023, 4,086 North Tyneside Homes tenants have moved on to Universal Credit and a team is working proactively with tenants to minimise arrears. This position continues to be closely monitored to identify adverse impacts on the Budget position.
- 1.5.7 Investment Plan
- 1.5.7.1 The approved 2022-2027 Investment Plan totals £332.385m (£92.733m in 2022/23) and is detailed in table 20 of the Annex. The Annex to this report also sets out in Section 4 delivery progress to date, planned delivery for 2022/23, reprogramming and other variations identified through the Investment Programme Governance process.
- 1.5.7.2 An officer led review of the Investment Plan has resulted in proposals for variations of £1.521m and reprogramming of £6.938m in 2022/23, of which more details are set out in Section 4 of the Annex to this report. After total adjustments of £18.963m, the revised Investment Plan stands at £351.348m (£87.316m for 2022/23) and to the end of January 2023 spend of £53.366m had been incurred which represents 61.12% of the revised plan.
- 1.5.7.3 The Investment Plan continues to face significant inflationary pressure and Senior Officers within the Authority have undertaken a review of the expected financial impact on approved schemes with the relevant project managers. The review has confirmed that for the majority of schemes there has been an ability to re-profile planned works to future years given supply issues and rising costs. However, in some cases it is proposed to utilise the Authority's contingency allocation within the Investment Plan in order to maintain delivery plans. The use of the contingency is managed as part of the Investment Programme Board governance arrangements. The corporate risk register includes risks for such inflationary pressures to the investment plan and the position is monitored on an ongoing basis.
- 1.5.8 Performance against Council Plan
- 1.5.8.1 The 2021-2025 Our North Tyneside Plan (Council Plan) sets out the overall vision and policy context within which the Medium-Term Financial Plan and Budget are set. The Council Plan, "Building A Better North Tyneside", has five key themes as set out below;

- A caring North Tyneside;
- A thriving North Tyneside;
- A secure North Tyneside;
- A family-friendly North Tyneside; and,
- A green North Tyneside.

- 1.5.8.2 For each theme there is a set of policy outcomes which the Authority is seeking to deliver; these are detailed in the Council Plan. The Authority has plans in place to deliver all elements of the Plan and performance against delivery is carefully monitored.
- 1.5.8.3 An update report on the progress of delivering the 2021-2025 Our North Tyneside Plan is included on the agenda for this meeting as a separate item.

1.6 Decision Options:

1.6.1 The following decision options are available for consideration by Cabinet:

1.6.2 Option 1

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

1.6.3 Options 2

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

1.7 Reasons for Recommended Option:

- 1.7.1 Option 1 is recommended for the following reasons:
- 1.7.2 Cabinet is recommended to agree the proposals set out in section 1.2 of this report as it is important that Cabinet continues to monitor performance against the Budget, especially given the current level of financial pressures faced by the public sector.

1.8 Appendices:

Annex : Financial Management Report to 31 January 2023
Appendix 1: Investment Plan Summary

1.9 Contact Officers:

Jon Ritchie – Corporate Finance matters – Tel. (0191) 643 5701
Claire Emmerson – Corporate Finance and Schools matters – Tel. (0191) 643 8109
David Dunford – Corporate Finance and General Fund matters – Tel. (0191) 643 7027
Jane Cross – Corporate Finance and General Fund matters
David Mason – Investment Plan matters - Tel. (0191) 643 5747
Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052

1.10 Background Information:

1.10.1 The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

(a) Revenue budget 2022/23

https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/NTC%20Revenue%20Budget%202022_23.pdf

- (b) Investment Plan 2022-27
<https://democracy.northtyneside.gov.uk/documents/s7911/Appendix%20D%20i%20-%202022-2027%20Investment%20plan%20-%20FINAL.pdf> (Agenda reports pack 17th February 2022 - Appendix D(i))
- (c) Reserves and Balances Policy
<https://democracy.northtyneside.gov.uk/documents/s7919/Appendix%20G%20-%202022-23%20Reserves%20and%20Balances%20Policy.pdf> (Agenda reports pack 17th February 2022- Appendix G)
- (d) Overview, Scrutiny and Policy Development Performance Report
<https://democracy.northtyneside.gov.uk/documents/s7921/Appendix%20I%20-%202022-23%20Report%20of%20the%20Overview%20Scrutiny%20and%20Policy%20Development%20Committee%20Jan%202022.pdf> (Agenda reports pack 17th February 2022 – Appendix I)
- (e) North Tyneside Safety Valve Agreement
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1142857/North_Tyneside_Safety_Valve_Agreement_2022-2023.pdf

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and Other Resources

- 2.1.1 As this is a financial report, implications are covered in the body of the report. This report will also be presented to the Authority’s Finance Sub-Committee at its meeting on 28 March 2023.

2.2 Legal

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

2.3 Consultation/Community Engagement

2.3.1 Internal Consultation

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

2.3.2 External Consultation / Engagement

The 2022/23 budget was completed after widespread consultation and community engagement in line with the Authority’s approved Budget Engagement Strategy.

2.4 Human Rights

- 2.4.1 The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and Diversity

2.5.1 There are no direct equalities and diversity implications arising from this report.

2.6 Risk Management

2.6.1 Potential future financial pressures against the Authority are covered in this report and registered through the Authority's risk management process.

2.7 Crime and Disorder

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

2.8 Environment and Sustainability

2.8.1 There are no direct environmental and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Chief Executive

- Director of Service

- Mayor/Cabinet Member(s)

- Chief Finance Officer

- Monitoring Officer

- Assistant Chief Executive

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2022/23 Financial Management Report Annex

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SECTION 1 – SERVICE COMMENTARIES

1.1 Meetings have been held between finance officers and budget managers to review the forecast position for 2022/23, with the forecast being prepared on a prudent basis to give sight of the overall challenges at this stage in the financial year. In addition, challenge sessions are planned to review the quarterly financial position and service performance with the Elected Mayor, the Deputy Mayor, the Cabinet Member for Finance and Resources, and other relevant Cabinet Members. Service Directors and their senior teams also attend these challenge sessions to discuss plans in progress to mitigate any pressures.

1.2 Adults Services

1.2.1 Adults Services is showing a forecast variance of £3.792m against its £56.840m net controllable expenditure budget.

1.2.2 Table 1: Forecast Variation for Adults Services as at 31 January 2023

	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Central, Strategy and Transformation	1.214	1.078	(0.136)	(0.064)	(0.072)
Social Work and Associated Activity	7.833	7.438	(0.395)	(0.141)	(0.254)
Integrated Services	3.390	1.949	(1.441)	(1.346)	(0.095)
Business Assurance	0.322	0.342	0.020	0.015	0.005
Sub-total Operations	12.759	10.807	(1.952)	(1.536)	(0.416)
Commissioned Services – Wellbeing and Assessment	12.270	15.189	2.919	3.621	(0.702)
Commissioned Services – Learning Disability	26.864	28.238	1.374	1.492	(0.118)
Commissioned Services – Mental Health	3.607	5.586	1.979	2.210	(0.231)
Commissioned Services - Other	1.340	0.812	(0.528)	(0.554)	0.026
Sub-total – Commissioned Services	44.081	49.825	5.744	6.769	(1.025)
Total Adult Services	56.840	60.632	3.792	5.233	(1.441)

Main budget pressures across Adults Services

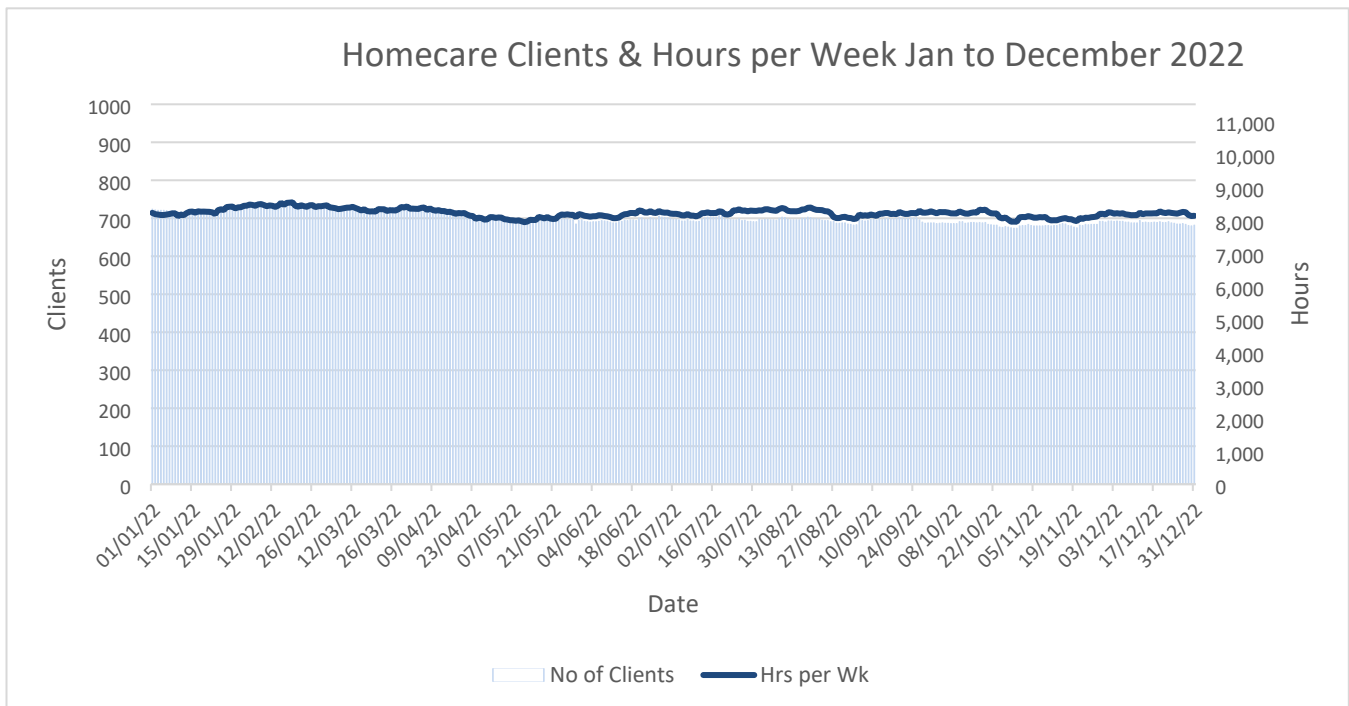
1.2.3 Adults Services continues to have residual impact from the aftereffects of the Covid-19 pandemic and has put in place a range of responses to support existing clients and other residents directly affected. Support includes new packages required to be put in

place on discharge from hospital as well as those to prevent hospital admission. Work is also ongoing to support social care providers to maintain their vital services.

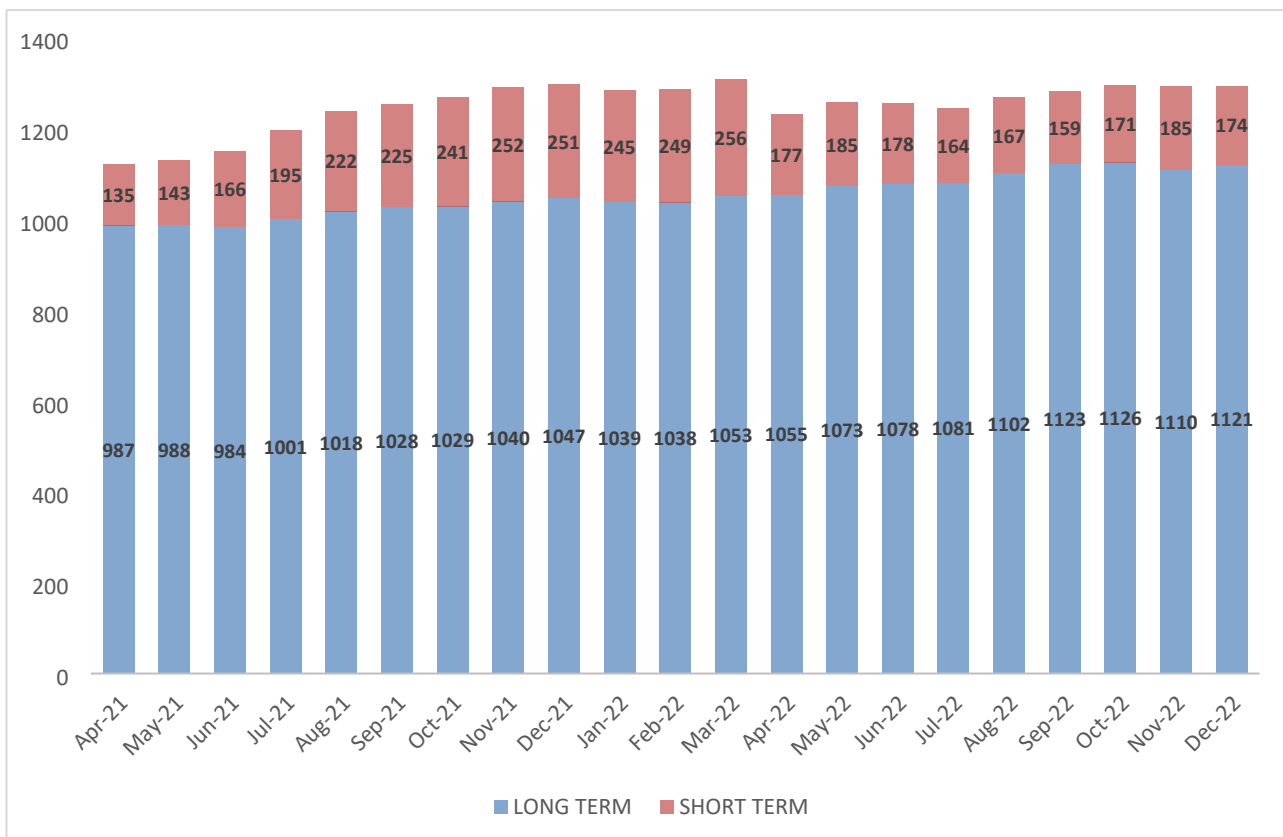
- 1.2.4 Adults Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but also from the cost-of-living increases currently being experienced across the country. The 2022/23 fee uplift included an additional in-year temporary uplift agreed with providers of £0.280m (additional 1.2%). Dialogue around the 2023/24 pressures and fee uplift continues and is linked to the national debate around Charging Reform and Fair Cost of Care, which has been delayed once more.
- 1.2.5 The analysis of sub service areas is reported to show the split between the operational aspects of the service and the externally commissioned care costs.
- 1.2.6 The operational costs of the service are forecasting an underspend of £1.952m. This position represents an improvement of £0.416m from the previously reported position and continues to reflect a large number of vacant posts because of the ongoing difficulty in recruitment and retention of staff. The in-house home care service has been utilised in response to winter and hospital discharge pressures. This has been supported by additional Adult Social Care Discharge funding distributed via the Integrated Care Board (ICB).
- 1.2.7 There has also been a further review in light of increasing wider pressures to reduce agency forecasting and non-pay related staffing costs.
- 1.2.8 Commissioned Services are reporting a pressure of £5.744m, a decrease of (£1.025m) on the previous reported pressure. This pressure still reflects the ongoing legacy of Covid as well as significant levels of inflationary pressures being experienced by external providers. There has however, as mentioned in paragraph 1.2.6, been additional Adult Social Care Discharge Funding received to help offset some of measures implemented earlier in the autumn around winter pressures and hospital discharge.
- 1.2.9 There has also been an increase in the amount of funding received from the ICB for S117 mental health after care services. However, there continues to be pressure around funding from the NHS for clients with shared care and to support mental health infrastructure originally established in relation to clients resettled from long stay NHS hospitals; the Authority works closely with the ICB to ensure funding contributions for clients with these health needs continue on an equitable basis.
- 1.2.10 Whilst the pressure within Adult Services continues, there has been on-going work around maximising resources and reducing costs. 2022/23 savings targets were achieved with additional Extra Care placements being utilised and reablement flats helping with the transition from hospital, allowing more clients to receive community-based care. These initiatives have worked extremely well across the winter to help maintain hospital flow and prevent delayed discharges and have helped reduced reliance on short term residential care placements whilst partially mitigating capacity issues within the home care market. However, reliance on residential care to meet the needs of a higher number of clients with increasingly complexity, particularly within our older residents, continues to contribute to the pressures seen within Wellbeing and

Assessment and Mental Health. The trends within demand for services can be seen in the two charts below.

1.2.11 Chart 1: Number of Clients and Total Hours purchased for Homecare



1.2.12 Chart 2: Overall Numbers of Clients in Residential and Nursing Care



1.3 Children's Services

1.3.1 Children's Services is showing a forecast variance of £14.635m against its £22.453m net controllable expenditure budget. This forecast position excludes the application of contingency budgets £3.116m, set aside in Central Items for pressures in Children's Services. The Children's Services budget has increased by £1.090m since the November position to reflect the 2022/23 pay award increase.

1.3.2 Within Children's Services there is a continuing high level of activity resulting from a combination of Covid related and household finance pressures impacting on family stability. Work is on-going as part of the 2023/24 budget allocations to address this key area of financial pressure, allocating the additional social care resources identified in the Local Government Finance Settlement on 19 December 2022 and incorporated into the budget set on 16 February 2023.

