Cabinet

Monday, 28 November 2022

Present:	N Redfearn (Elected Mayor) (in the Chair) Councillors C Johnson, K Clark, J Harrison, H Johnson, A McMullen and S Phillips
In Attendance:	M Godfrey (Young Mayor) D Bavaird (Business Representative) D McNally (Age UK North Tyneside) M Hall (Northumbria Police) R Layton (North Tyneside Joint Trades Union Committee) V Smith (Voluntary and Community Sector) J Martin (NHS, Primary Care, North Tyneside)
Apologies:	Councillors C Burdis, S Graham and M Rankin

CAB57/22 To Receive any Declarations of Interest and Notification of any Dispensations Granted

Councillor K Clark declared a registerable personal interest in agenda Item 6: 2022-23 Financial Management Report to 30 September 2022 (CAB61/22), and Item 7: 2023-2027 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals (CAB62/22), as she was a Director and Employee at Justice Prince CIC (Working Roots) which had contracts with North Tyneside Council funded to deliver community-based programmes.

CAB58/22 Minutes

Resolved that the Minutes of the previous meeting held on 17 October 2022 be confirmed and signed by the Chair.

CAB59/22 Report of the Young Mayor

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

- Member of Youth Parliament (MYP) Hannah Clarke-McKeran had delivered a powerful speech in the House of Commons on the 4 November on support for young people's mental health and was working with the Emotional Wellbeing and Mental Health Committee and the Ready for Life Committee looking at the resources available to support young people in the borough. She had also met with the Authority's Director for Public Health and her team to learn about what was already being provided in North Tyneside.
- The Young Mayor had visited Hadrian Park Primary school to help with planting trees, the school was registered with the Eco School Award and this activity would score them points in achieving the award and ultimately their Green Flag status.
- The Young Mayor continued to attend the Carbon Net Zero Board meetings covering the many things that had been put into place by the Authority and the ongoing

campaign to persuade people to change their behaviour.
- Youth Councillors had taken part in a litter pick at the Rising Sun Country Park which they found to be very clean with not a lot of litter to collect and were very encouraged to know that people were taking social responsibility for their spaces.
- A Swap Shop in North Shields Library on the 10 December between 11am and 2pm was planned to coincide with Northumberland Square Christmas Fayre, anything left over after the swap had finished would be taken to the local charity shops.
- The Children in Care Council hosted their first annual awards celebration night on the 29 October dedicated to children and young people who were in care and to recognise the amazing things they had achieved throughout the past year, from hard work ethic and career development to sporting triumphs. Three of the awards that were presented were in memory of foster carers who had lost their lives during the pandemic, and individual awards which were presented by the Authority's Director of Children's Services to the winning young people.
- The Young Mayor had joined young people from North Tyneside's Children's Council, Youth Council, SEND Youth Forum and Children in Care Council to take part in a consultation session facilitated by the Authority's Participation Team, and an independent Children's scrutineer, when views were shared on what safeguarding meant to them, along with their understanding of North Tyneside Safeguarding Children's Partnership and their priorities for the year ahead, including how effectively safeguarding arrangements were working for children, families and practitioners.
- Alexander Kinney had been presented with the Young Mayor's Award as part of the Spirit of North Tyneside Awards for the environment volunteering work at his school.
- Youth Councillors had laid wreaths at 5 of the memorials and cenotaphs around the borough on Armistice Day and Remembrance Sunday.
- Youth Councillors had attended the State of the Area Event focusing on the rising cost of living and the opportunity to have their say in the workshops.
- Youth Councillors had collected food donations from shoppers in Morrisons in Whitley Bay for the charity Walking With. 37 large bags of groceries were donated this time which would be gratefully received by those in need, and a further collection in Morrisons was planned on Sunday 11 December 2022.

The Elected Mayor thanked the Young Mayor for the update and the Young People for their work.

The Elected Mayor also referred to MYP Hannah Clarke-McKeran's excellent speech in the House of Commons on young people's mental health and in recognition requested that the YouTube (video) recording of Hannah's speech be presented at the meeting.