1.3.3 Table 2: Forecast Variation for Children's Services as at 31 January 2023

	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Corporate Parenting & Placements	16.612	28.955	12.343	10.970	1.373
RHELAC Service	0.013	0.013	0.000	0.000	0.000
Child Protection, Independent Assurance and Review	0.620	0.619	(0.001)	0.002	(0.003)
Early Help & Vulnerable Families	1.830	1.624	(0.206)	(0.098)	(0.108)
Employment & Skills	0.655	0.644	(0.011)	(0.046)	0.035
Integrated Disability & Additional Needs Service	2.413	4.990	2.577	2.581	(0.004)
School Improvement	0.478	0.411	(0.067)	0.068	(0.135)
Regional Adoption Agency	(0.168)	(0.168)	0.000	0.000	0.000
Total Children's Services	22.453	37.088	14.635	13.477	1.158
Contingency Budget	3.116	0.000	(3.116)	(3.116)	0.000
Total Children's Services after contingency budget applied	25.569	37.088	11.519	10.331	1.158

Main budget pressures across Children's Services

- 1.3.4 Children's Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. The £14.635m forecast pressure relates mainly to pressures meeting increasing need of £12.343m in Corporate Parenting and Placements and £2.577m in Integrated Disability and Additional Needs.
- 1.3.5 Some of the pressures were foreseen by Cabinet and backed by £3.116m of centrally held contingencies which, when transferred into Children's Services, will reduce the forecast pressure to £11.519m. The ongoing impact of rising need impacted by Covid, and the cost-of-living crisis has led to additional challenges in delivering savings targets and there are £2.600m of savings targets yet to be delivered.
- 1.3.6 The main factor behind the overall forecast position is the significant pressure within Corporate Parenting and Placements in relation to care provision for children in care and care leavers. There is also a pressure relating to services for children with additional needs. In addition to care provision pressures, there are also on-going pressures in the workforce arising from staff retention and recruitment costs and a pressure resulting from savings targets not yet achieved.
- 1.3.7 The increased pressure of £1.158m since the November position is a result of new and extended external residential care placements. There is an increased pressure being experienced in the external residential care market which is seeing unprecedented weekly costs for externally commissioned care packages.
- 1.3.8 Table 3 below shows the CYPL position split between operational and commissioning pressures. This further illustrates the pressure the service is facing is within the increased need for externally commissioned services, reflecting the services on-going work to bring more capacity to in-house provision.
- 1.3.9 Table 3: Forecast Variation for Children's Services Split between Operational & Commissioned Care Costs**

	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Externally Commissioned Services	3.480	11.087	7.607	5.679	1.928
In-house Service Provision	9.854	13.145	3.291	4.022	(0.731)
Staffing & Operations	9.287	13.024	3.737	3.776	(0.039)
Regional Adoption Agency	(0.168)	(0.168)	0.000	0.000	0.000
Total Children's Services	22.453	37.088	14.635	13.477	1.158

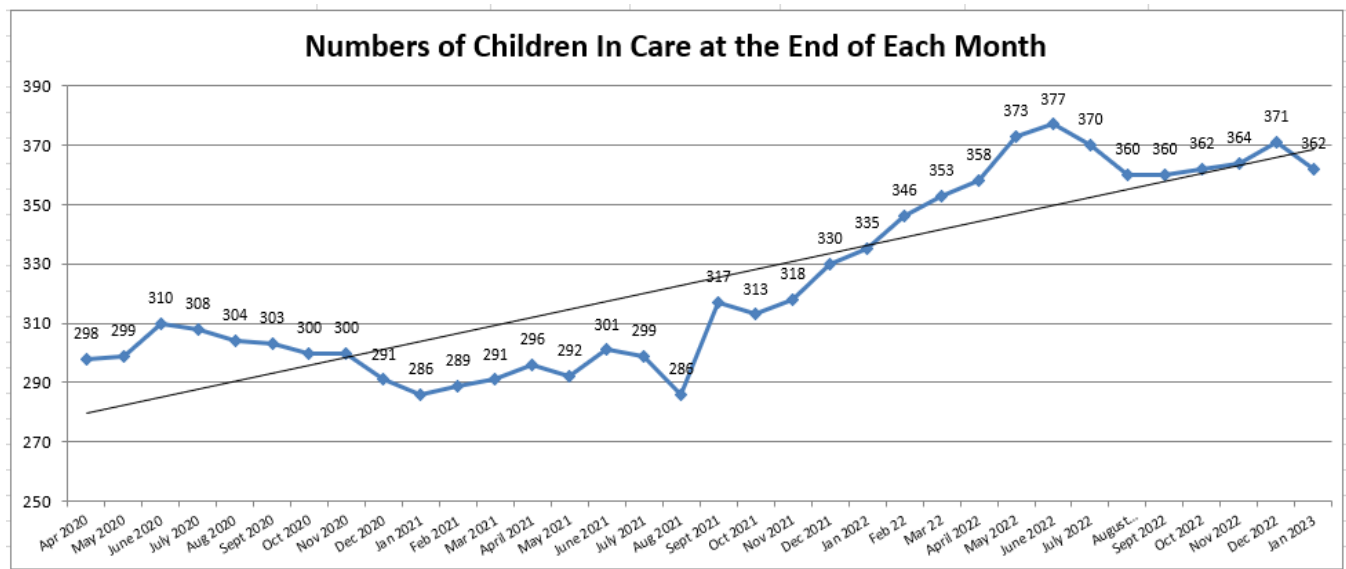
1.3.10 The current Children’s Services system was resourced to meet the statutory needs of approximately 1,400 children. However, the service has recently been dealing with more than 1,700 children who reach the threshold for support. Referrals had increased by 25% compared to pre-Pandemic levels. This level of activity is leading to a requirement for additional staff and contributes to significant pressure on budgets providing care for the children in most need.

1.3.11 The Authority is starting to see a slight reduction in the numbers of children being supported, however the intensity and complexity of packages required to support children is increasing, as well as the increased inflationary and market pressures from the external residential care market.

1.3.12 In January 2023, the children in care numbers have reduced to 362, from a peak of 377, although the Authority expects this to further reduce to below 350 once cases are closed off from the system. Numbers are still significantly above the levels seen in previous financial years and the increase in need is largely due to the impact of additional stress on family relationships. The continued aftereffects of Covid-19 has led to increases in parental mental health issues and domestic abuse, which is exacerbated when combined with financial stressors caused by the cost-of-living crisis.

1.3.13 Current numbers include 28 unaccompanied asylum-seeking children (UASC), an increase of 3 since the November position, which the Authority is mandated to take. The net cost to the Authority for the placements and allowances, after applying the UASC grant funding, is forecast to be a pressure of £0.268m.

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



Corporate Parenting and Placements

1.3.15 Table 4: Analysis of Pressures in Corporate Parenting and Placements

Type of Service	Budget £m	Forecast Jan £m	Variance Jan £m	Variance Nov £m	Change since Nov £m
Care provision – children in care	9.222	17.598	8.376	7.155	1.221
Care provision – other children	4.027	4.712	0.685	0.701	(0.016)
Management & Legal Fees	(1.434)	0.348	1.782	1.780	0.002
Social Work	4.748	6.243	1.495	1.330	0.165
Safeguarding Operations	0.049	0.054	0.005	0.004	0.001
Total	16.612	28.955	12.343	10.970	1.373

1.3.16 The forecast is based on the children in care at the end of January 2023. As set out in paragraph 1.3.11, the number of children in care was higher than the average of 315 during 2021/22 resulting in the forecast for the total number of care nights also being higher for 2022/23 at 113,103 nights compared to the total number of care nights delivered in 2021/22 which was 108,745.

1.3.17 Table 5: Forecast cost, forecast variance, average placement cost and placement mix

Placement Type	2022/23 Jan Variance £m	Average Annual Placement cost £m	2022/23 Forecast Bed Nights	2021/22 Outturn Bed Nights	Place- ment Mix	No. of children Jan 22	No. of children Nov 22
External Residential Care	3.589	0.265	10,421	8,163	10.5%	38	37
External Fostering	0.394	0.042	10,264	12,068	6.6%	24	28
In-House Fostering Service	1.062	0.027	79,248	68,812	55.0%	199	208
External Supported Accommodation	1.698	0.107	9,709	6,170	10.0%	36	33
In-House Residential Care	1.633	0.206	4,202	**	4.1%	15	14
Other*	0.000	-	-	13,532	13.8%	50	44
Total	8.376		113,844	108,745	100%	362	364

*Other includes Placed for Adoption, Placed with Parents/Parental Responsibility.

** The table has been updated to split out In-House residential Care – therefore no previous years comparison is available.

1.3.18 The number of Children in Care can be volatile and costs for individual children can be very high. There is a potential risk that the forecast could increase if numbers of care nights delivered on complex cases starts to rise above current levels. There is a

concern that there may be future spikes in numbers of children in care as the after-effects of the Covid-19 restrictions and the cost-of-living crisis impact on families.

Care Provision – Children in Care

- 1.3.19 There continues to be an increasing trend nationally in need for children’s residential placements but with no corresponding increase in government-funded provision. The trend in North Tyneside is that the overall number of children in care has mirrored the increases being felt nationally. Unit costs for external residential care have also increased significantly. Children’s Services have developed a small number of in-house services for children with very complex needs as a way of mitigating against high costs for external provision.
- 1.3.20 A block arrangement of 4 residential placements was commissioned by the Authority from 1 August 2022 and, as of December 2022, the maximum of 4 children have been successfully placed. This has resulted in cost avoidance compared to other external residential placements with a full year effect cost avoidance of up to £0.300m.
- 1.3.21 Cabinet will recall the review and refresh of the Fostering Strategy, which was approved in November, this allowed allowances to follow national uplifts and keep the Authority competitive in the local market. An increased pressure of £0.124m within in-house fostering reflects the increase to allowances however the longer-term aim is to increase the number of foster carers to allow less reliance on other types of care provision.

Care Provision – Children not in care

- 1.3.22 The pressure of £0.685m relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority’s policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. SGO’s are also impacted by the agreed increases to foster care allowances.

Management and Legal Fees

- 1.3.23 This area has a forecast pressure of £1.782m. The pressure within this area is due to savings targets of £1.468m which are yet to be achieved; the increase seen in January is due to increased legal fees. The service is continuing to work on the delivery of planned savings targets and continues to review all budget areas for any other mitigating savings.
- 1.3.24 A managed team of social workers, which was introduced in response to the high numbers of children being supported within the borough, has been extended until just after the end of the financial year. This has resulted in an additional pressure of £0.153m.

Social Work

- 1.3.25 Within the overall pressure of £12.343m for Corporate Parenting and Placements, there are social work-related pressures of £1.495m. There is an additional team in place of six posts costing circa £0.265m and the '14 Plus Team' adds a further £0.243m to the pressure. The Social Worker regrading exercise contributes £0.191m to the position. Cabinet is aware of the challenges faced across the children's social care sector nationally. There are also a number of vacant posts which are currently being offset by agency staff.

Other Service Areas

- 1.3.26 Integrated Disability & Additional Needs Service (IDANS) is forecasting a pressure of £2.577m, net of an over achievement of £0.370m Children's Health Income. Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs). Within North Tyneside, the number of children with an EHCP has risen from 1,102 in January 2018 to 2,133 in January 2023.
- 1.3.27 Within this service area, the main pressures relate to operational staffing costs within in-house residential services and in Educational Psychology relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs.
- 1.3.28 The IDANS service is continuing to carefully review planned provision to identify any areas of spend which can be reduced without adverse impacts on the children and families receiving support.
- 1.3.29 The School Improvement Service is no longer forecasting a pressure, despite energy inflation. There has been an increase in SLA income and a reduction in staffing costs which have both contributed to the improved position.

1.4 Public Health

- 1.4.1 Public Health is forecasted to outturn on budget, which is the same as the last Cabinet report in November.

1.4.2 Table 6: Public Health Forecast Variation

	Budget	Forecast	Variance	Variance	Change
	£m	Jan	Jan	Nov	since
	£m	£m	£m	£m	Nov
					£m
Public Health Ring Fenced Grant	(0.032)	(0.032)	0.000	0.000	0.000
0-19 Children's Public Health Service*	0.273	0.273	0.000	0.000	0.000
Community Safety	0.446	0.446	0.000	0.000	0.000
Public Protection	1.194	1.194	0.000	0.000	0.000
GRAND TOTAL	1.882	1.882	0.000	0.000	0.000

* the 0-19 Children's Public Health Service forms part of the Public Health Ring Fenced Grant

1.4.3 The return of the Public Protection service to the Authority's management, will have no impact and for 2022/23 will be balanced, using central funding, set aside, if required. This includes any pressures in Taxi Licensing, market supplement payments and any other miscellaneous costs incurred as a result of bringing the service back into Authority management from the Technical Partnership.

1.4.4 0-19 Children's Public Health Services and are funded by the Public Health Ring-Fenced Grant and any balances are carried forward and have no impact on the General Fund.

1.5 Commissioning and Asset Management

1.5.1 Commissioning and Asset Management (C&AM) is showing a pressure of £5.924m as set out in Table 7, an increase of £0.123m since the November Cabinet report.

1.5.2 C&AM has also been heavily impacted by the Covid-19 Pandemic, particularly in relation to supporting schools and in relation to lost income with details shown in Section 2.

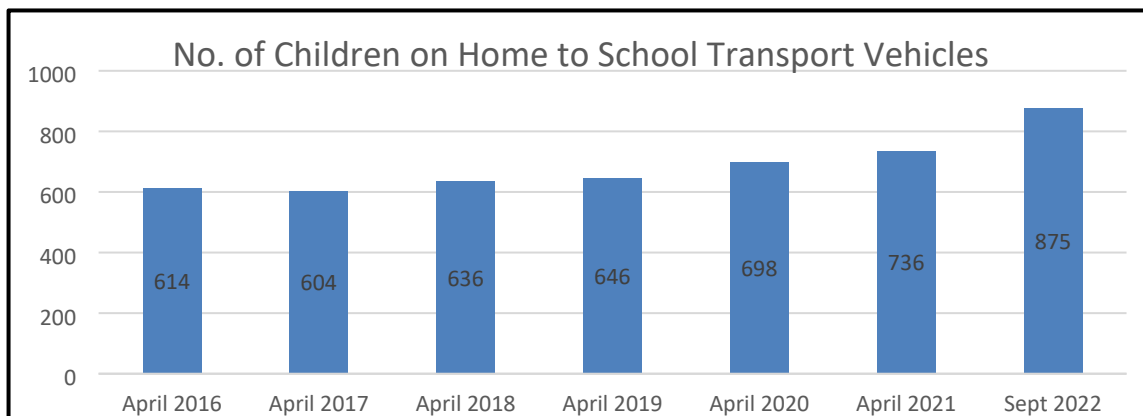
1.5.3 Table 7: Commissioning and Asset Management (C&AM) Forecast Variation

	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
School Funding & Statutory Staff Costs	5.561	5.420	(0.141)	(0.109)	(0.032)
Commissioning Service	0.493	0.477	(0.016)	0.032	(0.048)
Facilities & Fair Access	0.921	6.584	5.663	5.144	0.519
Strategic Property & Investment	0.861	1.150	0.289	0.545	(0.256)
Property	(0.979)	(0.979)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.169	0.172	0.003	0.004	(0.001)
Procurement	(0.083)	0.043	0.126	0.185	(0.059)
GRAND TOTAL	6.943	12.867	5.924	5.801	0.123

- 1.5.4 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing a forecast pressure of £5.633m (November forecast pressure of £5.144m). The Home to School Transport position is showing a pressure of £2.220m which relates to the sustained increase in children with complex needs attending special schools of £0.792m and inflationary pressures of £1.428m. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant. As a result of the increase in need for home to school transport for children with additional needs, the number of children in vehicles has risen from 614 in April 2016 to 875 in September 2022 as shown in the performance data and 56.14% of the reported pressure relates to Special Schools. Work is continuing on route rationalisation using the new QRoute system as well as looking at new options about transport delivery.
- 1.5.5 There is a pressure on the catering service of £3.366m due to paid school meals and other catering income not forecast to return to pre Covid levels, £0.609m and inflationary pressures of £1.821m. There are pressures on wages of £0.453m from the cumulative effect of additional hours worked and no pay rise being allocated in the budget for additional hours required to cover sickness, maternity leave and deep cleaning days. Current and previous years paid school meals and SLA income target savings will not now be achievable due to the number of schools that have left the SLA adding £0.164m to the pressure. The service is currently reviewing all costs associated with SLA provision to mitigate the loss of income. The management & central establishment element of the catering SLA cannot now be recovered from the schools that have left the SLA adding a further £0.319m to the position.
- 1.5.6 Cleaning has a pressure of £0.143m which results from inflationary pressures of £0.077m, sickness/maternity cover of £0.054m and other non-staffing costs of £0.012m. There are also salary savings and additional income on the Access Service of (£0.066m).

- 1.5.7 There is a pressure on Strategic Property and Investment of £0.289m which relates primarily to energy charges; £0.200m, of which £0.164m relates to the Killingworth site. The service has, and continues to, undertake several initiatives to minimise energy consumption and costs at the Killingworth site by the decommissioning of Block C and solar panel installations. There are pressures on the Procurement service of £0.126m due to a cross-cutting savings target of £0.200m and other operational pressures £0.026m, which is partially offset by additional income of £0.100m from a one off KPI failure in the Technical Partnership.
- 1.5.8 There are pressures on car parking income of £0.101m in relation to charges at Quadrant being removed and a corporate sustainability savings target of £0.100m. These are partially offset by other operational savings of £0.112m.
- 1.5.9 The main movements from November 2022 are an increase in the Home to School Transport forecast, £0.145m, due to an increase in the number of routes and other costs for academic year 2022/23 for children with complex needs, £0.076m, and the effects of inflation of £0.069m on those routes. There is also an increase in the catering forecast pressure, £0.374m, due to inflation through supplier price rises since October 2022 of £0.351m and increase in wages forecasts due to additional hours for deep cleaning and sickness cover and no pay rise allocated to the budget for additional hours, £0.137m. This increase is being reported in January following a further officer led review of inflationary pressures following receipt of quarter 3 information. This is partially offset by an increase in forecast income (£0.114m). There is a reduction in the Strategic Property & Investment forecast (£0.256m) due to an increase in Killingworth site running costs forecast, £0.012m, which is offset by a reduction in forecast energy costs due to more actual cost information being available and revised information from NEPO (£0.268m). There is also an increase in contract penalty income allocated to procurement income of (£0.050m).

1.5.10 Chart 4: Increase in Numbers of Children Accessing Home to School Transport



1.6 Environment

- 1.6.1 Environment is forecasting a pressure of £1.498m against the £38.698m budget, as set out in Table 8 below, a decrease of £0.056m since the November report.
- 1.6.2 The main cause of the pressure is increased energy costs, though Sports & Leisure income is still to recover back to pre-pandemic levels.

1.6.3 Table 8: Forecast Variation in Environment

Service Areas	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Fleet Management	0.998	0.958	(0.040)	(0.050)	0.010
Head of Service Environment & Leisure	0.148	0.110	(0.038)	(0.036)	(0.002)
Local Environmental Services	8.384	8.942	0.558	0.431	0.127
Sport, Leisure & Community	9.189	10.905	1.716	1.915	(0.199)
Street Lighting PFI	5.123	5.123	0.000	0.000	0.000
Waste Management	14.856	14.158	(0.698)	(0.706)	0.008
GRAND TOTAL	38.698	40.196	1.498	1.554	(0.056)

Local Environmental Services

- 1.6.4 Environmental Services (inclusive of Street Environment, Bereavement Services and Security) is predicting a net forecast pressure of £0.558m. Several variables have contributed to this pressure which include inflated energy and business rate costs, shortfalls in income and operational cost pressures.
- 1.6.5 Of this £0.558m pressure, £0.124m is attributed to energy and business rate costs which are predominantly reflected across Bereavement Services.
- 1.6.6 £0.081m of the pressure is attributed to legacy income shortfalls following the pandemic across the service. A further £0.116m is due to shortfalls in income within Security Services which has lost several contracts (including Nexus). An underachievement of income is forecast from other service areas such as cafes in Parks. In addition, Bereavement Services is forecast to overachieve against its income target, but the level of overachievement is now anticipated to be lower than previously expected due to Whitley Bay Crematorium being closed until July 2022, following an essential upgrade and refurbishment of the crematorium building.
- 1.6.7 £0.237m is due to operational cost pressures which includes inflated prices of fuel, materials, and other resource costs.
- 1.6.8 The variance change, totalling £0.127m from the previously reported position, can be attributed to lower income generation forecasts and increased resource, operational and premises costs across Environmental Services.

Waste Management including Recycling and Disposal

- 1.6.9 The combined underspend is forecast to reduce slightly to (£0.698m), which reflects the following:
- Across Waste and Recycling Disposal Contracts, there are significant expenditure underspends (savings of £0.546m) linked to Kerbside/Home Recycling Disposal costs, reflecting the current market rate for recycled materials and subsequent lower disposal gate fee per tonne. Staffing vacancy underspends (now filled) also contribute to this figure.

- Within Waste & Refuse Management, an improving overachievement on income across Commercial Waste & Special Collections contributes to the forecast of (£0.152m).

Sport, Leisure & Community

- 1.6.10 Sport & Leisure is now forecasting a cost pressure of £1.455m. Included within the variance is a legacy pressure of around £0.250m (an improvement from £0.400m) against the £5.257m income target for sports and leisure centres. This reflects that service income is still recovering to pre-pandemic levels. The balance of this pressure is primarily made up of utility cost pressures.
- 1.6.11 Libraries & Community Centres are forecasting a £0.261m pressure, mainly linked to premises costs. In addition, there are also income pressures across the service.
- 1.6.12 A combined improved variance change of £0.199m is now forecast across this service area, reflecting the improved forecast for income generation in Sports & Leisure (Non Contours). Additionally, a reduction in employee costs is forecast due to the extended use of casual staff covering vacant posts/staff turnover within Libraries & Community Centres.

Street-Lighting PFI

- 1.6.13 The Street-Lighting PFI is expected to have energy inflation pressures of £1.329m. It is assumed, as in previous years, that the impact of energy pressures for this PFI would be taken to the PFI reserve. Officers are continuing to review the position across all PFI contracts and further updates will be included in future financial management reports.

1.7 Regeneration and Economic Development

- 1.7.1 Regeneration and Economic Development (R&ED) has expanded with service areas previously managed under Environment, Housing & Leisure. R&ED is forecasting a pressure of £0.193m, as shown in Table 9 below, which is an improvement of (£0.089m) since the November Cabinet report.

1.7.2 Table 9: Forecast Variation for Regeneration and Economic Development

Service Areas	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Culture	1.588	1.651	0.063	0.156	(0.093)
Business & Enterprise	0.779	0.729	(0.050)	(0.024)	(0.026)
Regeneration	0.430	0.705	0.275	0.243	0.032
Resources & Performance	0.217	0.217	0.000	0.001	(0.001)
Technical Package - Planning	0.296	0.257	(0.039)	(0.039)	0.000
Technical Package - Transport & Highways	7.457	7.401	(0.056)	(0.055)	(0.001)
GRAND TOTAL	10.767	10.960	0.193	0.282	(0.089)

- 1.7.3 Culture is forecasting a pressure of £0.063m which is an improvement of £0.093m since the November Cabinet report. The improvement reflects an improvement in the position around Whitley Bay Playhouse, following confirmation of the Year End Accounts from AMS Global. The remaining pressure is mainly due to events in the Borough (Queens Baton Relay, Platinum Jubilee Activities, National Festival of Archaeology £0.040m). Culture service staffing costs and reduced forecast income across the service makes up the remaining pressure of £0.023m.
- 1.7.4 Transport and Highways is forecasting an underspend of £0.056m which is as a result of client team recharges for work on Section 38 and 278 schemes.
- 1.7.5 The forecast pressure with Regeneration is mainly due to an ongoing issue at the former Swans site in relation to costs and income shortfalls relating to the Centre for Innovation (CFI) building which are expected to continue in 2023/24. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants.

1.8 Corporate Strategy

- 1.8.1 Corporate Strategy is forecasting a £0.524m pressure, an increase of £0.024m since the November Cabinet report. The variance reflects a forecast underachievement in a cross-service income target of £0.157m within Corporate Strategy Management, as well as higher forecast employee resource costs as workload and service demand activities are leading to a requirement for additional staffing capacity within Children's Participation and Advocacy.

1.8.2 Table 10: Forecast Variation Corporate Strategy

Service Areas	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Children's Participation & Advocacy	0.369	0.516	0.147	0.159	(0.012)
Community & Voluntary Sector Liaison	0.369	0.369	0.000	0.000	0.000
Corporate Strategy Management	0.059	0.284	0.225	0.203	0.022
Elected Mayor & Executive Support	0.029	0.039	0.010	0.015	(0.005)
Marketing	0.326	0.384	0.058	0.068	(0.010)
Policy Performance and Research	0.206	0.290	0.084	0.055	0.029
GRAND TOTAL	1.358	1.882	0.524	0.500	0.024

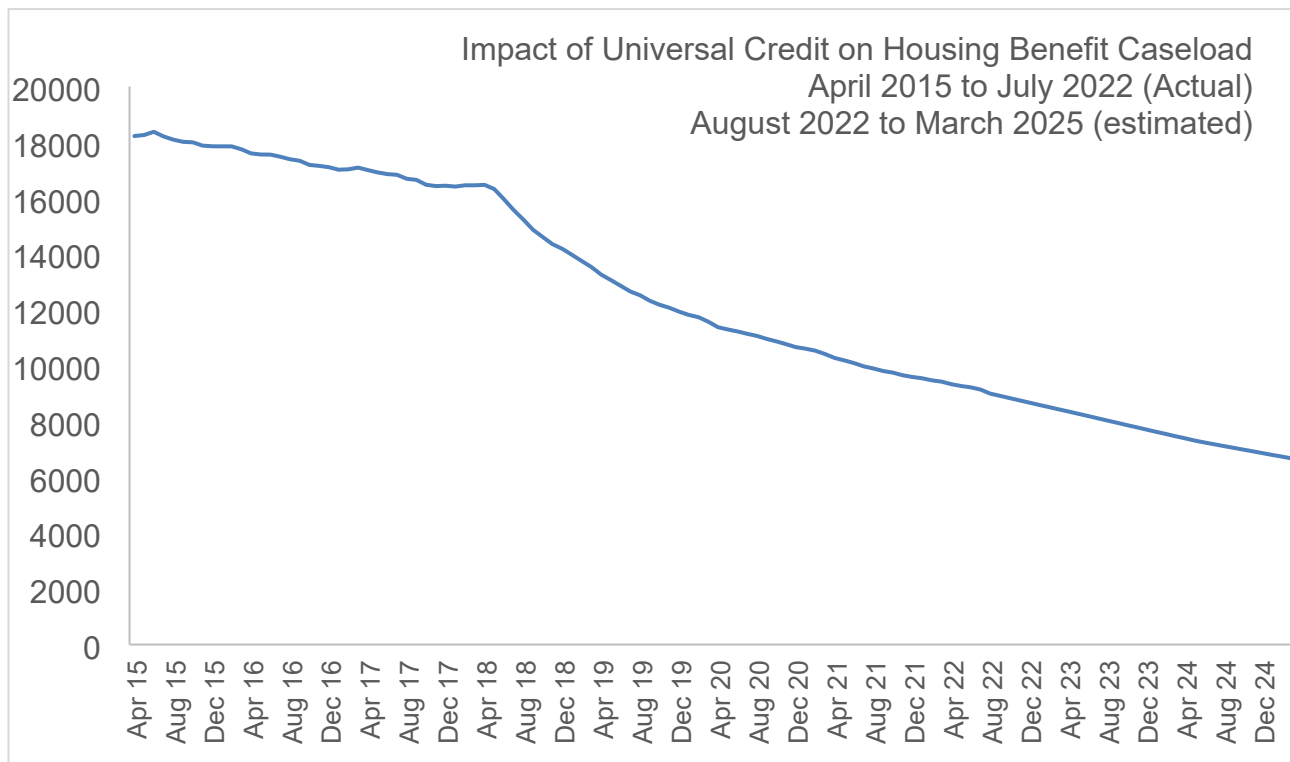
1.9 Resources and Chief Executive Office

1.9.1 This report shows the forecast position for the full Resources directorate and the Chief Executive Office, which is showing a pressure of £1.582m, which is an increase of £0.024m since the last Cabinet report in November.

1.9.2 **Table 11: Forecast Variation Resources and Chief Executive**

Service Areas	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Chief Executive	(0.069)	(0.143)	(0.074)	(0.027)	(0.047)
Finance	(0.684)	(0.906)	(0.222)	(0.161)	(0.061)
ICT	2.572	2.572	0.000	0.001	(0.001)
HR & Organisational Development	0.355	0.373	0.018	0.042	(0.024)
Internal Audit and Risk Management	0.050	0.047	(0.003)	0.007	(0.010)
Revenues and Benefits	0.633	1.143	0.510	0.617	(0.107)
Director of Resources	0.166	0.177	0.011	0.000	0.011
Customer, Governance and Registration	(0.054)	(0.032)	0.022	0.035	(0.013)
Democratic and Electoral Services	0.022	0.118	0.096	0.101	(0.005)
Information Governance	0.036	(0.070)	(0.106)	(0.227)	0.121
Legal Services	0.198	1.120	0.922	0.893	0.029
North Tyneside Coroner	0.294	0.702	0.408	0.277	0.131
GRAND TOTAL	3.519	5.101	1.582	1.558	0.024

1.9.3 **Chart 5: Impact of Universal Credit on Housing Benefit Claims**



1.9.4 Benefits processing has seen a reduction of 50% in caseloads since universal credit (UC) was introduced. By 2024/25 this is expected to drop to a third of original cases. This has a large impact on subsidy grants from the department for Work and Pensions (DWP) in four key areas:

- Benefits subsidy grants for claims paid out has dropped in line with the value of the claims. This has nil impact on the Authority’s finances.
- The number and value of overpayment income recovery cases has dropped with caseload, reducing both the grant on eligible overpayment and the amount of overpayments that can be recovered via enforcement activities. This drop in income recovery has a detrimental impact on the forecast position.
- Contrary to this, the drop in overpayment cases reduces the Authority’s bad debt liability in relation to housing benefits overpayments. However, any reviews of overpayments requested by the DWP now have a larger proportional impact on the value of bad debts.
- There is a knock-on impact connected to enforcement of bad debt collection. Whilst bad debt enforcement targets have remained static, the drop in caseload and relaxed recovery on specific case types to chase bad debt reduce the ability to hit these targets.

1.9.5 The impact on the current forecast position is expected to manifest as follows:

- Enforcement income is currently forecast to be below target by around £0.500m, based on the outturn and known position at January. This reflects reduced court caseloads whilst the Authority supported vulnerable residents in difficult times by not adding to debt in the borough. The service will continue to work with our partners to review the impact of the service returning to normal protocols.
- Overpayment income recovery is expecting a pressure of £0.378m (down from £0.477m at the last Cabinet report) against targets due the reduction in Housing Benefit claimants caused by the move to Universal Credit (UC). The service is

continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues.

- The overpayment income pressure is partially offset (£0.324m, which is an improvement on the reported £0.261m at the last Cabinet report) by an in-year reduction in the Bad Debt Provision requirement, due to the reduction of overpayment income debt.
- The Benefits subsidy grant is expected to show a net saving of (£0.016m), which is a slight improvement of the position (£0.027m) since the last report. However, the good performance overall for subsidy is masking a situation regarding lost subsidy for Housing Benefit on Bed and Breakfast accommodation for Homeless Persons. This area is forecast to have a pressure of £0.118m for the year due to increased demand and also due to the increased cost of Bed and Breakfast accommodation, which is above the limit subsidy can be claimed on and so therefore the Local Authority has to fund the balance. Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.

1.9.6 Finance is showing an underspend of £0.222m compared to £0.161m at the last report. This is due to the allocation of new burdens funding relating to the administration of Covid 19 business grants.

1.9.7 HR & Organisation Development, Director of Resources and Internal Audit are forecast to have slight overspends of £0.026m as a result of pressures on staffing, which are partially offset by a combination of general operational underspends and staffing savings with the Chief Executive's office of £0.074m (an increase of £0.047m since the last cabinet report) due to reduced spend on corporate budgets.

Law and Governance

1.9.8 Within the former Law & Governance service the main budget issues relate to Legal Services, with the variance reflecting forecasted cost pressures in Legal Services of £0.922m relating to the employment of Locums/staff costs in response to staffing pressures and reduced income for legal fees. This has slightly worsened (£0.029m) since the last cabinet report due to a member of staff leaving the Authority and being replaced by a locum. The Legal Service has had difficulty in attracting and retaining permanent staff to meet existing vacancies and additional pressures relating to increased demand for their services from other departments, which senior management in the service are actively looking at resolving, with a restructure process starting in early March.

1.9.9 Democratic and Electoral Services are forecasting a pressure of £0.097m, a slight decrease of £0.004m since the last Cabinet. This includes a forecast cost of £0.045m relating to the decision taken at Full Council on Thursday 24 November 2022 to write to all households in the Borough regarding the new voter ID arrangements.

1.9.10 In addition, there is an expected £0.408m pressure to deliver North Tyneside Coroner Services, an increase of £0.131m, due to increased forecast costs from all areas of the service (NHS, Partner Local Authority, Funeral Directors, Doctors) arising from increased activity levels which are outside of the control of the Authority.

- 1.9.11 Within Democratic support there has been a decrease of £0.120m in the current forecast underspend of £0.107m, which is due to the transfer of part of the team to Corporate Strategy, which included the transfer of vacant posts and their budgets.
- 1.9.12 Other areas within Law and Governance are forecast to mitigate these pressures. There are net savings forecast that can be attributed to an expected overachievement on Information Governance work carried out on behalf of schools under the SLA.

1.10 **General Fund Housing**

1.10.1 General Fund Housing is reporting a forecast £0.373m pressure, which is an increase of £0.023m since the last Cabinet report in November. The increase is due to the movement of the Adaptations Client function from Adult Social Services to Housing Property (General Fund) and the current forecast pressure in the service. The remaining forecast reflects the ongoing increased cost pressures of materials and sub-contractors in Repairs and Maintenance of £0.500m, less 2022/23 grant funding of £0.150m. The Repairs and Maintenance pressure is a continuation of the pressure previously identified in 2021/22 due to the impact of higher costs of raw materials required to carry out repairs on the Authority's properties. There has also been a number of one-off high costs repairs which have completed in the period.

1.10.2 **Table 12: Forecast Variation for General Fund Housing**

Service Areas	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
GF Housing	2.177	2.550	0.373	0.350	0.023
Building Control	(0.023)	(0.023)	0.000	0.000	0.000
GRAND TOTAL	2.154	2.527	0.373	0.350	0.023

1.11 **Central Items**

1.11.1 Central Items is forecasted to be in surplus by (£13.407m) which is an improvement of (£0.405m) since the September Cabinet report. The surplus figure of (£13.407m) includes the contingency budgets of (£8.677m), of which (£3.116m) relates to the pressure being experienced in Children's Services. Of the remaining contingencies budget (£5.561m) was established in the 2022-2026 MTFP to support the likely impact of inflationary pressures in 2022/23.

1.11.2 Included in the position is a pressure of £0.500m relating to a projected increase in the bad debt provision and a £0.329m pressure relating to a projected shortfall on Trading Company income. These pressures are mitigated by (£0.835m) of savings on external interest as the Authority continues to benefit from its robust Treasury Management strategy.

1.11.3 The improvement since the previous Cabinet reflects a receipt of the Levy Account surplus (£0.405m).

1.11.4 **Table 13: Forecast Variation Central Budgets and Contingencies**

Service Areas	Budget	Forecast Jan	Variance Jan	Variance Nov	Change since Nov
	£m	£m	£m	£m	£m
Corporate & Democratic Core	2.925	2.906	(0.019)	(0.019)	0.000
Other Central Items	(4.208)	(17.596)	(13.388)	(12.983)	(0.405)
GRAND TOTAL	(1.283)	(14.690)	(13.407)	(13.002)	(0.405)

SECTION 2 - SCHOOLS FINANCE

2.1 Update on School Budgets

- 2.1.1 Cabinet will recall that the overall level of school balances at the end of March 2022 was £2.360m compared to £3.721m as at March 2021. This represented a decrease in balances of £1.361m. The schools are still completing the second monitoring reporting, which will be completed by mid-March 2023.
- 2.1.2 The first set of monitoring for the 2022/23 year is complete, with schools overall showing a £1.145m improvement against budget plans prior to the impact of pay award on staffing costs. The position with the pay award costs included is a deficit of £7.453m. This represents a decrease in balances of £1.920m.
- 2.1.3 Table 14 below shows the current movement from budget in 2022/23, also illustrating the pay award pressures. In 2022/23, £0.585m has been received from the Homes for Ukraine Education & Childcare Grant, which has now been allocated to relevant schools and is not yet reflected against school projections below but will be incorporated in the next round of budget monitoring.

2.1.4 Table 14: Schools 2022/23 budget plan/monitoring summary

Phase	Budget Plan 22/23 £m	BUDGETTED 3% PAY AWARD		NEW PAY AWARD/NI		Impact of Changes in Pay Award/NI £m
		Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m	Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m	
Nursery	0.004	(0.044)	(0.048)	(0.060)	(0.064)	(0.016)
First	0.814	0.883	0.069	0.628	(0.186)	(0.255)
Primary	4.139	3.956	(0.183)	2.814	(1.325)	(1.142)
Middle	0.716	0.851	0.135	0.685	(0.031)	(0.166)
Secondary/High	(9.907)	(9.189)	0.718	(10.041)	(0.134)	(0.852)
Special/PRU	(1.299)	(0.845)	0.454	(1.479)	(0.180)	(0.634)
Total	(5.533)	(4.388)	1.145	(7.453)	(1.920)	(3.065)

2.2 Update on 2023/24 Dedicated Schools Grant (DSG) Funding Allocations

- 2.2.1 On 19 December 2022, the Department for Education (DfE) published the initial allocations for each block of the DSG. The DSG will continue to be comprised of four blocks: Schools, High Needs, Early Years and Central Schools Services. Each of the four blocks has its own funding formula.
- 2.2.2 The North Tyneside allocation for the DSG in 2023/24 uses the October 2022 census and follows the 2022/23 allocation as it includes funding previously allocated as grants for pay awards and pension increases and the Schools Supplementary Grant is shown in table 15 below with prior year figures for comparison;

Table 15: Schools Block 2023/24 allocation compared with Prior Years

	2017/18 Baseline	2018/19	2019/20	2020/21	2021/22*	2022/23*	2023/24*	2022/23 to 2023/24
	£m	£m	£m	£m	£m	£m	£m	£m
Schools	115.395	116.594	120.926	126.794	137.231	140.373	147.586**	7.213
Central School Services	2.500	2.314	2.343	2.051	1.877	1.724	1.621	(0.103)
High Needs	18.680	19.291	19.818	22.319	26.709	29.784	33.265	3.481
Early Years Block	12.064	12.553	12.514	12.771	13.946	14.673	15.291	0.618
TOTAL	148.639	150.752	155.601	163.935	179.763	186.554	197.763	11.209
Move from 17/18 Baseline £m	-	2.113	6.962	15.296	31.124	37.915	49.124	
Move from 17/18 Baseline %	-	1.42%	4.68%	10.29%	20.94%	25.51%	33.05%	
Change per Year £m	-	2.113	4.849	8.334	15.828	6.791	11.209	
Change per Year %	-	1.42%	3.22%	5.36%	9.66%	3.78%	6.01%	

* Includes pay award and pension grants previously separate to DSG, now rolled into funding formula

** Includes 22/23 Schools Supplementary Grant now rolled into funding formula

2.3 High Needs Block

2.3.1 The £33.265m figure outlined above for the 2023/24 High Needs block reflects the increased DSG funding announced by the DfE and includes funding previously included as separate grants for pay award and pension increases, as in 2022/23. The £3.481m year on year increase is therefore covering these costs going forward. It also includes a deduction of £0.341m made by the Education Skills and Funding Agency for direct funding of places.

2.3.2 Following the Autumn 2022 Spending Review, £400m additional High Needs funding has been allocated, of which North Tyneside's allocation is £1.331m (also included in the High Needs block 2023/24 allocation shown in Table 15 above). This extra funding recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original High Needs block allocations were calculated. This allocation is on top of the DSG High Needs block allocation calculated

under the NFF. In 2023 to 2024 local authorities are required to pass on a 3.4% funding increase to maintained special and alternative provision (AP) schools, and special and AP academies (including free schools), based on the number of places being funded in 2022 to 2023. This requirement will be a condition of grant attached to the additional DSG high needs funding allocated to local authorities.