CAB60/22 Storm Arwen Task & Finish Group

Cabinet considered a report of the Overview, Scrutiny and Policy Development Committee, which presented the Storm Arwen Task & Finish Group's recommendations at Appendix 1 to the report to the Authority's response into the handling of Storm Arwen.

At its meeting 20 January 2022 Council debated a Motion in relation to Storm Arwen. Following debate, it was agreed that the Elected Mayor would; -

> "write to the Prime Minister to raise our concerns with the way the situation was handled and to commit to providing funding to aid the recovery".

> "Launch a cross party inquiry into the handling of Storm Arwen by North Tyneside Council, including what work is outstanding and what lessons can be learned, and report back to full Council before the end of the municipal year".

The Elected Mayor requested that a review be undertaken by the Overview, Scrutiny and Policy Development Committee (OS&PD). It was agreed that OS&PD would establish a Task & Finish group to review Storm Arwen. In drawing up the Group's terms of reference it was agreed that it would be appropriate for other named storms that occurred after Storm Arwen up to February 2022 to be included in the report.

The approach and Terms of Reference for the review was presented and agreed by the OS&PD Committee at its meeting on 14 March 2022.

All non-executive members were canvased to be part of the Group, and 8 members took up the opportunity to be involved. The agreed approach for the review was through two focussed sessions, which took place on 16 and 23 May 2022. On the completion of its work a report was presented at the full Council meeting 21 July 2022, where Council decided to refer the report to Cabinet for its consideration as it had the responsibility to implement any changes to the Authority's Emergency Planning arrangements. The Group was supported by a team of officers who had key positions of responsibility during any emergency events, including severe weather.

The Group received extensive information to each storm event, which included the background and the Authority's response, Command and control arrangements, Timeline of events, Summary of the impacts of each storm, Communication activity and Impact and work undertaken by Authority service areas. The conclusion of the Group's very comprehensive review was that resilience and emergency planning practice constantly evolved through experience. Through its review the Group had made a number of recommendations for consideration by Cabinet. The Group also recognised the significant work that had taken place during the storms - by individuals, neighbours, communities, responders, voluntary groups, businesses, and others who came out in very challenging conditions to provide help to those in need.

The Group concluded that the Authority was able to rapidly mobilise staff with the necessary specialist technical skillsets to support the range of requirements needed to keep residents and property safe. The Group's view was that the activation and effective mobilisation reduced possible further impact to residents/businesses within the borough and all staff involved throughout all the storm events worked tirelessly and should be commended.

Resolved that Cabinet formulate a response to the recommendations presented in Appendix 1 to the report as a result of the Overview, Scrutiny and Policy Development Committee's, Storm Arwen Task & Finish Group review of the Authority's response into the handling of Storm Arwen.

(Reason for decision: In accordance with section 9FE of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Committee within two months. In providing this response Cabinet is asked to state whether or not it accepts each recommendation and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.)

CAB61/22 2022-23 Financial Management Report to 30 September 2022

Cabinet considered the third monitoring report outlining the 2022/23 financial position. It provided an early indication of the expected revenue and capital financial position of the Authority as at 31 March 2023. The view in this report was expected to change over the coming months as the recovery to a pre Covid-19 position continues, the impact of market conditions became clearer, further inflationary factors became apparent and management actions started to take effect.

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. This included (£7.257m) of savings to be achieved, of which (£3.113m) related to new business cases included in the 2022-2026 Medium-Term Financial Plan, (£1.607m) of full year effect of prior year business cases and (£2.537m) of savings previously achieved by one-off mitigations and non-permanent solutions.

Prior to any mitigation, the Authority's approved net revenue budget was forecast to outturn with a pressure of £15.500m. Table 1 in section 1.5.2 of the report set out the initial variation summary across the General Fund.