2.3.3 Cabinet will recall, the High Needs block outturn for 2021/22 was an overspend of £4.792m. Along with the increase in funding of £3.111m in 2022/23, the pressure within High Needs has continued and has a forecast in-year pressure of £4.416m in 2022/23 and therefore an estimated total cumulative overspend of just over £17.927m.

2.3.4 The latest position on these pressures is shown in table 16

Table 16: Forecasted High Needs Overspend

Provision	Budget £m	Forecast Variance £m	Comment
Special schools and PRU	17.788	2.217	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder. Includes High Needs Additional Funding.
ARPs/Top ups	4.705	0.859	Pressures in mainstream pre 16 top ups
Out of Borough	3.316	1.285	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.974	0.055	
Sub-total	29.783	4.416	
2021/22 B/Fwd		13.511	
Total		17.927	

2.4 Dedicated School Grant (DSG) Management Plan

2.4.1 The Authority submitted a final DSG Management Plan on 3 February 2023 to the Department for Education (DfE). This was to agree a package of reform for the Authority's high needs system that will bring the Dedicated School Grant (DSG) High Needs overspend under control. The Authority was required to demonstrate lasting sustainability, effective for children and young people, which included reaching an in-year balance within five years.

2.4.2 The Authority engaged with partners across SEND to co-create the DSG Management Plan. On 16 March 2023 the Authority received confirmation that the submission had been successful and an award of £19.5m of additional funding will flow over the next 5 years subject to compliance with specific conditions set out in the Safety Valve Agreement (link included within background papers). This includes the requirement for the High Needs Block to move into an in-year surplus by 2026/27. £7.8m of additional DSG will be received in the current financial year, reducing the

cumulative deficit on the High Needs Block, with the remainder paid over the period to 2027/28 if those conditions are met.

SECTION 3 - HOUSING REVENUE ACCOUNT

Forecast Outturn

3.1 The forecast set out in Table 17 below is based on the results to January 2023. Currently the Housing Revenue Account (HRA) is forecasting an underspend of £0.187m. Throughout the year, costs have been monitored closely across all areas with additional focus on Rent Arrears and the effect this has on the bad debt provision. In addition, changes to prudent assumptions around Rental Income, Council Tax voids, Contingency and staffing vacancies have been monitored which have led to some improvement in the forecast position. The main area of pressure is in the Repairs budget where the impact of inflationary increases, higher than anticipated pay awards, increasing difficulty in recruiting certain trades and an increased reliance on sub-contractors allied to supply chain issues in accessing key materials are driving the pressure.

3.1.1 Table 17: Forecast Variance Housing Revenue Account

	Budget £m	Current Forecast £m	Variance £m
Management – Central	2.535	2.259	(0.276)
Management – Operations	4.958	4.911	(0.047)
Management – Strategy & Support	3.756	3.809	0.053
Capital Charges – Net Effect	12.484	12.484	0.000
Contingencies, Bad Debt & Transitional Protection	0.990	0.766	(0.224)
Contribution to Major Repairs Reserve – Depreciation	13.741	13.740	(0.001)
Interest on Balances	(0.050)	(0.075)	(0.025)
PFI Contracts – Net Effect	2.094	2.094	0.000
Rental Income - Dwellings, Direct Access Units, Garages	(62.891)	(63.063)	(0.172)
Rental Income – HRA Shops and Offices	(0.356)	(0.421)	(0.065)
Revenue Support to Capital Programme	10.311	10.301	(0.010)
Repairs	12.799	13.379	0.580
Total	0.371	0.184	(0.187)

Rental Income

3.2 Rental Income overall across all areas including general dwelling rent, service charges, garage rents and income from shops and other premises is currently forecast to be performing slightly better than budget (£0.172m). This is helped by the level of Empty Homes continuing to trend at well below 1% which increases the level of rent that is collectable. However, Right to Buy (RTB) levels have still been trending at higher than anticipated levels which has eroded this forecast position slightly. The impact of Universal Credit on arrears and the bad debt provision also continues to be closely monitored.

Management Costs

- 3.3 Management Costs are currently forecast to come in £0.270m better than budget. There have been some additional pressures relating mainly to the increased final flat rate pay award for 2022/23, as well as in relation to increased energy costs, but these have been more than absorbed by improvements due to vacancy savings and other underspends across various service areas. In addition, there have been some underspends attributed to the delays in contract signature and recruitment attached to the Unified Systems project including backfilling internally seconded staff.

Bad Debt Provision and Contingency

- 3.4 Current trends in rate of increase in arrears suggest that this will be contained within the Bad Debt Provision budget for the year, and a underspend is now forecast (£0.149m). In addition, Contingency is also being forecast to underspend (£0.071m), plus a small, improved position in the transitional protection forecast (£0.004m), all of which is helping to absorb the pressures elsewhere in the budget such as in the Repairs budget as explained below caused by increased supply chain costs and the increased costs of the pay award for 2022/23.

Repairs

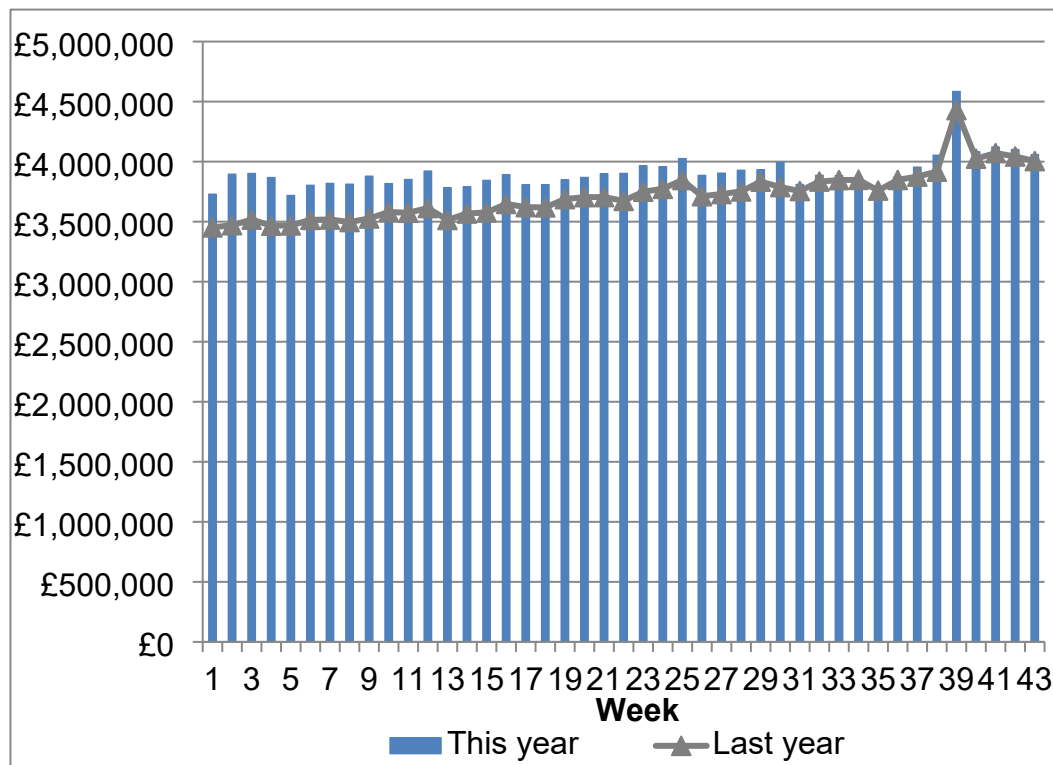
- 3.5 The Housing Repairs budget continues to feel pressure from a number of sources, mainly caused by the current economic turbulence being experienced across the world. The current rates of inflation in material and sub-contractor prices, plus difficulty accessing certain materials and services within the supply chain are providing several challenges. There are difficulties recruiting to certain trades which then places more reliance on sub-contractors and agency staff. In addition to this, the Authority is dealing with the implications of the Housing White Paper which arose from the Grenfell Disaster, which is placing a whole range of additional responsibilities on Landlords e.g., the need for carbon monoxide detectors to be placed in all properties, and more frequent periodic electrical testing. The Authority has also absorbed a pay award for 2022/23 which averaged out above the 2% budgeted for. All of which means most of the in-year contingencies are already committed to known spend. This results in a forecast pressure on this budget for 2022/23 of £0.580m, which is an increase of £0.219m on the November position reported to Cabinet, and this position will be closely monitored to ensure the situation does not get worse before year-end.

Rent Arrears

- 3.6 Current Rent Arrears have risen albeit gradually in the first ten months of 2022/23 as compared to 2021/22, with an increase of £0.388m being seen in this period since the start of April 2022. Chart 6 below shows the value of current rent arrears in 2022/23 compared to the same period in 2021/22. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. Last year saw a significant under-spend against the bad debt provision for the second year in a row, which has led to a reduction in the budgeted provision made for 2022/23, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted provision made. This will also be potentially impacted by the amount of debt being written off, which the Authority will

seek to identify as quickly as possible. This will not only help inform the in-year monitoring position but will also be pivotal in helping to refreshing the HRA Business Plan as part of the next budget round. Of course, as always, the impact of Universal Credit (UC) continues to be monitored, as significant increases in numbers on UC could adversely affect the rate at which arrears grow.

3.6.1 Chart 6: Rent Arrears in Weeks 1-43 (April-January) 2022/23 compared to 2021/22



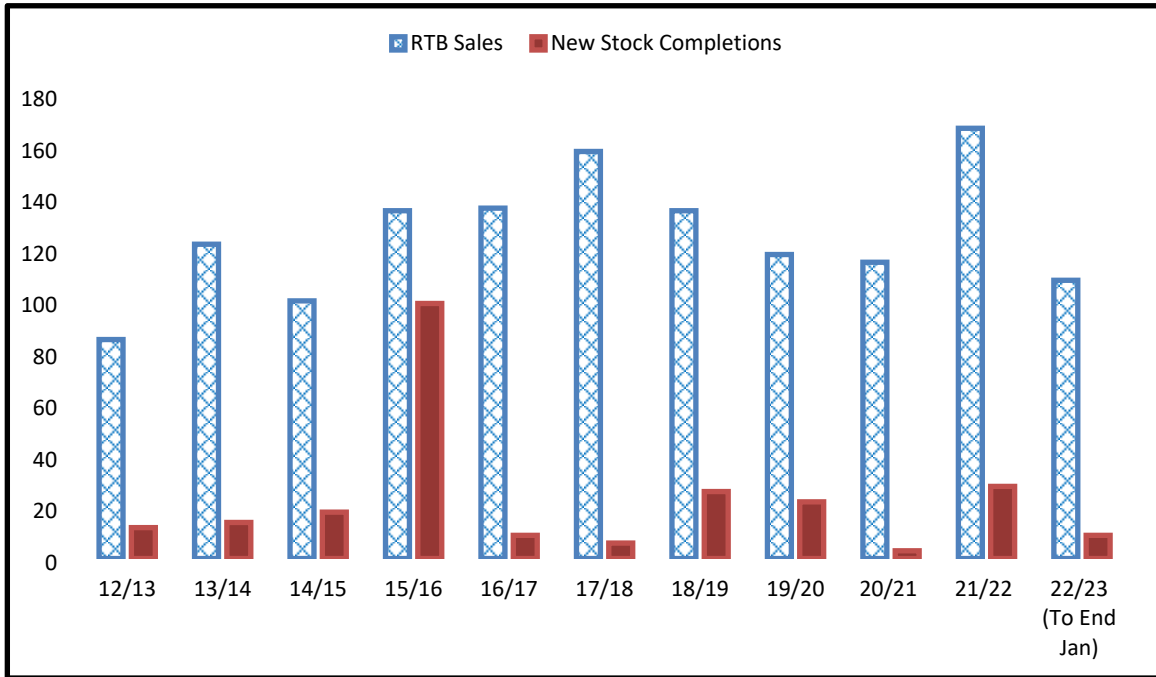
3.7 UC was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. As of the end of March 2022, there were 3,712 tenants of North Tyneside Homes on UC, with arrears totalling £2.934m. At the end of January 2023 there were 4,086 tenants on UC (an increase of 374 tenants) with related arrears of £3.324m (an increase of £0.390m). For wider comparison, as at the beginning of 2021/22, there were 3,297 tenants on UC with arrears of £2.680m, which increased during the 2021/22 financial year to 3,712, an increase of 415 tenants with an increase in arrears of £0.254m.

Right to Buy (RTB) Trends

3.8 The impact of RTB is critical to long-term planning for the HRA. Prior to the introduction of self-financing in 2012, average RTB sales had dropped to around 25 per annum, mainly due to the capped discount (£0.022m) which had remained static as property values had increased, making RTB less attractive financially to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £0.075m and then subsequently annual inflation was added to the maximum. Chart 7 below shows the

trend in RTB sales since that time. The first ten months of 2022/23 saw 108 completed RTB sales, which continues the increased trend from 2021/22 where the Authority saw the highest number of RTB sales at 167 since the changes were introduced in 2012. These trends will need again to be closely monitored as they may impact not only on in-year forecasts, but significantly on future refreshes of the HRA 30-year Business Plan.

3.8.1 Chart 7: Yearly RTB Sales v New Stock Additions



SECTION 4 - INVESTMENT PLAN

Review of Investment Plan

- 4.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers will continue to review the delivery of those key projects included within the 2022/23 Investment Plan, with significant challenges due to inflationary cost pressures and supply chain issues.
- 4.2 There remains worldwide inflationary cost pressures across all industries and sectors which continues to impact the Investment Plan. The Authority continues to manage project expenditure within existing budgets where possible; reprofiling spend, undertaking value engineering or reducing scheme scoping where the impact is minimal or can be managed. Any request to utilise contingencies to meet unavoidable additional costs will be reviewed on a case-by-case basis.

Variations to the 2022-2027 Investment Plan

- 4.3 Variations of £18.963m to the 2022-2027 Investment Plan have been identified as part of the ongoing monitoring of the Investment Plan as well as the annual review undertaken as part of the budget setting process and these are summarised in tables 18 and 19 below. Further details of the key changes impacting on the current financial year are provided in paragraph 4.4 and 4.5. The variations relating to future years are primarily relating to the refresh of the Investment Plan, set out in the report to Council on 16 February 2023.

4.3.1 Table 18: 2022 - 2027 Investment Plan changes identified

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Approved Investment Plan – Council 17 February 2022	64.632	51.594	49.829	47.561	51.358	264.974
Previously Approved Reprogramming/Variations						
2021/22 Monitoring	9.654	0.000	0.000	0.000	0.000	9.654
2021/22 Outturn	39.629	8.832	1.071	0.252	0.252	50.036
2022/23 Monitoring	(21.182)	27.104	0.935	0.104	0.760	7.721
Approved Investment Plan	92.733	87.530	51.835	47.917	52.370	332.385
January 23 Monitoring Variations						
Reprogramming	1.521	8.636	4.463	2.288	1.805	18.713
	(6.938)	5.869	1.869	(0.150)	(0.400)	0.250
Total Variations	(5.417)	14.505	6.332	2.138	1.405	18.963
Revised Investment Plan	87.316	102.035	58.167	50.055	53.775	351.348

- 4.4 The proposed significant variations to the Investment Plan in 2022/23 are shown below:

- (a) **BS026 Asset Planned Maintenance (£0.104m)** - financial contributions have been re-allocated from BS026 Asset Planned Maintenance Programme to support the delivery of planned works at the Northern Promenade (DV067 £0.045m) and Wallsend Customer First Centre (BS029 £0.059m).
- (b) **CO094 Lawn Tennis - Improvements to Tennis Courts £0.081m** - additional LTA funding has been awarded to support full resurfacing across an additional 6 courts (9 in total).
- (c) **ED075 Devolved Formula Capital £0.265m** - Additional grant funding has been received for Schools to undertake energy efficiency improvement works.
- (d) **EC094 North Shields Transport Hub £1.000m** – Additional DLUHC funding has been secured relating to the delivery of public realm improvements.
- (e) **EV095 Active Travel Fund 1 & 2 Rake Lane £0.175m** – A budget adjustment has been made of £0.175m to reflect the final grant funding award.
- (f) **GEN03 Contingencies (£0.577m)** – Resources have been reallocated to address inflationary pressures on committed schemes. This includes £0.377m for EV076 Operational Depot Accommodation Review to support the delivery of existing works and £0.200m for EV083 Street Lighting LED following the negotiations on the deed of variation to continue the delivery of the LED installations.

4.5 The proposed significant reprogramming of planned investment to future years from the 22/23 Investment Plan includes the following:

- (a) **DV066 Investment in North Tyneside Trading Co (£0.285m)** – Reflecting the anticipated property acquisitions during the remainder of 2022/23.
- (b) **DV071 Section 106 Contributions to Set Up Health Facilities £0.013m** - Reprogramming of resources relating to Bewicke Medical Centre to reflect the proposed timing of the payment.
- (c) **DV073 Ambition for North Tyneside (£1.147m)** – Reprofile to future years to develop specific investment proposals for the continued delivery of priority schemes as part of delivering Our Ambition for North Tyneside.
- (d) **DV077 Tyne Brand Development Site (£1.300m)** – Reprofile to future years as negotiations around site assembly continue.
- (e) **ED120 Basic Need (£0.200m)** - Reprofile to future years linked to the review of the school estate.
- (f) **EV083 Street Lighting LED (£1.769m)** - Reprofile to future years to reflect the delivery plans following the negotiations around the deed of variation.
- (g) **EV094 Transforming Cities Fund - NT02 North Shields Transport Hub (£2.250m)** - Reprofile to reflect the latest cash flow information following delays linked to utility works.

4.6 The impact of the changes detailed above on capital financing is shown in table 19 below.

4.6.1 **Table 19: Impact of variations on Capital financing**

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Approved Investment Plan	92.733	87.530	51.835	47.917	52.370	332.385
Council Contribution	(2.023)	1.944	4.869	3.100	2.850	10.740
Grants and Contributions	(3.394)	12.104	1.869	0.000	0.000	10.579
HRA Capital Receipts	0.000	0.000	0.000	(0.500)	0.000	(0.500)
HRA Grants & Contributions	0.000	1.567	1.145	1.178	1.209	5.099
HRA Major Repairs Reserve	0.000	(1.110)	(1.551)	(1.640)	(2.654)	(6.955)
Total Financing Variations	(5.417)	14.505	6.332	2.138	1.405	18.963
Revised Investment Plan	87.316	102.035	58.167	50.055	53.775	351.348

Capital Receipts – General Fund

4.7 General Fund Capital Receipts brought forward at 1 April 2022 were £3.017m. The capital receipts requirement for 2022/23, approved by Council in February 2022, was £0.317m (2022-27 £0.317m). To date £0.020m of capital receipts have been received in 2022/23. The receipts position is shown in table 20 below.