The Authority continued to take a prudent approach to forecasting including in relation to the on-going impact of Covid-19, which currently was forecast to add pressures of £5.226m to the General Fund in 2022/23. These pressures were primarily where fees and charges income had yet to return to pre-pandemic levels, where additional fixed term staff were employed to cover increased demand or to enable front-line service provision to continue unimpacted by employees needing to self-isolate. In addition to Covid-19, global market pressures existed around the Authority's supply chain and current inflation levels, these combined added a further £7.182m to the overall pressure. The remaining £3.092m related primarily to staffing and other income related pressures across the services.

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 had now been allocated to Commissioning & Asset Management and was reflected in the services projected position, leaving (£1.800m) to support the overall pressure.

In addition to the use of the Change Reserve, £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 had now been allocated to Commissioning & Asset Management and was reflected in the services projected position, leaving (£1.650m) to support the overall pressure.

Within the 2022-2026 MTFP, (£0.150m) was identified as planned use of the Insurance

Reserve to support additional Repairs and Maintenance costs within the Authority's Commissioning & Asset Management Service Area. The use of this funding had been included in Table 2 in section 1.5.2 of the report.

Included within the position for Central Items is (£6.752m) of contingencies; of which (£3.116m) was being used to offset the pressures in Children's Social Care, (£1.301m) was supporting the under achievement of savings targets and (£2.325m) was being used to support the inflationary pressures being faced by the Authority. A further (£0.989m) of central savings was supporting the wider bottom-line position. Additionally, this month (£0.316m) had been included reflecting the part year reversal of the national insurance increase and (£4.927m) of Minimum Revenue Provision savings had been included in the position following the conclusion of External Audit work into the methodology change. These savings followed on from savings made last year due to the switch to the annuity method following the review by Link Treasury Services Limited. In 2021/22 these savings were set aside in a new MRP reserve; however, it was likely the savings would be required to support the bottom-line position in 2022/23 and were available if required.

Further to this balance, an additional (£1.300m) was set aside in the 2022-26 MTFP to support anticipated inflationary pressures in 2022/23. With the allocation of this support, the Authority had been able to release a provision of (£0.300m) previously held on the balance sheet to support increased Special Guardianship Order costs.

£1.925m of funding previously reported in July had now been allocated to help cover the cost of the Pay Award, which was anticipated to be approved at £1,925 for every full-time equivalent employee. Despite this additional allocation, the cost of the pay award was still likely to be higher than the funding set aside and officers continued to work through the projected figures until a final agreement was announced.

The Authority was able to carry forward from 2021/22 (£2.962m) of Covid-19 related central Government grants. Of this (£1.462m) had been committed and was reflected in the £15.500m position reported in Table 1. The remaining balance of (£1.500m) was available to support on-going Covid-19 legacy pressures and was reflected in the revised position shown in Table 2.

With the inclusion of the planned support from the 2022-2026 MTFP, the adjusted General Fund position, as shown in Table 2, was a pressure of £8.800m. This reflected the continuing impact of Covid-19 being £2.076m over the support funding allocated. The main areas impacted were within Environment, where Sports and Leisure income from fees and charges continued to be lower than pre-pandemic levels. Initial projections suggested income would be higher than in 2021/22 but still only 80% of the income levels achieved pre-pandemic in 2019/20. Significant pressures also existed in Children's and Adults' Services, where the response to the impact of Covid-19 had seen staffing levels increase to manage a significant increase in caseloads and demand for services for both Adults and Children. This was not unique to North Tyneside and was being seen across the region and nationally.

The Inflation Rate (Consumer Price Index) had recently reached 10.1% and was much higher than the rate anticipated when Cabinet set aside the allocations in the 2022- 2026 MTFP. This was forecast to add a further £5.882m in respect of non-energy related inflationary pressures. Current projections suggested the funding set aside by Cabinet to support inflationary pressures on utilities would be enough to mitigate that pressure. The majority of the non-energy related inflationary pressures being in Adults Services across the external care market and contractual costs within Commissioning & Asset Management for catering supplies and the cost of Home to School Transport and Environment which included leisure centres, libraires and customer first centres all impacted by utility pressures.

The remaining balance of £0.842m was attributable to pressures considered to be 'Business as Usual'. Finance officers were 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 was facing in a number of key areas:

- Children's Services – demand and cost assumptions;
- High needs/SEND pressures;
- Adults Social Care – demand 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.

The aim of this work would be to ensure actions were in place to bring the outturn forecast for normal activities in on balance and it was anticipated the position would improve over the course of the financial year as planned remedial actions begin to impact on both expenditure and income. Should any balance remain at year-end then this would need to be supported from the Strategic Reserve, significantly reducing the level of un- ringfenced reserves the Authority had.

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 had had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) to £134.268m.

The governance structure of the Efficiency Savings Programme included a monthly review of progress by the Senior Leadership Team (SLT). In addition, in-year budget and performance progress meetings were held between officers and Cabinet Members to consider progress and actions being taken to deliver savings. The variations in relation to the savings were outlined in the report.

New savings were proposed for 2022/23 of £4.720m combined with £2.537m of brought forward targets that still required a permanent solution from previous years meaning an overall target to achieve in 2022/23 is therefore £7.257m.

Within HECS, Adults Services were projecting to achieve the full (£0.950m) relating to business cases brought forward from prior years and new business cases from 2022/23. Within the CYPL pressure of £13.154m, £3.000m relates to the non- achievement of savings targets. In the previous financial year these savings had been significantly impacted by Covid-19 and as such, achievement had 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 were for all CYPL savings to remain unachieved in 2022/23.

Finance Officers continued to attend meetings with Directors and the Heads of Service across Adult and Children's Services, and individual managers had been assigned responsibilities to pursue deliverability of existing schemes and to identify alternative proposals during 2022/23.

Within Commissioning & Asset Management, £0.400m of cross-cutting 2022/23 savings were held with £0.026m of the Procurement saving projected to be achieved to date, with work on-going across the Authority to achieve the balance by the year end. Of the savings related to prior year business cases, £0.132m was projected to be achieved with a further £0.050m available via management mitigations leaving £0.164m still to be achieved. The planned 15p increase in paid school meals in September 2022 has been implemented but this had not allowed the full savings target to be delivered. Additional catering income had been generated supplementing the achievement by £0.050m. Due to the impact of the Pandemic school meals increases had been delayed for two years, so previous income targets for 2020/21 & 2021/22 were also included in these figures. As a number of schools had left the SLA during that time period this target was only partially deliverable, and an alternative was being explored for the shortfall of £0.089m.

The schools leaving the SLA were now confirmed so £0.025m of the 2022/23 element of the savings target for paid school meals and SLA income would not be delivered in the original manner. Previous years SLA income targets create an additional pressure as targets were based on a greater number of schools in the SLA. A further £0.050m would not now be delivered as planned. In total, £0.075m of this savings target still required a permanent solution. All savings in the other service areas were forecasted to be achieved.

A table containing details of new Revenue Grants received during August and September 2022 was set out in section 1.5.4 of the report.

Schools were required to submit their rolling three-year budget plan by 31 May each year. The total planned deficit for 2022/23 is £5.532m. The Authority had been working with schools for a number of years with regard to the long- term strategic issue of surplus secondary places and the associated financial pressures, which continued to be compounded by rising employment costs.

Finance officers were working with schools to produce an update on 2022/23 school finances position as reported previously to cabinet. A report of this update would be presented to Cabinet in the next finance report.

The High Needs Block ended 2021/22 with a pressure of£13.511m. The forecast of the Budget position for 2022/23 indicated an anticipated in-year pressure of £5.111m reflecting a further rise in demand for special school places, producing a cumulative deficit balance of £18.622m.

The Housing Revenue Account (HRA) RA was forecast to have year-end balances at 31 March 2023 of £0.281m. These balances were £0.090m lower than budget which was set at £0.371m.

Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of the end of September 2022, 3,999 North Tyneside Homes tenants had moved on to Universal Credit and a team was working proactively with tenants to minimise arrears. This position will be closely monitored as the year progresses to identify any adverse impacts on the Budget position.