4.7.1 **Table 20: Capital Receipt Requirement – General Fund**

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Requirement reported to 17 February 2022 Council	0.317	0.000	0.000	0.000	0.000
Receipts Brought Forward	(3.017)	(0.000)	(0.000)	(0.000)	(0.000)
Total Receipts received 2022/23	0.020	0.000	0.000	0.000	0.000
Receipts used to repay capital loans	0.000	0.000	0.000	0.000	0.000
Net Useable Receipts	0.000	0.000	0.000	0.000	0.000
Surplus Receipts	(2.720)	(2.720)	(2.720)	(2.720)	(2.720)

Capital receipts – Housing Revenue Account

4.8 Housing Capital Receipts brought forward at 1 April 2022 were £10.094m. The housing receipts are committed against projects included in the 2022-2027 Investment Plan. The approved Capital Receipt requirement for 2022/23 was £2.104m. To date, receipts of £5.771m have been received in 2022/23 of which £nil has been pooled as part of the quarterly returns to Central Government as these are now payable on an annual basis. In total, subject to future pooling, this leaves a surplus balance of £14.761 to be carried forward to fund future years.

4.8.1 Table 21: Capital Receipt Requirement - Housing Revenue Account

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Requirement reported to February 2022 Council	2.104	1.584	1.700	1.851	1.956
Variations to be reported to January 2023 Cabinet	(1.000)	1.696	0.470	0.302	(0.896)
Revised Requirement	1.104	3.280	2.170	2.153	1.060
Receipts Brought Forward	(10.094)	(14.761)	(11.481)	(9.311)	(7.158)
Receipts Received 2022/23	(5.771)	0.000	0.000	0.000	0.000
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
(Surplus)/ Balance To be generated to fund future years (subject to further pooling)	(14.761)	(11.481)	(9.311)	(7.158)	(6.098)

The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2022/23.

Investment Plan Monitoring Position to 31 January 2023

4.9 Actual expenditure for 2022/23 in the General Ledger was £53.366m; 57.55% of the total revised Investment Plan at 31 January 2023.

4.9.1 Table 22: Total Investment Plan Budget & Expenditure to 31 January 2023

	2022/23 Revised Investment Plan £m	Actual Spend to 31 Jan 2022 £m	Spend as % of revised Investment Plan %
General Fund	60.702	35.572	58.60
Housing	26.614	17.794	66.86
TOTAL	87.316	53.366	61.12

SECTION 5 – TREASURY MANAGEMENT & CASH POSITION

Current Cash Position

5.1 The Authority's current available cash balance as at the end of January 2023 is £13.315m, with £24.300m invested externally with other UK Local Authorities or institutions. All investments are made in line with the approved Treasury Management Strategy.

5.1.1 Table 23: Investment Position as at 31 January 2023

Counterparty	Type	Amount (£m)	Maturity
DMO	Term	12.000	1 February 2023
Barclays	Call	1.315	n/a
Other LA	Fixed	20.000	09 February 2024
Fixed Deposits	Fixed	4.300	July 2023

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

5.2 The Bank of England Monetary Policy Committee (MPC) increased the Bank Rate for the tenth consecutive meeting in December 2022. An increase of a further 0.50%, to 3.50%, taking it to the highest in over 14 years. The inflation rate has begun to fall, but in December prices were still 10.5% higher than they were a year ago. To help return the inflation rate target to 2%, the MPC increased the interest rate by a further 0.50% to 4.00% at the meeting on 2 February 2023.

5.3 The impact of raising base rate had an immediate impact to the cost of borrowing. Table 24 below demonstrates the increase in rates both in the temporary space and longer-term PWLB rates.

5.4 The Authority is currently monitoring interest rates, and whether the Authority should look to lock in rates as part of managing risk. This process considers the Authority's underlying need to borrow, Investment Plan priorities and commitments as well as the profile of existing loan arrangements.

5.5 Investment rates have also seen an increase in line with the increases in base rate, delivering better returns on investments.

5.5.1 Table 24: Summary of Borrowing Levels

Temporary Market*		PWLB**	
Tenor	Level	Tenor	Level
1 week	3.40%	2 years	4.44%
1 month	3.66%	5 years	4.30%
3 months	3.80%	10 years	4.45%
6 months	3.88%	20 years	4.80%
9 months	4.00%	30 years	4.74%
12 months	4.10%	50 years	4.52%

**Please note these levels are from 30/01/2023*

***PWLB rates do not include certainty rate reductions,*

- 5.6 Any shortfalls in cashflow are covered by in year temporary borrowing, which may be a quick and cost-effective method of cash management in the current climate. As year-end approaches and cash flow tightens, the Authority may look to utilise such borrowing.

Borrowing Position

- 5.7 Table 25 shows the Authority's current debt position, with total borrowing maturing in 2022/23 of £5.000m.

5.7.1 Table 25: Current Debt Position

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	387.443	20.000	0.000	407.443
Debt Maturing 2022/23	(5.000)	0.000	0.000	(5.000)

- 5.8 The Authority was under-borrowed to the value of £102.011m as at 31 March 2022. Whilst the Authority cannot borrow to fund this revenue pressure, it can look to utilise reserves, unwind its under-borrowed position, and externalise borrowing.
- 5.9 In August 2022 the Authority took £10m of long-term PWLB loans, this was for a combination of refinancing existing debt, de-risk the Authority's under-borrowed position, as well as take advantage of relatively low long-term rates.
- 5.10 Table 26 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates remain uncertain over the next 2 years, forecasting to peak at 4.40% for 50 year borrowing in March 2023 before tracking back to lower levels by September 24.

5.10.1 Table 26: Link Interest Rate Forecasts

Link Group Interest Rate View	07.02.23												
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
BANK RATE	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10 yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40
50 yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

SECTION 6 – COLLECTION FUND: COUNCIL TAX AND BUSINESS RATES RECOVERY

Council Tax and Business Rates Collection

- 6.1 The budgeted Council Tax debit for 2022/2023 is £124.729m, of which the retained share for the Authority is £109.720m. For Business Rates (NNDR) the opening net debit for 2022/2023 is £46.559m, following adjustment for the previous year's deficit position on NNDR, the budget retained share for the Authority for 2022/23 is £22.814m. Business Rates income is supplemented by a top up grant from Government of £20.505m, providing an anticipated combined budgeted income from Business Rates to the Authority of £43.319m. Tables below set out the in-year collection performance against the Council Tax and Business Rates net debit.
- 6.2 As at 31 January 2023, the actual current year Council Tax net liability has increased to £126.634m. The Authority has collected 87.56% (£110.881m) compared to 87.48% (£105.767m) at the same point in 2021/22. This relates to 101,033 dwellings administered.
- 6.3 Collection is slightly ahead of 2021/22 but behind against the percentage collected pre-pandemic in 2019/20 at the same point. All working age Council Tax Support claimants received additional support of up to £150.00 again this year to help pay their Council Tax and this meant around 57% had no liability for 2022/23 to pay. This reduced the liability to collect by around £1.462m. Long-term rate of collection is expected to be maintained at the budgeted level of 98.5%.
- 6.4 In relation to Business rates, as at 31 January 2023, the Authority had collected 87.88% (£52.384m) of the current net liability compared to 83.862% (£44.314m) at the same point in 2021/22. A total number of 6,278 properties have been administered.

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Fu nd	Proj ect	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
General Fund								
		BS026 Asset Planned Maintenance						
		Council Contribution	2,128	2,800	3,100	1,750	1,500	11,278
		Section 106	9	0	0	0	0	9
		Contribution from Reserves (Insurance)	772	0	0	0	0	772
		BS026 Asset Planned Maintenance Total	2,909	2,800	3,100	1,750	1,500	12,059
		BS029 Wallsend Customer First Centre						
		Council Contribution	64	0	0	0	0	64
		North of Tyne Combined Authority	250	0	0	0	0	250
		BS029 Wallsend Customer First Centre Total	314	0	0	0	0	314
		BS030 Public Sector Decarbonisation Scheme						
		Council Contribution	317	0	0	0	0	317
		Low Carbon Skills Grant	444	0	0	0	0	444
		BS030 Public Sector Decarbonisation Scheme Total	761	0	0	0	0	761
		BS031 Childrens Home Capital Programme						
		Dept for Education - Childrens Home Capital Fund	201	0	0	0	0	201
		BS031 Childrens Home Capital Programme Total	201	0	0	0	0	201
		BS032 Spirit of NT Commemoration Project						
		Council Contribution	175	0	0	0	0	175
		Section 106	25	0	0	0	0	25
		BS032 Spirit of NT Commemoration Project Total	200	0	0	0	0	200
		BS033 Changing Places Facilities						
		Changing Places Grant MHCLG	100	0	0	0	0	100
		BS033 Changing Places Facilities Total	100	0	0	0	0	100
		BS034 Parks Sports Centre - Security Measures						
		Council Contribution	350	0	0	0	0	350
		BS034 Parks Sports Centre - Security Measures Total	350	0	0	0	0	350
		CO079 Playsites						
		Section 106	50	91	0	0	0	141
		CO079 Playsites Total	50	91	0	0	0	141
		CO080 Burradon Recreation Ground						
		Section 106	6	0	0	0	0	6
		CO080 Burradon Recreation Ground Total	6	0	0	0	0	6
		CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements						
		Section 106	2	0	0	0	0	2
		CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements	2	0	0	0	0	2
		CO082 Sport and Leisure Facility Improvements						
		Contribution from Reserves (Leisure)	18	0	0	0	0	18
		CO082 Sport and Leisure Facility Improvements Total	18	0	0	0	0	18
		CO083 Whitley Bay Crematoria						
		Council Contribution	613	0	0	0	0	613
		CO083 Whitley Bay Crematoria Total	613	0	0	0	0	613
		CO085 Northumberland Park Labyrinth						
		Section 106	5	0	0	0	0	5
		CO085 Northumberland Park Labyrinth Total	5	0	0	0	0	5
		CO086 North West Library Improvements						

Fu nd	Proj ect	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
		Section 106	129	0	0	0	0	129
		CO086 North West Library Improvements Total	129	0	0	0	0	129
		CO087 Contours Gym Improvements						
		Section 106	84	0	0	0	0	84
		Contribution from Reserves (Leisure)	93	0	0	0	0	93
		CO087 Contours Gym Improvements Total	177	0	0	0	0	177
		CO088 Gateways to the Boroughs						
		Council Contribution	100	0	0	0	0	100
		CO088 Gateways to the Boroughs Total	100	0	0	0	0	100
		CO089 S106 Raleigh Drive Allotment Extension						
		Section 106	30	0	0	0	0	30
		CO089 S106 Raleigh Drive Allotment Extension Total	30	0	0	0	0	30
		CO090 Wallsend Park Machinery						
		Revenue Contribution (HLF Reserve 9841 128)	95	0	0	0	0	95
		CO090 Wallsend Park Machinery Total	95	0	0	0	0	95
		CO091 Neighbourhood Parks						
		Section 106	65	75	90	100	0	330
		CO091 Neighbourhood Parks Total	65	75	90	100	0	330
		CO092 Wallsend Park Bothy Toilet						
		Revenue Contribution (HLF Reserve 9841 128)	60	0	0	0	0	60
		CO092 Wallsend Park Bothy Toilet Total	60	0	0	0	0	60
		CO093 Rising Sun Country Park S106 Ecology						
		Section 106	0	13	0	0	0	13
		CO093 Rising Sun Country Park S106 Ecology Total	0	13	0	0	0	13
		CO094 Lawn Tennis - Improvements to Tennis Courts						
		LTA Grant Funding	175	0	0	0	0	175
		CO094 Lawn Tennis - Improvements to Tennis Courts Total	175	0	0	0	0	175
		CO095 S106 Willington Quay Community Garden						
		Section 106	0	13	0	0	0	13
		CO095 S106 Willington Quay Community Garden Total	0	13	0	0	0	13
		CO096 St Peters Sports Pavilion and AGP Pitches						
		Football Foundation Grant	0	1,879	0	0	0	1,879
		Section 106	0	838	0	0	0	838
		Northumberland FA	0	50	0	0	0	50
		National FA	0	323	0	0	0	323
		Rugby Football League	0	50	0	0	0	50
		Section 106 - Not Received	0	140	0	0	0	140
		Section 106 - Future Agreement	0	782	0	0	0	782
		CO096 St Peters Sports Pavilion and AGP Pitches Total	0	4,062	0	0	0	4,062
		DV064 Council Property Investment						
		Council Contribution	559	300	0	0	0	859
		North of Tyne Combined Authority - Brownfield Housing Fund	338	0	0	0	0	338
		DV064 Council Property Investment Total	897	300	0	0	0	1,197
		DV066 Investment in North Tyneside Trading Co						
		Council Contribution	500	2,959	3,000	3,000	3,000	12,459
		Section 106	1,695	1,549	0	0	0	3,244
		DV066 Investment in North Tyneside Trading Co Total	2,195	4,508	3,000	3,000	3,000	15,703
		DV067 Northern Promenade						

Fu nd	Proj ect	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
		Council Contribution	183	0	0	0	0	183
		Dept for Transport Active Travel Fund Tranche 3	269	0	0	0	0	269
		DV067 Northern Promenade Total	452	0	0	0	0	452
		DV071 Section 106 Contributions to Set Up Health Facilities						
		Section 106	262	0	0	0	0	262
		DV071 Section 106 Contributions to Set Up Health Facilities Total	262	0	0	0	0	262
		DV073 Ambition for North Tyneside						
		Council Contribution	0	1,479	2,000	0	0	3,479
		Capital Receipts	0	317	0	0	0	317
		Historic England - Heritage Action Zone	0	0	0	0	0	0
		Revenue Contribution (08252)	0	444	0	0	0	444
		Revenue Contribution (08252 Reserve)	0	576	0	0	0	576
		DV073 Ambition for North Tyneside Total	0	2,816	2,000	0	0	4,816
		DV074 North Shields Heritage Action Zone (Ambition)						
		Council Contribution	423	87	0	0	0	510
		Historic England - Heritage Action Zone	0	86	0	0	0	86
		DV074 North Shields Heritage Action Zone (Ambition) Total	423	173	0	0	0	596
		DV076 Getting Building Fund (North Shields Public Realm)						
		NELEP - Getting Building Fund	882	0	0	0	0	882
		DV076 Getting Building Fund (North Shields Public Realm) Total	882	0	0	0	0	882
		DV077 Tyne Brand Development Site						
		North of Tyne Combined Authority - Brownfield Housing Fund	99	3,950	190	0	0	4,239
		DV077 Tyne Brand Development Site Total	99	3,950	190	0	0	4,239
		DV078 Bedford Street / Saville Street						
		Council Contribution	73	0	0	0	0	73
		DV078 Bedford Street / Saville Street Total	73	0	0	0	0	73
		DV079 Howard Street The Exchange						
		Council Contribution	139	0	0	0	0	139
		Historic England - Heritage Action Zone	187	0	0	0	0	187
		Notca Cultural & Creative Zone Funding	231	0	0	0	0	231
		DV079 Howard Street The Exchange Total	557	0	0	0	0	557
		DV080 Segedunum Roman Museum MEND						
		Council Contribution	0	150	0	0	0	150
		Revenue Contribution (08252)	0	56	0	0	0	56
		Arts Council Grant (MEND)	75	424	0	0	0	499
		Revenue Contribution (08252 Reserve)	0	50	0	0	0	50
		DV080 Segedunum Roman Museum MEND Total	75	680	0	0	0	755
		DV081 North Shields Cultural Quarter						
		Revenue Contribution (08252)	120	0	0	0	0	120
		Notca Cultural & Creative Zone Funding	119	450	0	0	0	569
		DV081 North Shields Cultural Quarter Total	239	450	0	0	0	689
		DV082 Wallsend Town & High Street Programme						
		Wallsend Town & High Street Fund (Notca)	130	1,360	0	0	0	1,490
		DV082 Wallsend Town & High Street Programme Total	130	1,360	0	0	0	1,490
		ED075 Devolved Formula Capital						
		Education Funding Agency (Devolved)	1,138	2,110	610	610	610	5,078
		ED075 Devolved Formula Capital Total	1,138	2,110	610	610	610	5,078

Fu nd	Proj ect	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
		ED120 Basic Need						
		Education Funding Agency (Basic Need)	37	2,200	0	0	0	2,237
		ED120 Basic Need Total	37	2,200	0	0	0	2,237
		ED132 School Capital Allocation						
		Section 106	83	166	0	0	0	249
		Education Funding Agency (SCA)	5,148	3,868	3,868	3,868	3,868	20,620
		ED132 School Capital Allocation Total	5,231	4,034	3,868	3,868	3,868	20,869
		ED190 High Needs Provision Capital Allocation						
		Education Funding Agency (High Needs)	2,360	2,060	0	0	0	4,420
		ED190 High Needs Provision Capital Allocation Total	2,360	2,060	0	0	0	4,420
		EV034 Local Transport Plan						
		Dept for Transport LTP ITA	719	958	958	958	958	4,551
		Dept for Transport LTP Maint	1,532	1,566	1,566	2,000	2,000	8,664
		Section 106	487	0	0	0	0	487
		Public Transport Funding	28	28	28	28	28	140
		Department for Transport Traffic Signal Income	150	0	0	0	0	150
		Dft Pothole Funding	306	0	0	0	0	306
		EV034 Local Transport Plan Total	3,222	2,552	2,552	2,986	2,986	14,298
		EV055 Surface Water Improvements						
		Environment Agency Grant	723	0	0	0	0	723
		EV055 Surface Water Improvements Total	723	0	0	0	0	723
		EV056 Additional Highways Maintenance						
		Council Contribution	2,195	2,000	2,000	2,000	2,000	10,195
		DFT National Productivity Fund	58	0	0	0	0	58
		Dft Pothole Funding	1,382	1,253	1,253	0	0	3,888
		EV056 Additional Highways Maintenance Total	3,635	3,253	3,253	2,000	2,000	14,141
		EV069 Vehicle Replacement						
		Council Contribution	779	1,248	1,676	1,123	3,000	7,826
		EV069 Vehicle Replacement Total	779	1,248	1,676	1,123	3,000	7,826
		EV076 Operational Depot Accommodation Review						
		Council Contribution	1,591	0	0	0	0	1,591
		ERDF	1,040	225	0	0	0	1,265
		EV076 Operational Depot Accommodation Review Total	2,631	225	0	0	0	2,856
		EV083 Street Lighting LED						
		Council Contribution	1,200	1,860	1,495	0	0	4,555
		EV083 Street Lighting LED Total	1,200	1,860	1,495	0	0	4,555
		EV084 A189 Improvements Haddricks Mill to West Moor						
		DFT National Productivity Fund	0	0	0	0	0	0
		EV084 A189 Improvements Haddricks Mill to West Moor Total	0	0	0	0	0	0
		EV091 Other Initiatives Climate Change						
		Council Contribution	274	1,000	1,000	1,000	1,000	4,274
		EV091 Other Initiatives Climate Change Total	274	1,000	1,000	1,000	1,000	4,274
		EV094 Transforming Cities Fund - NT02 North Shields Transport Hub						
		Council Contribution	0	1,376	0	0	0	1,376
		Transforming Cities Fund	7,000	10,810	0	0	0	17,810
		DLUHC	1,000	850	0	0	0	1,850
		EV094 Transforming Cities Fund - NT02 North Shields Transport Hub Total	8,000	13,036	0	0	0	21,036
		EV095 Active Travel Fund 1 & 2 Rake Lane						
		Dept for Transport Active Travel Fund Tranche2	1,137	0	0	0	0	1,137