The approved 2022-2027 Investment Plan totals £329.309m (£116.459m 2022/23) and is detailed in table 19 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.

An officer led review of the Investment Plan has resulted in proposals for variations of £0.347m and reprogramming of (£13.283m) of which more details are set out in Section 4 of the Annex to this report. The revised Investment Plan stands at £103.523m for 2022/23 and to the end of September 2022 spend of £26.751m had been incurred which represents 25.8% of the revised plan.

Significant inflationary pressures are being experienced across the UK, and senior officers within the Authority have undertaken a review of inflationary impact to the Investment Plan. Given supply issues and rising costs on committed schemes within the plan, there may be an impact on the delivery of some planned activity as investment is re-profiled to future years. The corporate risk register includes risks for such inflationary pressures to the investment plan.

The 2021-2025 Our North Tyneside Plan (Council Plan) set 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”, had five key themes as set out. For each theme there was a set of policy outcomes which the Authority was seeking to deliver; these were detailed in the Council Plan. The Authority had plans in place to deliver all elements of the Plan and performance against delivery was carefully monitored. An update report on the progress of delivering the 2021-2025 Our North Tyneside Plan was taken to Cabinet in September 2022.

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

Resolved that (1) the forecast budget monitoring position for the General Fund, Schools’ Finance and Housing Revenue Account (HRA) and as at 30 September 2022 (Annex sections 1, 2 and 3), be noted;
(2) the receipt of (£0.444m) new revenue grants (as outlined in section 1.5.4 of the report), be approved;
(3) the Authority’s Investment Plan spend of £26.751m to 30 September 2022 and the financing of the Plan to the end of the year (Annex Section 4), be noted:
(4) variations of £0.347m and reprogramming of (£13.283m) for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4), be approved;
(5) the information on the Collection Fund (Annex section 6), be noted; and
(6) the information on Prudential Indicators contained in Appendix 2, be noted.

(Reasons for decision: 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.)

CAB62/22 2023-2027 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals

Cabinet considered a report which sought approval for the Cabinet's initial budget proposals for 2023/24 in the context of the 2023-2027 Financial Planning and Budget. This report represented a key milestone in the development of the 2023/24 Budget and 2023- 2027 Medium-Term Financial Plan (MTFP), as it sets out Cabinet's initial Budget proposals for the next financial year and beyond.

The Authority's 2022/23 Budget and 2022-2026 MTFP were agreed by full Council on 17 February 2022. At that time, it was impossible for the Authority to foresee the global economic impact of the Russian invasion of the Ukraine. Rising interest rates and inflation had caused a significant impact leading to a cost-of-living crisis, which would see a real term reduction in living standards for families throughout the Borough. At the time of writing this report inflation (as measured by the consumer price index (CPI)) has reached 10.1%, with forecasts that it could rise further towards the end of the financial year. This would have a significant impact on the cost of delivering essential services and the Investment Plan.

The Authority's financial planning had previously assumed that COVID-19 pressures would abate in line with the withdrawal of Government support. However, as reported to Cabinet at this meeting in the Budget Monitoring Report for September, the Authority continued to feel the financial effects moving forwards.

Whilst the Authority carried forward COVID grants, which had been used to smooth the financial position in 2022/23, it was anticipated that these grants would be fully utilised in the current financial year with no residual funding available to meet any ongoing costs into future years. This posed a significant risk to the Authority's financial position for 2023/24 and future years and the Senior Leadership Team, supported by Senior Officers, continued to mitigate this as far as possible in budget monitoring and planning.

It was highly likely that key income sources including Council Tax, through both the Collection Fund and tax base growth, and business rates would continue to be under significant pressure in 2022/23. The current MTFP position incorporates prudent assumptions about these income streams, which would need to be reviewed over the course of the Budget-setting period. This would include Government announcements around the inflationary uplifts to business rates, which are set nationally.