Fund	Project	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
		EV095 Active Travel Fund 1 & 2 Rake Lane Total	1,137	0	0	0	0	1,137
		EV096 Highway Maintenance Challenge Fund - Tanners Bank						
		Dept for Transport LTP Maint	103	0	0	0	0	103
		Dept for Transport - Highway Maintenance Challenge Fund	522	300	0	0	0	822
		EV096 Highway Maintenance Challenge Fund - Tanners Bank Total	625	300	0	0	0	925
		EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway Homes)						
		Section 106	3,250	0	0	0	0	3,250
		EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bell	3,250	0	0	0	0	3,250
		EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority						
		Transforming Cities Fund	1,893	1,190	0	0	0	3,083
		EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority Total	1,893	1,190	0	0	0	3,083
		EV099 Transforming Cities Fund - NT10 Links to Metro						
		Dept for Transport LTP ITA	234	157	0	0	0	391
		Transforming Cities Fund	514	3,261	0	0	0	3,775
		EV099 Transforming Cities Fund - NT10 Links to Metro Total	748	3,418	0	0	0	4,166
		EV100 Active Travel 3 - Permenant Seafront Scheme						
		Dept for Transport Active Travel Fund Tranche 3	0	3,231	0	0	0	3,231
		EV100 Active Travel 3 - Permenant Seafront Scheme Total	0	3,231	0	0	0	3,231
		EV101 Transforming Cities Fund – Intelligent Transport Systems						
		Transforming Cities Fund	179	0	0	0	0	179
		EV101 Transforming Cities Fund – Intelligent Transport Systems Total	179	0	0	0	0	179
		GEN03 Contingencies						
		Council Contribution	623	1,800	2,000	1,000	1,000	6,423
		GEN03 Contingencies Total	623	1,800	2,000	1,000	1,000	6,423
		GEN12 Local Infrastructure						
		Council Contribution	127	100	100	100	100	527
		GEN12 Local Infrastructure Total	127	100	100	100	100	527
		GEN13 Project Management						
		Council Contribution	75	100	100	100	100	475
		GEN13 Project Management Total	75	100	100	100	100	475
		HS004 Disabled Facilities Grant						
		Better Care Fund	2,578	1,869	1,869	0	0	6,316
		HS004 Disabled Facilities Grant Total	2,578	1,869	1,869	0	0	6,316
		HS051 Private Sector Empty Homes						
		Council Contribution	159	205	205	206	0	775
		Homes & Communities Grant	111	0	0	0	0	111
		HS051 Private Sector Empty Homes Total	270	205	205	206	0	886
		HS053 Green Homes Local Authority Delivery						
		Green Homes Grant (LAD1b) - Dept for BEIS	950	0	0	0	0	950
		Green Homes Grant (LAD2) - Dept for BEIS	776	0	0	0	0	776
		Green Homes Grant (LAD3) - Dept for BEIS	3,700	0	0	0	0	3,700
		HS053 Green Homes Local Authority Delivery Total	5,426	0	0	0	0	5,426
		IT020 ICT Strategy						
		Council Contribution	1,747	1,000	1,000	1,250	1,250	6,247
		Revenue Contribution (Security Grant Reserve 9841 107)	150	0	0	0	0	150
		IT020 ICT Strategy Total	1,897	1,000	1,000	1,250	1,250	6,397

Fu nd	Proj ect	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
General Fund Total			60,702	68,082	28,108	19,093	20,414	196,399
HR A								
		HS015 Refurbishment / Decent Homes Improvements See HRA Financing	22,954	25,479	24,250	25,535	26,620	124,838
		HS015 Refurbishment / Decent Homes Improvements Total	22,954	25,479	24,250	25,535	26,620	124,838
		HS017 Disabled Adaptations See HRA Financing	1,220	1,583	1,599	1,315	1,328	7,045
		HS017 Disabled Adaptations Total	1,220	1,583	1,599	1,315	1,328	7,045
		HS039 ICT Infrastructure Works See HRA Financing	444	761	210	112	113	1,640
		HS039 ICT Infrastructure Works Total	444	761	210	112	113	1,640
		HS044 HRA New Build See HRA Financing	1,996	6,130	4,000	4,000	3,500	19,626
		HS044 HRA New Build Total	1,996	6,130	4,000	4,000	3,500	19,626
		HS054 HRA Vehicle Replacement Programme See HRA Financing	0	0	0	0	1,800	1,800
		HS054 HRA Vehicle Replacement Programme Total	0	0	0	0	1,800	1,800
HRA Total			26,614	33,953	30,059	30,962	33,361	154,949
Total £000			87,316	102,035	58,167	50,055	53,775	351,348

Fun d	Category	Year					Total £000
		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
General Fund							
	Council Contribution	14,394	18,464	17,676	11,529	12,950	75,013
	Council Contribution - Capital Receipts	0	317	0	0	0	317
	Grants & Contributions	45,000	48,175	10,432	7,564	7,464	118,635
	Revenue Contribution	120	500	0	0	0	620
	Contribution from Reserves	1,188	626	0	0	0	1,814
General Fund Total		60,702	68,082	28,108	19,093	20,414	196,399
HRA Financing							
	HRA Capital Receipts	1,104	3,280	2,170	2,153	1,060	9,767
	HRA Revenue Contribution	10,281	11,589	13,592	14,137	16,259	65,858
	HRA MRR	13,940	18,219	14,167	14,592	14,112	75,030
	HRA Grants & Contributions	919	450	0	0	0	1,369

Fu	nd	Proj	Financing Type	Year					Total £000
				2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
			HRA Contribution from Reserves	370	415	130	80	1,930	2,925
			HRA Financing Total	26,614	33,953	30,059	30,962	33,361	154,949
			Total£000	87,316	102,035	58,167	50,055	53,775	351,348

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Meeting: Finance Sub-Committee

Date: 28 March 2023

Title: Section 106 overview and update on spend and project delivery

Author: Dan Wise / Amar Hassan

Tel: 0191 643 6427 / 0191 643 5747

Service: Strategic Investment & Property / Strategic Finance

Wards affected: All

1. Purpose of Report

This report provides an update on the s106 position as at 28 February 2023 and is for information only.

Officers will bring to Finance Sub Committee, presentations providing a strategic overview on section 106 processes and delivery. As well as a specific update on delivery of Sport and Play sites contributions by the service area lead.

2. Recommendations

The Finance Sub Committee are asked to note the information contained within this briefing note and the associated appendices.

3. Details

Planning obligations under Section 106 (s106) of the Town and Country Planning Act 1990, are commonly known as s106 agreements. They are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable, and are focussed on mitigating the impact of the development on an area. S106 agreements are often called 'developer contributions' or 'planning gain' and include a range of identified categories, historically including highways, affordable housing, sport and leisure, health and play sites, amongst others.

The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority's s106 governance and monitoring process to define what monies are available for what and where this can be allocated, and develop projects based on this information.

The s106 programme of works aims to supplement and support the wider Authority budget, to ensure a good spread of spend for all areas of the Borough and to provide flexibility and value for money.

A new s106 governance flow chart has been developed by Planning in conjunction with service areas, and was approved at 28th November 2022 Cabinet.

Developer contributions is the term used to refer to the Community Infrastructure Levy (CIL) and planning obligations “(commonly referred to as ‘Section 106’ or S106 contributions after Section 106 of the Planning Act). These are planning tools used to secure financial or non-financial contributions towards the provision of infrastructure to support and enable development and to mitigate the impact of development. CIL contributions now include secondary education, health and community facilities and other infrastructure developer contributions.

CIL continues to develop within the Authority and updates will be incorporated within this report over time as necessary. £318k of CIL monies have been received by the Authority, with no projects allocated or monies spent to date.

S106 monies:

The s106 Capital Programme Manager and s106 service area leads utilise the information collated within the Authority’s s106 governance and monitoring process to define what monies are available and where this can be allocated, and develop projects based on this information.

The s106 programme of works aims to mitigate the impacts of developments within the Borough, supplementing and supporting the wider strategic North Tyneside Plan.

Service areas are routinely reviewing this information and developing projects, which are then presented to IPB for consideration prior to securing full IPB approval. If approved the projects are then delivered.

The latest s106 finance spreadsheet which includes the financial information of all developer contributions, which have been received by the Authority can be found within the appendix.

Spend Update:

	30 September 2022	31 December 2022	28 February 2023
Received to date	£18.822m	£20.266m	£20.300m
Spend to date	(£6.273m)	(£6.609m)	(£8.836m)
Committed (through IPB Governance)	(£3.179m)	(£3.910m)	(£2.898m)
Uncommitted Balance	£9.370m	£9.747m	£8.566m

S106 allocated available monies relates to contributions received by the Authority through planning gain, this totals £8.566m as of 28 February 2023. In order to deliver projects within this budget, service areas are developing and completing projects based on the legal parameters set within the wording of the planning obligations, all overseen by the Investment Programme Board (IPB) group. Significant work is happening with relevant officers in developing key projects and allocating the spend within all service areas.

As at 28 February 2023, £20.300m had been received by the Authority, of which £8.836m has been expended in line with agreements. £11.464m remains as at 28 February 2023, of which £2.898m is committed. This leaves an uncommitted balance of £8.566m

4. Background Information

Appendix 1 – s106 Spend & Commitments Summary
Appendix 1 - s106 Spend & Commitments Detail

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Appendix 1 - Section 106 Spend & Commitments Summary (28 February 2023)

	Received	Spent / Draw	Committed	Uncommitted
Sports Facilities	-1,850,356	1,341,542	0	-508,815
Travel Provisions	-1,547,476	466,444	-451,902	-629,130
Highway Works	-1,700,303	283,133	-258,858	-1,158,312
Allotments	-194,444	29,963	-22,514	-141,968
Cultural Facilities/Works	-28,000	0	0	-28,000
Parks	-1,453,987	389,568	-282,023	-782,396
Healthcare/ Facilities	-1,561,850	438,038	0	-1,123,812
Employment Initiatives	-68,627	21,215	-38,809	-8,603
Playsites	-1,171,911	185,094	0	-986,817
Education	-8,437,247	4,128,210	-1,797,975	-2,511,063
Affordable Housing	-1,264,673	1,264,673	0	0
Coastal Mitigation	-59,627	0	0	-59,627
Ecology	-836,826	288,158	-45,549	-503,119
Air Quality Monitoring	-11,507	0	0	-11,507
Public Rights of Way	-48,979	0	0	-48,979
Community Facilities	-63,865	0	0	-63,865
Total	-20,299,680	8,836,038	-2,897,630	-8,566,013

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Appendix 2 - Section 106 Spend & Commitments breakdown (28 February 2023)

Key:	
IPB approved / comitted spend	GREEN
End dates due 2023	AMBER
Past end date	RED
Over 1 year to commit spend	CLEAR

Sports Facilities						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-198,705.00	198,705.46	0.00	0.00	18.10.2021	Towards the cost of the management/maintenance of existing sports facilities within the vicinity of the property - St Peter's - Planning now agreed
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-585,361.00	403,538.00	0	-181,823.00	10.12.2025	To improve and upgrade existing sports pitches and playing fields in the vicinity of the development in order to increase their capacity or to provide or contribute to the provision of an all weather pitch within the vicinity of the development
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-96,924.00	96,924.00	0.00	0.00	08.12.2022	To be used towards the upgrading of existing provision at St Peters Playing Fields and other suitable local alternatives
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-429,216.00	429,216.00	0.00	0.00	01.07.2024	Pitch improvements and clubhouse at St Peters Road Playing Fields, St Peters Road, Wallsend; all weather pitch at the Lakeside Centre, George Stephenson High School, Killingworth or Amberley Playing Fields in Killingworth and resurfacing work at the indoor bowling centre at The Parks, North Shields.
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-50,026.00	0.00	0	-50,026.00	29.07.2024	Towards improvements to Killingworth Lakeside Centre (Sports Hall Contribution)
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-74,217.00	74,217.00	0.00	0.00	07.01.2024	Towards improvements to existing facilities in line with the Council's playing pitch strategy - St Peter's
16/01598/S106 - Weetslade Ward (S0103) - Land at Former East Wideopen Farmhouse - Bellway - 16/00848/FUL	-2,748.00	2,748.00	0.00	0.00	03.07.2024	Lockey Park drainage improvements
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL	-136,193.24	136,193.24	0	0.00	01.08.2027	Towards sport and recreational facilities in the Borough, specifically pitch improvements and ancillary improvements within the vicinity of the site, improvements to the existing swimming pool and ancillary facilities at Lakeside Centre and Hadrian Leisure Centre , and improvements to the existing sports hall and ancillary facilities at Lakeside centre and Hadrian Leisure Centre.
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-111,965.92	0.00	0	-111,965.92	04.10.2027	Legal agreement states £56k for sports facilities and £48k for sports pitches. Sports facilities contribution £56,000.00 towards improvements to sports facilities in the vicinity of the site. Playing pitches improvements £48, 375.00 towards improvements of existing facilities in the vicinity of the site. Contribution to paid in the following instalments: 50% prior to occupation of the first dwelling; The remaining 50% prior to occupation of the 37 dwelling.
21/00801/S106 (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL - Valley Ward	-165,000.00	0.00	0	-165,000.00	01.12.2027	Replacement pitch contribution £165, 000.00 towards a replacement playing pitch within the vicinity of the site
Total	-1,850,356.16	1,341,541.70	0.00	-508,814.92		

Travel Provisions						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
02/03264/S106 - Chirton Ward (S0008) - Land Parcels West of First Avenue and North of Second Avenue Off Narvik Way, Tyne Tunnel Trading Estate, North Shields - UK Land E	-7,500.00	0.00	0	-7,500.00	Was being held in 2015 for completion of Tyne Tunnel 2 - Record is on CD	Contribution to Nexus towards the construction and operation of the Stephenson Job Link transport facility.
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-197,400.00	148,973.70	-48,426.30	0.00	03.04.2024	Travel Plan - monitoring until 2024
12/01166/S106 - Collingwood Ward (S0066) - North Tyneside General Hospital - - 11/00765/OUT	-6,766.00	-42,529.54	0	-49,295.54	01.10.2023	Towards sustainable transport improvements in North Tyneside
13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL	-414,264.00	360,000.00	-54,264.00	0.00	26.06.2023	To pay the bus service (19) provision prior to the occupation of the 100th dwelling. Travel Plan mitigation sum (£100k) to be paid prior to the occupation of the 200th dwelling.
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL	-26,723.00	0.00	0	-26,723.00	30.10.2023	Towards the improvement of cycle provision or other appropriate measures at Northumberland Park Interchange
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-145,871.00	0.00	-145,871.00	0.00	24.07.2024	To be deposited and used in the event the targets in the Travel Plan are not achieved
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-545,349.00	0.00	0	-545,349.00	29.07.2024	To provide an extension to the bus route(s) within the vicinity of the Site to facilitate access to the Site.
19/00262/S106 (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-203,341.18	0.00	-203,341.18	0.00	06.09.2026	Travel Bond
22/00498/S106 (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL	-262.18	0.00	0	-262.18	12.12.2023	Travel Bond
Total	-1,547,476.36	466,444.16	-451,902.48	-629,129.72		

Highway Works						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
09/01790/S106 - Killingworth Ward (S0053) - Unit 12 Wesley Way Benton Square Industrial Estate Benton - Harrison Properties Ltd - 09/00480/FUL	-20,858.00	0.00	-20,858.00	0.00	No expiry date	Contribution towards highway improvement works at the A191 Whitley Road / A191 Holystone Way / Whitley Road / Great Lime Road roundabout junction.
11/01867/S106 & 11/0786/S106 - Wallsend Ward (S0041) - SPORTS GROUND KINGS ROAD SOUTH WALLSEND - NTC & BELLWAY HOMES-ISOS - 11/01345/FUL	-85,000.00	0.00	-85,000.00	0.00	14.07.2021	To pay the Council £85,000 towards the provision of traffic signalling including pedestrian crossing facilities at the Kings Road South mini roundabout
11/01867/S106 & 11/0786/S106 - Wallsend Ward (S0041) - SPORTS GROUND KINGS ROAD SOUTH WALLSEND - NTC & BELLWAY HOMES-ISOS - 11/01345/FUL	-20,000.00	0.00	0	-20,000.00	14.07.2021	Off site highways contribution towards the provision of traffic signalling including pedestrian crossing facilities at Kings Road South mini roundabout and for no other purposes
12/01166/S106 - Collingwood Ward (S0066) - North Tyneside General Hospital - - 11/00765/OUT	-283,132.72	283,133.00	0.00	0.00	03.08.2017	£262,500 for highway works-new eastbound filter lane at roundabout junction of Rake Lane and eastern hospital access, new verge and footpath and road marking at roundabout junction of Rake Lane, New York bypass, Billy Mill Lane and New York Road
13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey -	-153,000.00	0.00	-153,000.00	0.00	11.06.2020	Highways improvements to Holystone roundabout
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-5,500.00	0.00	0	-5,500.00	15.02.2024	Towards the provision of a two and a half bay bus shelter and a dropped kerb on Addington Drive
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-538,957.33	0.00	0	-538,957.33	17.05.2026	Towards future improvements to the A191 corridor between the junctions of Holystone and Four Lane Ends.
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-174,397.00	0.00	0	-174,397.00	07.01.2026	Provision of highways improvements to the existing public rights of way network to the south side of the site and for a new cycleway on the A191 Whitley Road
20/01427/S106 (S0128) - West Chirton Industrial Estate South - Miller Homes - 14/01018/OUT	-373,019.60	0.00	0	-373,019.60	27.09.2028	Highway improvements at Norham Road/ Norham Road North Corridor
19/00262/S106 (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-46,438.00	0.00	0	-46,438.00	06.09.2026	Towards improvements to the local public rights of way network serving the development and surrounding areas in order to improve connectivity to shops, schools and employment areas.
Total	-1,700,302.65	283,133.00	-258,858.00	-1,158,311.93		

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Allotments						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
10/00793/S106 - Battle Hill Ward (S0030) - Former Battle Hill Library, Community Centre And Customer Service Centre And, 1-22 The Parade, Wallsend - Keepmoat Homes - 09/00480/FUL	-2,700.00	0.00	-2,700.00	0.00	2011 - look to re	Contribution towards the provision of 2 allotment plots at Holy Cross, St Peter's Road, Wallsend
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-21,863.00	21,863.00	0	0.00	01.04.2020	To be spent at Raleigh Drive.
13/00947/S106 - Weetslade Ward (S0064) - Land at East Wideopen Farm - - 13/00198/FUL	-8,100.00	8,100.00	0.00	0.00	20.06.2022	Towards the provision of allotments within the vicinity of the site.
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-2,700.00	0.00	-2,700.00	0.00	18.09.2024	Towards ensuring that more Land at Redhouse can be secured for the use of allotments or to establish an allotment site in the vicinity of the development
13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-37,144.00	0.00	0	-37,144.00	07.12.2025	To improve, upgrade or extend existing allotments at Camperdown and Clousden Drive, Forest Hall or to provide
13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL	-2,755.00	0.00	0	-2,755.00	18.09.2024	£2,100 towards securing more land at Redhouse for allotment space or to establish an allotment site in the vicinity of the development
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-2,699.50	0.00	-2,699.50	0.00	08.12.2022	Towards provision of allotment improvements within vicinity of the site
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-5,400.00	0.00	-5,400.00	0.00	03.03.2022	Provision of two plots of allotment at Wiltshire Drive
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-61,954.00	0.00	0	-61,954.00	16.11.2023	Towards the provision of twenty one new allotments at Wiltshire Drive allotment.
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-9,014.00	0.00	-9,014.00	0.00	22.06.2022	Contribution for the provision of allotment space at Camperdown of Clousden Hill (or other scheme with broadly equivalent amenity)
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-5,572.80	0.00	0	-5,572.80	22.06.2023	Bring back into production a minimum of two plots of allotment space at the Wiltshire Drive allotment
21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-3,750.83	0.00	0	-3,750.83	16.12.2028	Towards allotment provision for improvements within the south west of the borough through provision of new plots, bring plots back into use and improvements to allotment infrastructure site/access/security.
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL	-17,243.56	0.00	0	-17,243.56	01.08.2027	Towards allotment provision within the vicinity of the site.
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-5,792.74	0.00	0	-5,792.74	04.10.2027	Towards provision of allotment improvements within vicinity of the site
21/00801/S106 (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL - Valley Ward	-2,700.00	0.00	0	-2,700.00	01.12.2027	Towards provision of allotment improvements within vicinity of the site
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-5,054.82	0.00	0	-5,054.82	04.10.2027	Towards provision of allotment improvements within vicinity of the site
Total	-194,444.25	29,963.00	-22,513.50	-141,967.75		