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

The cost-of-living crisis was accelerating inequalities in the Borough, pushing families further towards crisis and realigning many of the inequalities that already existed in the Borough. Cabinet was determined that this gap would not widen and would do everything it could to get support to families that needed it whilst making sure that nobody was left behind. However, it was acknowledged that the Authority cannot deliver this essential work alone, so officers and Members continued to engage with the brilliant voluntary and community sector who helped the Authority get the right support, at the right time, to the right people.

Whilst the approach to Budget-setting this year continued to be challenging and there was a significant amount of risk and uncertainty, Cabinet continued to plan for the future, listening to and focusing on the priorities of residents and businesses. The proposals for a balanced Budget for 2023/24 and a MTFP over 4 years would be based on a reasonable and prudent set of assumptions. Despite the unknowns, this would give the residents and businesses in the Borough as much certainty as possible that the Authority continued to deliver services that meet their needs and that their money was being spent well.

At the Council meeting in February 2022, the MTFP for 2023/24 to 2025/26 set out a gap of £21.534m over the 4-year period, with a gap of £10.655m for 2023/24. The gap in the February Council report for 2023/24 was calculated prior to the increase in council tax (1.99%) and adult social care precept (1%), which was agreed at that meeting. The additional resources agreed (£3.184m) reduced the revised gap for 2023/24 to £7.471m, which would be the base line position for the remainder of this report.

Before looking at the new and emerging pressures since the Budget was set, Cabinet noted that the robust approach to financial planning in North Tyneside served its intended purpose. Had new pressures not arisen, a review of changes to Government funding assumptions and reductions to growth pressures from management action, would have reduced the residual MTFP gap for 2023/24 from £7.471m to £1.059m. This would have been a manageable gap to address in the current budget round. However, since the development of the 2022/23 Budget and MTFP in February 2022, a number of further significant risks had emerged that were impacting on the 2022/23 budget outturn position, as well as increasing the £7.471m gap identified for 2023/24. These risks were anticipated to add £15.635m to the gap and were summarised in Table 1 (section 1.6.3).

Social care fees – following the 2022/23 budget being set, the in-year home care negotiations resulted in a further uplift in fees, reflecting the current market pressures facing the sector. As such, an additional amount had been added into 2023/24 estimates to ensure the base budget reflected these contract values.

Pay award – the current year pay award was based on the pay offer made by Local Government Employers, being a flat rate of £1,925 per full time equivalent employee. At the time of writing, 2 Trade Unions had accepted the offer, with one 1 rejecting it – it was expected to be formally agreed in November and paid to staff in December. For both in-year monitoring and future budgeting purposes, this rate, which equates to an average increase across the Authority of between 5-6%, had been used. The impact on the 2022/23 financial position was included in the Budget monitoring report elsewhere on this agenda, but for 2023/24 the base budget would need to increase by a further £4.000m to ensure the base budget was sufficient moving forwards.

Energy inflation – the original £7.471m gap in the MTFP included £0.800m for utility price inflation. Since the Budget was set, energy price inflation had increased exponentially. Despite the forward purchase of energy through the North East Procurement Organisation (NEPO) framework and the in-year Government support to councils, a further £4.772m was currently forecast to be required for the 2023/24 base budget. This area remained subject to significant volatility, so further updates would be given to Cabinet in future finance papers, both budget monitoring and budget setting.

Contractual inflation – this figure was made up of two elements; firstly £3.000m for indexation of contracts which were pre-determined in terms of timing and inflationary measure – generally CPI or Retail Price Index (RPI). Future reports would update for any further changes in the applicable rates, as current assumptions had been used as to what they would be at the specified contractual uplift dates. The residual amount of £2.663m related to care fee inflation, arising from a combination of price and volume assumptions. Some of this increase may be funded from Fair Cost of Care allocations, but the timing of these announcements by Government were not currently known. The revised gap for 2023/24 was therefore £23.106m as shown in Table 2 (section 1.6.7).

Finance officers were continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to review Business as usual activity in a number of key areas. The key areas of challenge, which could lead to further cost pressures, included:

- Children's Services – demand, workforce and cost assumptions;
- High needs/Special Educational Needs and Disabilities (SEND) pressures;
- Adults Social Care – demand, workforce 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.

The aim of this work was to ensure actions were in place to bring the outturn forecast for normal activities in on balance.

With regards to Government funding, the MTFP had assumptions in relation to the continuation of certain elements of the 2022/23 funding settlement, including in particular that there would be a repeat of part of the "one-off" 2022/23 Services Grant allocation of £3.330m. The current revised gap above assumed that 50% of the grant would be reversed by Government, i.e. a loss of £1.665m. Any further reduction in the grant would result in a worsening position, but the continuation of the grant at 2022/23 level would improve the income assumption.

There remained significant uncertainty about the Fair Funding Review or successor approach. A consultation on the Fair Funding Review had been expected earlier this year, following several years of being repeatedly delayed. Once again, no consultation had been brought forward and any future approach would be dependent on the new Government's priorities and the current macro-economic picture. Given the restrictions of the parliamentary timetable, Spending Review timescales and the significant impacts that implementing Fair Funding could had across the local government sector, it was possible that reforms will not be brought forward until 2026/27.

As well as uncertainty around progress on Fair Funding over the medium term, it is unlikely that there will be any certainty about the 2023/24 Provisional Settlement until mid-December at the earliest, with some commentators suggesting that this could be delayed into the new calendar year. For the remainder of the report, the starting point for the approach to bring the 2023/24 General Fund budget into balance would be £23.106m as set out in Table 2.

Using the starting point of a £23.106m revised gap for the General Fund, officers had reviewed the current assumptions included in the MTFP, including revising assumptions around the level of Government funding that would be provided. There were inherent uncertainties within this exercise for the reasons set out earlier, but this reflected the latest information gleaned from a variety of sources. It was summarised in Table 3 (section 1.6.12), with a commentary included on each section.

Pensions deficit – the MTFP included an estimated figure of £2.747m that would be required in the base budget to address the forecast deficit on the pension fund. In October 2022, the updated position of the Tyne and Wear Pension Fund was provided, which confirmed that the fund was in surplus so this amount would not be required.

New Homes Bonus (NHB) – the schedule of NHB payments was expected to reduce from next financial year due to the winding down of the scheme. However, industry commentators had highlighted that due to the delay in the Fair Funding Review, amongst other considerations, it was expected that there could be an extension of the scheme. A one-year extension, without any residual/legacy payments, would see an additional £0.500m next financial year.

Fall out of services grant – as noted earlier, £3.300m was received in 2022/23 for a one-off service grant. The assumed position in the MTFP was that this would be partially extended, with an assumption that 50% would be retained in 2023/24. Latest intelligence suggests that the full grant could be repeated in 2023/24, therefore an additional £1.665m would be available for the Budget next year.

Inflationary uplifts – the MTFP assumed a prudent assumption around inflation in the Revenue Support Grant, business rates and Improved Better Care Fund. Whilst it is not certain, these assumptions have been uplifted from 2% to 6.5%, although confirmation would be required from Government in the Provisional Settlement, which was expected in December. Although there had been indications from Ministers that there would be no increase in funding for inflation, the sector was currently lobbying for increases – so a partial uplift, compared to current CPI levels, is included at this stage.

Reversal of national insurance contribution increases – the full year effect of this could be up to £1.250m. However, Cabinet noted that there was a potential that the Government funding provided, in part, to cover the original increase could be reversed.

Unidentified growth – each year of the MTFP had an item in for unidentified growth of £1.000m. For 2023/24, this would be required to address various staffing restructures addressed in the current year, including the use of agency and locum staff in shortage areas. There was no change to the MTFP gap as a result, but this was included here for transparency. Future year proposed usage would be confirmed in MTFP considerations for next year's Budget-setting.

The MTFP approved by full Council in February 2022 included a 1.99% general increase in Council Tax and a 1% adult social care precept for 2022/23. It remained a major concern that the Government continued to place significant reliance and expectations on locally raised income.