Cultural Facilities/Works						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
10/00793/S106 - Battle Hill Ward (S0030) - Former Battle Hill Library, Community Centre And Customer Service Centre And, 1-22 The Parade, Wallsend - Keepmoat Homes - 08	-5,000.00	0.00	0	-5,000.00	06.06.2016	Contribution towards an art project within the Battle Hill Ward
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-5,000.00	0.00	0	-5,000.00	01.05.2020	Artwork for Wideopen
15/00496/S106 - Collingwood Ward (S0090) - Travelodge Hotel, Wallsend - Crown Estates - 14/01698/FUL	-3,000.00	0.00	0	-3,000.00	19.09.2021	Towards the provision of public art within the vicinity of the site
16/00274/S106 - Camperdown Ward (S0098) - Land at Former Chan Buildings, Stephenson Industrial Estate - - 15/01708/FUL	-15,000.00	0.00	0	-15,000.00	22.06.2023	Towards the commission of public art
Total	-28,000.00	0.00	0.00	-28,000.00		

Parks						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
10/02253/S106 - Chirton Ward (S0032) - Land At Former Meadowell Primary SchoolWantage AvenueNorth Shields - Ben Bailey Homes - 10/01274/FUL	-9,160.00	0.00	-9,160.00	0.00	No expiry date	Contribution to works for Borough Park at Chirton Dene Park
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-13,012.00	13,012.00	0.00	0.00	16.07.2020	Contribution towards the cost of providing/improving informal & formal outdoor recreation within catchment of Wallsend Parks
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL	-100,000.00	0.00	0	-100,000.00	30.10.2023	for the community and recreation provision in the Valley Ward or alternatively in the immediate vicinity of the Development
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-296,279.00	0.00	0	-296,279.00	07.12.2025	To be used towards the upkeep, maintenance and improvement of the following respective parks (a) £162,229 in relation to Killingworth Lake and Park (aka Killingworth Lakeside Park) (b) £15,000 in relation to Keegan Park, (c) £15,000 in relation to Killingworth Village Park
13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL	-8,414.00	0.00	0	-8,414.00	18.09.2024	Towards improvements within Churchill and/or Souter Parks
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-31,637.50	31,637.00	0.00	-0.50	08.12.2022	To be used towards the Northumberland Park restoration works specifically for: improvement of entrances to the Rising Sun Country Park from Hadrian Park Estate and update interpretation and signage; improvement of park furniture (benches and bins) along with infrastructure improvements to footpaths and fencing to the Rising Sun Country Park.
14/01744/S106 - Howdon Ward (S0093) - St Marks Church, Wallsend - Marine Buildings Ltd - 13/01655/FUL	-3,251.00	0.00	0	-3,251.00	21.07.2022	Towards improvements at Howdon Park
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-617,782.22	344,919.25	-272,862.97	0.00	17.05.2026	Towards the provision of enhancements to the RSCP.
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-58,166.00	0.00	0	-58,166.00	22.06.2022	For High Pit site of local conservation interest, Killingworth lakeside park and / or within Killingworth village. If this is not possible then monies can be spent in a broadly equivalent amenity within the area of the development
15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - - 15/00406/FUL	-8,960.00	0.00	0	-8,960.00	15.03.2023	Benton Quarry Park improvements
16/01571/S106 - Cullercoats Ward (S0102) - 16 John Street, Cullercoats - - 16/00193/FUL	-540.00	0.00	0	-540.00	06.12.2021	Improvements of parks within the vicinity of the development.
14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL	-3,363.00	0.00	0	-3,363.00	22.06.2023	Towards improvements at Wallsend Park
16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL	-21,958.00	0.00	0	-21,958.00	20.10.2022	Neighbourhood parks
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-44,048.32	0.00	0	-44,048.32	14.10.2027	Neighbourhood parks
19/00262/S106 (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-67,232.24	0.00	0	-67,232.24	06.09.2026	Towards improvements to Killingworth Lakeside Park and/or Killingworth Linear Park and/or Lockey Park and/or potentially the RSCP as the nearest destination park.
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL	-131,500.08	0.00		-131,500.08	01.08.2027	Towards upgrades and management of Rising Sun Country Park
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitcroft Road, West Moor - Bellway - 16/01316/FUL	-38,684.00	0.00		-38,684.00	04.10.2027	Towards environmental improvements to local parks and recreational areas in the vicinity of the site and more minor improvements to the local area enabling green spaces to meet the needs of increased numbers of residents as a result of the development
Total	-1,453,987.36	389,568.25	-282,022.97	-782,396.14		

Healthcare/ Facilities						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
11/00170/S106 - Riverside Ward (S0034) - John Lilley And GillieClive StreetNorth Shields - AWC Property Ltd - 10/01326/FUL	-5,808.00	5,808.00	0.00	0.00	17.12.2017	Contribution of £5,808 for health facilities which will serve the area of North Shields
11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL	-166,438.00	142,838.75	0	-23,599.00	01.05.2020	Towards additional health facilities within the vicinity of the development
11/01188/S106 - Tynemouth Ward (S0038) - Land To The Rear OfLinskill ParkPreston AvenueNorth Shields - Gentoo - 11/00748/FUL	-6,776.00	0.00	0.00	-6,776.00	17.01.2018	Towards the costs of improving health facilities within the vicinity of the property
11/01967/S106 - Riverside Ward (S0043) - Site of Unit 1, Howdon Green Industrial Estate, Norman Terrace - Bellway Homes - 11/01346/FUL	-6,776.00	6,776.00	0.00	0.00	23.03.2018	Healthcare contribution of £6,776 towards the cost of improving the capacity of Bewicke Medical Centre
12/01234/S106 - St Mary's Ward (S0046) - Glebe School Site - Charles Church Ltd - 12/00896/FUL	-6,776.00	0.00	0	-6,776.00	19.09.2019	£6,776 to be used towards providing health facilities in the vicinity of the Site
13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey -	-31,918.00	0.00	0	-31,918.00	No date found	No electronic record found
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL	-401,027.00	0.00	0	-401,027.00	01.06.2026	To increase clinical space within the vicinity of the development
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-311,277.00	0.00	0	-311,277.00	07.12.2025	Towards the provision of health care services from any or all of the following: Killingworth Health Centre, Woodland Park Health Centre and/or Wideopen Health Centre to meet the need arising from development
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-398,412.15	264,393.36	0	-134,018.79	01.07.2024	Towards the provision of increased clinical space within the vicinity of the development.
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-68,404.00	18,222.00	0	-50,182.00	22.06.2022	Contribution for provision and support of Health services - to be applied at Wellspring Medical Practice or White Swan Surgery (or other scheme with broadly equivalent amenity)
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-56,404.25	0.00		-56,404.25	03.01.2028	Prior to the occupation of the 364th dwelling £44,846 to be paid for health contribution purposes
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL	-101,833.49	0.00		-101,833.49	01.08.2027	Towards the improvements to health care facilities within Wallsend
Total	-1,561,849.89	438,038.11	0.00	-1,123,811.53		

Employment Initiatives						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
16/00274/S106 - Camperdown Ward (S0098) - Land at Former Chan Buildings, Stephenson Industrial Estate - - 15/01708/FUL	-14,800.00	14,799.66	0.00	-0.34	22.06.2023	Towards the provision of employment ant training within the retail sector
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-17,608.25	6,415.48	-17,608.25	6,415.48	16.01.2029	£7,000.00 towards the creation of new job opportunities for residents within the vicinity of the site, including apprenticeships
21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-3,617.00	0.00	-3,617.00	0.00	15.12.2026	£2,500 towards training initiatives
21/00449/S106 (S0130) - Tanners Banks - Ovington Boats - 20/01044/FUL	-2,583.84	0.00	-2,583.84	0.00	15.12.2026	£2,500 towards training initiatives and upskilling local residents
22/00498/S106 (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL	-15,000.00	0.00	-15,000.00	0.00	30.09.2027	To pay the £15,000 contribution prior to the commencement of the development for employment and training initiatives
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-15,018.18	0.00	0	-15,018.18	04.10.2027	£14,000 towards the creation of new job opportunities for residents within the vicinity of the site, including apprenticeships.
	0.00	0.00		0.00		
Total	-68,627.27	21,215.14	-38,809.09	-8,603.04		

Playsites						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
12/01234/S106 - St Mary's Ward (S0046) - Glebe School Site - Charles Church Ltd - 12/00896/FUL	-2,306.00	2,306.00	0.00	0.00	10.07.2020	Towards the management of children's play facilities in the vicinity of the Site
13/01064/S106 - Valley Ward (S0050) - St Edmunds BuildingStation RoadBackworth - Bett Homes - 13/00622/FUL	-1,082.42	1,082.00	0.00	-0.42	30.01.2019	Towards playsite provision
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-19,961.00	19,961.00	0.00	0.00	16.07.2020	Towards cost of improving equipped play facilities within Richardson Dees Park
13/01737/S106 - Killingworth Ward (S0061) - Land North of Forest Gate, Palmersville - Avant Homes - 13/01412/FUL	-43,981.00	43,981.00	0.00	0.00	01.01.2023	Towards improvement of the existing play provision within the vicinity of the site either at Rising Sun Country Park or Bamburgh Road playsite.
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-294,454.00	71,500.00	0	-222,954.00	08.11.2023	Towards the improvement, upgrade or provision of new children's equipped play space in the vicinity of the development
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-23,425.00	23,425.00	0.00	0.00	03.03.2022	Enhancement, upkeep and maintenance of Mullen Road playsite to include provision of fencing, safety surfaces and additional equipment.
14/01904/S106 - Longbenton Ward (S0095) - Former St Stephen's School, Longbenton - Diocese of Hexham - 14/01490/FUL	-27,839.00	22,839.00	0	-5,000.00	25.10.2023	Strategic equipped areas of play at the Oxford Centre (West Farm Avenue) or elsewhere in the vicinity of the site.
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-218,532.00	0.00	0	-218,532.00	16.11.2023	Towards the construction and/or improvements of children's play space facilities at Richardson Dees Skate Park, North Road, Wallsend.
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-252,435.00	0.00		-252,435.00	26.01.2026	£196,000 towards the cost of the provision of equipped play space within the vicinity of the site, if it cannot be provided on site
15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - - 15/00406/FUL	-8,287.00	0.00	0	-8,287.00	22.06.2023	Towards improvements of existing equipment within a local playsite
16/00188/S106 - Weetslade Ward (S0101) - Dudley People's Centre - Tantallon Homes - 15/00949/FUL	-8,498.00	0.00	0	-8,498.00	22.06.2023	Towards improving existing play equipment at the John Willie Sams Centre
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-55,636.00	0.00	0	-55,636.00	07.01.2026	Towards improving and maintaining children's play equipment within the vicinity of the site
14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL	-4,987.00	0.00	0	-4,987.00	22.06.2023	Towards improvements of existing equipment within a local playsite
16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL	-32,554.00	0.00	0	-32,554.00	06.07.2023	Childrens play
12/00415/S106 - Preston Ward (S0073) - Cleveland Adult Training Centre - - 11/02423/FUL	-7,469.00	0.00		-7,469.00		Planning confirm monies were spent and removed from spreadsheet in 2020 (ward Cllrs informed of project in 2016) - To be removed by Finance
19/00262/S106 (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-91,746.79	0.00	0	-91,746.79	06.09.2026	Towards improvements to existing and/or the provision of new play equipment at Burradon Welfare and/or Killingworth Lakeside play areas.
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-56,318.19	0.00	0	-56,318.19	04.10.2027	Towards improvements to the provision of childrens play space within the vicinity of the site through the provision of equipment, surfaces and / or ancillaries to accommodate the increase in use associated with the development
21/00801/S106 (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL - Valley Ward	-22,400.00	0.00		-22,400.00	01.12.2027	Towards the provision of play areas within the vicinity of the site
Total	-1,171,911.40	185,094.00	0.00	-986,817.40		

Education						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL	-3,187,124.72	1,706,231.84	-1,480,892.88	0.00	20.03.2029, Secondary 23.09.2031	£1,470,150 towards the cost of providing additional places at an existing Primary School in North Tyneside. £836,000 for secondary.
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-20,790.00	0.00	0	-20,790.00	16.07.2020	Contribution to improving primary educational facilities within the vicinity of the property
13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey -	-68,082.00	0.00	-68,082.00	0.00	No date available	No electronic record available
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL	-2,187,978.00	2,122,978.00	0	-65,000.00	30.10.2023	Towards the cost of the primary school on the school land
13/01737/S106 - Killingworth Ward (S0061) - Land North of Forest Gate, Palmersville - Avant Homes - 13/01412/FUL	-57,000.00	50,000.00	0	-7,000.00	01.01.2023	Towards education.
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-308,674.00	0.00	0	-308,674.00	26.06.2024	Towards the provision of education for the benefit of the following schools:- George Stephenson High School, Moor Edge Primary School, Westmoor Primary School, Bailey Green Primary School, Amberley Primary School, St Stephens Roman Catholic Primary School, St Bartholomews Church of England Primary School and Balliol Primary School to meet the need arising from the development
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-32,400.00	0.00	0	-32,400.00	03.03.2022	Improvements to education facilities at Wallsend Jubilee Primary School, Burnside Business and Enterprise College or Churchill Community College
14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL	-433,782.00	0.00	0	-433,782.00	03.12.2023	Towards the provision and improvement of educational facilities in Wallsend Jubilee Primary School and improvements in relation to Redesdale Primary School.
15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL	-760,470.00	0.00	0	-760,470.00	06.12.2023	Contribution for the provision and support of education to be applied at Ivy Road Primary School, and/or Longbenton Community College and/or George Stephenson High School (or other scheme with broadly equivalent amenity)
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-796,764.34	249,000.00	-249,000	-298,764.34	26.01.2026	Towards the cost of the primary school within the vicinity of the Site
17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL	-73,339.00	0.00	0	-73,339.00	26.10.2025	For primary education for additional places in existing primary schools within North Tyneside and secondary education for additional places in existing secondary schools within North Tyneside
14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL	-26,231.00	0.00	0	-26,231.00	01.12.2024	£25,000 towards the provision of primary education in the area
21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-126,894.00	0.00	0	-126,894.00	16.12.2028	Towards increasing capacity in new or existing provision within the site.
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-225,861.74	0.00	0	-225,861.74	17.12.2027	Towards increased capacity in new or existing provision within the area.
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-44,356.43	0.00		-44,356.43	03.01.2028	For education purposes
21/00801/S106 (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL - Valley Ward	-87,500.00	0.00		-87,500.00	01.12.2027	£87,500 for increasing capacity in new or existing primary schools in the vicinity of the site
Total	-8,437,247.23	4,128,209.84	-1,797,974.88	-2,511,062.51		

Affordable Housing						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL	-107,560.00	107,560.00	0	0.00	26.10.2025	For offsite affordable housing
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-1,157,113.40	1,157,113.40	0	0.00	03.01.2028	£1m to be paid on occupation of the 50th dwelling or 18 months after start on site for affordable housing purposes
Total	-1,264,673.40	1,264,673.40	0.00	0.00		

Coastal Mitigation						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
19/00058/S106 (S0122) - 26-32 South Parade, Whitley bay - - 17/01777/FUL	-7,200.00	0.00	0	-7,200.00	29.03.2029	Towards provision of a mitigation service to mitigate the impact of recreational activity along the coast of North Tyneside.
21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-5,462.24	0.00	0	-5,462.24	05.01.2029	£5, 285.00 towards provision of a mitigation service i.e. warden provision and associated facilities to mitigate the impact of recreational activity at the coast.
19/00652/S106 (S0132) - 30 - 37 Clive Street, North Shields, Tyne And Wear - UKQ Clive Street LLP - 19/00436/FUL	-10,000.00	0.00	0	-10,000.00	No expiry date	£10,000 for warden provision along the protected coast
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-27,113.18	0.00		-27,113.18	04.10.2027	£25,275 towards the provision of a mitigation service including warden provision and associated facilities to mitigate the impact of recreational activity along the coast of North Tyneside.
21/00811/S106 (S0139) - - -	-1,812.00	0.00		-1,812.00	No expiry date	Coastal mitigation
21/00811/S106 (S0134) - - -	-2,359.00	0.00		-2,359.00	No expiry date	Coastal mitigation
21/00801/S106 (S0126) - Land North Of Castle Square, Backworth - Bernicia Group - 19/01674/FUL - Valley Ward	-5,681.00	0.00		-5,681.00	01.12.2027	Coastal mitigation
Total	-59,627.42	0.00	0.00	-59,627.42		

Ecology						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
00/02134/S106 - Collingwood Ward (S0056) - Plot 6, Cobalt Business Park, Silver Fox Way, Wallsend - Highbridge - 00/01360/FUL	-21,410.00	8,149.00	0.00	-13,261.00	No expiry date	For Silverlink Park and waggonways
06/01520/S106 - Tynemouth Ward (S0027) - Former Irvin Buildings, Union Quay, North Shields - Leftbank Developments (Hanover Square) Ltd - 05/03255/FUL	-6,000.00	0.00	-6,000.00	0.00	No expiry date	For Fish Quay banks works
10/02253/S106 - Chirton Ward (S0032) - Land At Former Meadowell Primary SchoolWantage AvenueNorth Shields - Ben Bailey Homes - 10/01274/FUL	-3,900.00	0.00	0	-3,900.00	No expiry date	For Chirton Park
11/01755/S106 - Killingworth Ward (S0039) - Land To The North OfAmberley Community Primary SchoolEast BaileyKillingworth (now Greenacres) - Persimmon - 10/02655/FUL	-19,886.00	0.00	-19,886.00	0.00	17.01.2018	Providing off site scrub planting to the play area and habitat enhancement at Killingworth Lake
11/01967/S106 - Riverside Ward (S0043) - Site of Unit 1, Howdon Green Industrial Estate, Norman Terrace - Bellway Homes - 11/01346/FUL	-1,365.00	0.00	0	-1,365.00	24.03.2018	Towards the maintenance and improvement of biodiversity of semi natural land at Howdon Tip
13/00947/S106 - Weetslade Ward (S0064) - Land at East Wideopen Farm - - 13/00198/FUL	-11,016.00	0.00	-11,016.00	0.00	20.06.2022	For Little Waters Nature reserve
13/01571/S106 & 14/00473/S106 - Camperdown Ward (S0059) - Former Norgas House Site, Northumbrian Way - Barratts - 13/00691/FUL	-20,815.00	0.00	0	-20,815.00	04.11.2020	£20,815 towards ecological works at Killingworth Lake park
13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL	-213,787.00	0.00	0	-213,787.00	24.10.2023	Ring fenced for Fenwick Eccles Colliery
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-29,646.00	0.00	0	-29,646.00	06.12.2023	£62, 805 for ecology and wildlife management objectives. £10k to improve Killingworth sidings SLCI. £3k for NHSN for improvements to Whitecroft stream.
13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-3,000.00	0.00	0	-3,000.00	01.03.2018	To pay the Council for the Council to release to the Natural History Society of Northumbria for the express purpose of procuring works for improvement/diversion of Whitecroft Stream UNLESS submitting a surface water management plan detailing the interim measures for the management of surface water drainage within the land which will mitigate and minimise the risk of an incident of contamination or pollution arising as a result of development taking place to the Gosforth Nature Reserve SSSI

13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL	-3,582.00	1,435.00	-2,147.00	0.00	18.09.2024	Towards biodiversity improvements at Marden Quarry Local Wildlife Site.
13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL	-11,310.00	0.00	0	-11,310.00	16.07.2020	Towards biodiversity management/enhancements within SNCI adjacent to property
13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL	-71,500.00	65,000.00	-6,500.00	0.00	06.12.2023	(a) grey squirrel control measures in Gosforth Park Nature Reserve at a cost of £15,000 over 15 years, (b) enhancements to Gosforth Park Nature Reserve including watercourse and fencing £35,000, (c) Provision of Education packs for new residents including a leaflet at a cost of £3,655 as to how and why to discourage grey squirrels, (d) Natural History of Northumbria Membership Fund for each new household £25.00 per dwelling (totalling £9,150)
14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL	-206,728.00	200,225.71	0	-6,502.29	03.03.2022	Habitat creation at Wallsend Dene local wildlife site
14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL	-13,348.00	13,348.00	0.00	0.00	08.12.2022	To be used to improve the existing woodlands through major thinning programmes and additional ground storey planting, wetland habitat introductions and improvements near Hadrian Pond and Wallsend Burn and new woodland plantings and improvements to the existing hedgerow network in this area of the park by laying hedges and introducing hedgerow trees along their length
14/01744/S106 - Howdon Ward (S0093) - St Marks Church, Wallsend - Marine Buildings Ltd - 13/01655/FUL	-1,384.00	0.00	0	-1,384.00	21.07.2022	Improvements at Wallsend Dene local wildlife site
15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT	-71,009.00	0.00	0	-71,009.00	26.01.2026	
15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - - 15/00406/FUL	-3,724.00	0.00	0	-3,724.00	22.06.2023	
16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL	-7,571.00	0.00	0	-7,571.00	07.01.2026	Create/enhance areas of semi improved grassland to mitigate against the loss of the site and the additional footfall from new residents to Benton Quarry Park, Station Road LWS and the public rights of way within the vicinity of the site
16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL	-18,737.00	0.00	0	-18,737.00	06.07.2023	Semi natural green space
16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL	-2,588.00	0.00	0	-2,588.00	25.10.2023	To be used towards ecological and wildlife management objectives
17/01202/S106 - Chirton Ward (S0108) - Land Adjacent to Vroom Car Retail Park, Orion Way - Northumberland Estates Ltd - 17/00531/FUL	-2,857.00	0.00	0	-2,857.00	08.06.2023	
14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL	-1,432.00	0.00	0	-1,432.00	22.06.2023	Towards the improvement of green space within Benton Quarry Park
21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL	-7,053.89	0.00	0	-7,053.89	16.12.2028	£6, 825.00 towards mitigating impacts against increased use associated with development through habitat creation and mitigation and improvements to footpaths within the vicinity of the site.
19/00262/S106 (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-41,668.00	0.00	0	-41,668.00	06.09.2026	Towards biodiversity improvements within Weetslade Country Park including habitat creation and enhancement projects and footpath/car park improvement works.
	-6,000.00	0.00		-6,000.00		
20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL	-15,688.64	0.00		-15,688.64	04.10.2027	£14,625 towards improvements to mitigate against the impacts of increased use associated with the development through habitat creation and management and improvements to footpaths within the vicinity of the site.
22/00498/S106 (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL	-19,820.63	0.00		-19,820.63	11.10.2027	£18,900 towards habitat creation, management and monitoring
Total	-836,825.91	288,157.71	-45,549.00	-503,119.20		

Air Quality Monitoring						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL	-11,507.00	0.00	0	-11,507.00	20.04.2023	For air quality monitoring relating to the Holystone bypass housing development
Total	-11,507.00	0.00	0.00	-11,507.00		

Public Rights of Way						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
19/00262/S106 (S0124) - Land East of Salters Lane, Longbenton - Avant Homes - 16/01889/FUL	-48,978.99	0.00		-48,978.99	06.09.2026	
Total	-48,978.99	0.00	0.00	-48,978.99		

Community Facilities						
Development	Received	Spent / Draw	Committed	Uncommitted	End Date	Legal Agreement
18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL	-63,865.03	0.00	0	-63,865.03	01.08.2027	
Total	-63,865.03	0.00	0.00	-63,865.03		

Section 106 Totals	-20,299,680.32	8,836,038.31	-2,897,629.92	-8,566,012.58		
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Meeting: Finance Sub-Committee

Date: 28 March 2023

Title: Welfare Reform - Financial update on

- **Discretionary Housing Payments Fund**
- **Local Council Tax Support Scheme**
- **Local Welfare Provision Scheme**
- **Universal Credit**

Authors: Tracy Hunter

Tel: 0191 643 7228

Service: Finance Service

Wards affected: All

1. Purpose of the Report

1.1 To provide the latest update on the three schemes that give financial support to our residents, that were implemented or revised in April 2013 onwards because of on-going welfare reform, as well as an update on the current position of Universal Credit. The three schemes are:

- Discretionary Housing Payments,
- Local Council Tax Support Scheme, and
- Local Welfare Provision Scheme.

1.2 An update is also included on the additional support that has been provided through the Hardship Payment made to working age claimants on Council Tax Support.

2. Recommendations

2.1 Finance Sub Committee are asked to note the content of this report.

3. Detail

Discretionary Housing Payment Fund

3.01 Discretionary Housing Payments (DHP) are administered by local authorities on behalf of the Department for Work and Pensions (DWP). It is aimed at being a temporary payment, which provides support, just at the right time, to people in financial difficulties who have a shortfall between their rent and Housing Benefit (or Universal Credit including the housing element) or require help with moving costs to more affordable accommodation, including rent in advance and deposits. It provides time to

allow a claimant the financial support they need to deal with, seek help, and put in place arrangements to improve their difficult financial circumstances. It is promoted well so partners are aware of this support and can quickly identify those that need it.

- 3.02 After receiving the final award of DHP the total grant for 2022/23 was £306,562. This has been topped up by £50,000 additional burdens funding the authority receives direct from DWP for burdens placed on the benefits team. We have also now received notification of the DHP grant for the next two financial years (2023/24 and 2024/25). The amount for both years is at the same as for 2022/23.

DHP financial details for the current financial year 2022/2023

- 3.03 Table 1 and details below show the current position against the grant for 2022/23.

Table 1 – DHP Spend to date

	Amount of grant
Initial payment- DWP funding only	£306,562
Additional Funding	£50,000
Total spend and committed	£329,028
Funding unallocated	£27,534

- 3.04 Claimants
- 537 claimants have received support as at the December 2022, of this 1 claimant has custody of children and 31 claimants are living in adapted property.
- 3.05 Requested reviews
- Since April 2022 there have been 28 reviews carried out with 10 changed in favour of the customer.

Local Council Tax Support Scheme

- 3.06 The Council Tax Support Scheme is a means tested support which helps those on low income pay their Council Tax. Working age can receive up to 85% of their Council Tax liability and pensionable age claimants continue to receive up to 100% support.
- 3.07 As at the end January the caseload has reduced again and now stands at 15,951 (7,127 pensionable age and 8,824 working age). The cost for the scheme is currently £16,624,730.
- 3.08 For 2023/24 an administrative change was agreed at Council which will make it easier for new Universal Credit (UC) claimants to claim Council Tax Support. The change means that the Authority will use information that the Department for Work and Pensions provides about customers who have made a new claim for UC and are interested in claiming Council Tax Support as an actual claim for Council Tax Support where possible, thus reducing the need for a separate new claim.

Hardship fund

- 3.09 The hardship payment of £150.00 continues to support working age claimants, this means around 56% have a nil liability for 2022/23.
- 3.10 In 2023/24 the Government has provided a grant to provide all Council Tax Support claimants with a reduction in their Council Tax bill of up to £25.00. Along with this grant, further funding was made available in the 2023/24 budget to provide up to £125.00 for all working age claimants on top of the £25.00.

Local Welfare Provision

Statistics for the period 1st April 2022 until 30th September 2022

- 3.11 There have been 2,331 applications for Local Welfare Support
- 3.12 All 2,331 applications were offered a full screening. Further advice and information including signposting to our partner organisations was offered where this was appropriate.
- 3.13 There were 1,147 crisis applications eligible for further practical support. This included applicant receiving food, utility support, baby items or baby food, essential household items, travel costs or clothing.
- 3.14 Spend for the period in respect of immediate practical support amounted to £32,621.65. This is in addition to the annual grant to the Food Bank of £29,934.14 which was paid in April 22.
- 3.15 There is still funding with North East First Credit Union which allows the Authority to refer people with poor credit history who would be seen as higher risk customers, the opportunity to access reasonably priced loans. This was a one off funding; customers are charged interest which goes back into the fund to be used by other customers. During this quarter 1 referral has gone directly to the credit union after an assessment by the welfare staff team. The credit union are now able to take applications online which has made the process simpler and much quicker for customers who are in crisis.
- 3.16 Of the applicants who were not provided immediate practical support funded by the authority, a summary of some of the assistance is as follows:
- Referrals to Whitley Bay Food Bank
 - Liaison to resolve benefit issues with Department for Work and Pensions
 - Referrals to a supported housing provider
 - Referrals to Citizens Advice
 - Liaison with HMRC for Child Tax Credits
 - Working with other community support groups
 - Liaison with their bank utility provider or employer
 - Referral to other Children's Service support
 - Support from the Salvation Army with vouchers (to be used in their shops mainly for clothing)
 - Referral to community resources for clothing or furniture items

- 3.17 Due to rising energy prices, cuts to Universal Credit, and the end of debt recovery suspension, demand for support is still high. The impact of the pandemic on family and individuals finances has meant that people who have not accessed support in the past are requesting help from the team.
- 3.18 In addition, the team have been delivering grants from the Household Support Fund which has allowed many more residents to receive help.

Universal Credit

- 3.19 Universal Credit (UC) replaces 5 state benefits unless the customer meets certain criteria and would still qualify for a legacy benefit. The five legacy benefits it replaces are:
- Housing Benefit (HB)
 - Income Support (IS)
 - Job Seekers Allowance Income Based (JSA)(IB)
 - Employment and Support Allowance Income Related (ESA)(IR)
 - Tax Credits (Child Tax Credits and Working Tax Credits) (CTC), (WTC)
- 3.20 As at the end December there are 18,834 people claiming Universal Credit which is a small reduction against the number reported in the November Report.

In Work Progression

- 3.21 Currently Work Coaches do not provide ongoing support for customers allocated to either the Light Touch Regime or the Working Enough Regime. As part of Governments' 'Levelling up' agenda, funded through the 2021 Spending Review, a new voluntary Work Coach offer will be introduced nationally targeting UC customers in the Light Touch and Working Enough conditionality groups.
- This approach aims to support these customers progress out of low pay, increase their financial resilience, address poverty and raise their productivity and skills. This new support is called "In-work progression".
 - For those customers who volunteer for the offer, they can access up to 110 minutes of tailored support from a progression work coach each year who will support customers to address any barriers to progression, open up access to the wider provision to help them to upskill, improve their confidence, motivation and attitudes towards work (i.e., in different sectors) and improve their prospects of obtaining better paid work.
 - This will roll out in NTW JCP District from 22/2/2023.
 - A new JCP NTW District Progression Lead role will create and develop opportunities with employers and providers. Gillian Hewison, has formerly been on secondment with Newcastle City Council leading on the Newcastle Futures programme.

3.22 Managed Move to Universal Credit.

By the end of 2024/25 DWP plans are:

- Completed the moves of all legacy cases with tax credits (including those on both ESA and tax credits), all cases on Income Support (IS) and Jobseeker's Allowance (JSA) and all Housing Benefit (HB) only cases. This will allow HMRC to close down the tax credit system for those of working age and DWP to close down IS and JSA – generating savings for taxpayers.
- As part of that plan, in 2023/24 DWP plan to move cases that are solely in receipt of working tax credit and/or child tax credit, with the remaining tax credit cases (which also receive DWP benefits) and IS, HB and JSA moved in 2024/25.
- In the early part of 2023/24, DWP will be testing their ability to scale the approach that has been developed during the Discovery Phase (test and learn) and will continue to learn and refine the process to ensure as many claimants as possible safely transition to UC.
- The managed migration of ESA cases are delayed until 2028/29 as outlined in the recent Autumn Statement.
- The latest published information from the Discovery Phase is available here: [Completing the move to Universal Credit: Learning from the Discovery Phase - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/completing-the-move-to-universal-credit-learning-from-the-discovery-phase). As any local information becomes available the JCP Partnership Manager for North Tyneside will provide updates.

Housing Department Update

- 3.22 The impact of UC continues to be felt by our housing department and they now have 5,339 tenants on UC as of 21 September 2022. 3,907 (73.18%) of these are in arrears although it is worth noting that 82.24% of those on UC were already in arrears when they made the current claim for UC. The average increase per case since the claim for UC is now £381.66. The average arrears for all tenants have increased since last reported, those on UC is £788.47 compared to an average arrears of £590.61 for all tenants and £286.21 for those not on UC. Other housing providers continue to advise of significant arrears with tenants, including those in receipt of UC.
- 3.23 Covid-19 had a large impact on housing tenants with 1,438 of tenants reporting that they had been adversely impacted. 132 tenants (9.18%) reporting an adverse impact on more than one occasion. This had contributed to the significant increase in the number of tenants claiming UC. So far 822 tenants on UC, 80 tenants on legacy benefits and 536 self-paying tenants have been recorded as having been impacted by Covid-19. The last declaration from a tenant that Covid-19 impacted their ability to pay was received in July 2022.
- 3.24 Housing continue to make use of all available funding and services from internal and external providers to maximise tenants financial position and improve their ability to

sustain their tenancy, maximising referrals through to CAB for any debt management advice, working with Employability Services to increase and support opportunities for employment, using funding from the Household Support Fund to either help with household costs or in exceptional circumstances to support the cost around rent and to refer through for the potential use of DHP (Discretionary Housing Payment), although it is to be noted that there has been a decrease on the amount of DHP funding this financial year. Of those tenants who have expressed difficulty with their finances 617 have been offered a referral to Citizens Advice and assistance has been provided to 1,148 tenants who successfully accessed Northumbria Water's support plus scheme.

4. Background Information

The following background documents have been used in the compilation of this report and are available from:

- [Discretionary Housing Payment Policy 2022/23](#)
- [S1/2022: Discretionary Housing Payment government contribution for English and Welsh local authorities for financial year ending March 2023 - GOV.UK \(www.gov.uk\)](#)
- [S9/2022: Mid-year Discretionary Housing Payments government contribution for English and Welsh local authorities for the financial year ending March 2023 - GOV.UK \(www.gov.uk\)](#)

Risk Scorecard

IMPACTS				
	4	3	2	1
	Minor	Moderate	Significant	Major
Financial Impact	£100K - £500K	£500k - £1M	£1M - £10M	>£10M
Service Provision	Minor service delay	Short term service delay	Service Suspended / Medium term delay	Service Suspended Long Term Statutory duties not delivered
Project	Minor delay - days	A few milestones missed	A major milestone missed	Project does not achieve objectives and misses majority of milestones
Health & Safety	Sticking Plaster / first aider	Broken bones/Illness	Loss of Life/Major illness	Major loss of life/Large scale major illness
KPI	Minor impact on KPI's	Specific Performance Issues of a few KPI's	Widespread Performance Issues on KPI's	Complete Breakdown of KPI's
Morale	Mild impact on morale	Some hostile relationship and minor non cooperation	Industrial action / Contractual Dispute	Mass staff leaving / Unable to perform contract
Reputation	No media attention / minor letters	Adverse Local media	Adverse National publicity	Remembered for years!!
Customer Satisfaction	Little or no impact	Slight Reduction	Serious Reduction	Widespread Reduction

	LIKELIHOOD – 3 to 5 year period	PROBABILITY
A	Very High / Certain	85% to 100%
B	Highly Likely	60% to 85%
C	Medium / Likely	30% to 60%
D	Low / Possible	15% to 30%
E	Very Low / Rare	5% to 15%
F	Negligible / Almost Impossible	0% to 5%

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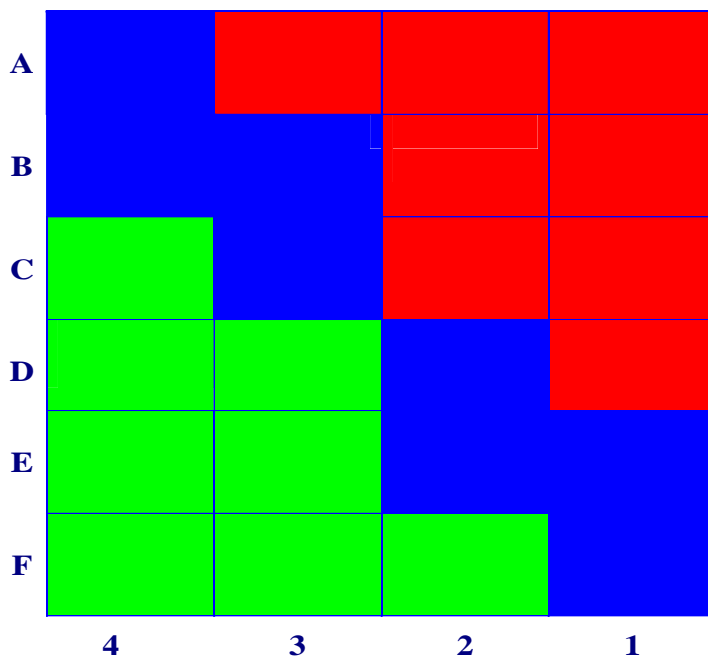
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North Tyneside Council

North Tyneside Risk Matrix



Likelihood:

- A Very high / Certain
- B Highly Likely
- C Medium / Likely
- D Low / Possible
- E Very low / Rare
- F Negligible / Almost impossible

Impact:

- 1 Major
- 2 Significant
- 3 Moderate
- 4 Minor

Red risks are to be managed down as a matter of urgency – reviewed every 3 months

Blue risks are to be managed down in the medium term and monitored – reviewed every 6 months

Green risks considered low priority but are also monitored – reviewed every 12 months

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