The Government had yet to announce the Council Tax referendum limit for 2023/24 but it was expected that a general Council Tax increase of 2% will remained in place. Since 2016/17 the Government had also allowed local authorities to raise additional income to support the rising costs of providing Adult Social Care by way of levying a precept, without having to hold a referendum. Following the failure of the Government to provide authorities with sustainable funding to support rising costs of supporting the Borough's most vulnerable residents the Authority, in line with the Government's expectations, had made full use of the precept raising ability. At the time of writing this report, no announcements had been made in relation to any precept levy which would be available to local government for the 2023/24 financial year, although this was widely expected to be announced.

Whilst no proposal about Council Tax and/or Adult Social Care levies are being made in this report, it is useful to set out what this would mean for the Authority for illustrative purposes. Should Cabinet consider the increases in Council Tax, based on current tax base estimates, this would raise approximately £3.294m of additional funding for next year (made up of £2.192m general Council Tax (1.99%) and £1.102m from the Adult Social Care Precept (1%)). The precise final level of any change in Council Tax would be confirmed in February 2023 following a decision by full Council.

Strategic Reserve – the MTFP assumed that a contribution would be made to the strategic reserve each year to take account of usage in previous years. Given the current financial position, it was proposed to defer the 2023/24 contribution, but future years' contributions were left in the MTFP for planning purposes.

Minimum Revenue Provision (MRP) – a change was made to the way in which MRP was calculated towards the end of 2021/22. This had now been subject to external audit and no concerns were raised. As well as the savings made to date, it was estimated that this would lead to an underspend on the debt charges budget in 2023/24 in the region of £4.000m. Given the residual gap, as well as the inherent uncertainty, it was considered prudent at this stage to put this forward as a saving for illustrative purposes. The impact of these options was summarised in Table 4 (section 1.6.24).

For completeness, the Elected Mayor and Cabinet had already made decisions in previous years which resulted in savings during the MTFP period, which were already included in the MTFP gap calculations used in this report. These were summarised in Table 5 (section 1.6.25) for ease of reference.

In addition to these planned savings, the Elected Mayor and Cabinet were developing further options for consideration to balance the General Fund over the next four years of the MTFP, with updates to be brought to the January 2023 Cabinet meeting. The aim was to do this via a range of strategic activity which included:

a) Workforce Planning: changing the workforce over the next four years where the need to change aligns to people's plans and recruitment and skills needs;
b) Commissioning, Procurement and Commercial Planning: looking specifically at procurement, demand management testing joint provision with the NHS, direct service delivery and meeting need differently;
c) Digital, Data and Customer Strategy: cash and efficiency benefits from investing in the Authority's priority projects and delivering the Digital Strategy; and
d) Asset Management Planning: investing capital to reduce revenue costs and improve the Minimum Revenue Provision position.

Work would also continue before January 2023 to update the revised gap to take account of the Provisional Settlement (expected in December) along with any wider Government announcements, including the impact of policy initiatives. In particular, the residual gap around adult social care was hoped to narrow based on the allocation of Fair Cost of Care funds. However, in the absence of any detailed information, no attempt had been made to quantify this and the full extent of the social care growth already in the MTFP assumptions had been left unchanged.

From the information in this report so far, the level of uncertainty in this year's planning process was higher than previously experienced. As such, it was not yet possible to confirm the 2023/24 position with any certainty at this stage. This had a consequential impact on the 4-year planning horizon for the MTFP.

Normally this report would include a detailed forecasting of the MTFP, taking into account the full roll forward of year 1 (in this case 2023/24) into future years. However, given the increased uncertainty, a simplified approach had been taken at this stage to set out the 4-year MTFP period, which assumed that the 2023/24 year is balanced. Table 6 (section 1.6.30) set out the key areas of movement each year, plus adds in a "new" year into the MTFP i.e. 2026/26.

The estimated growth required assumptions were largely in line with previous year estimates for 2024/25 and 2025/26. 2026/27 had been added, to take the MTFP to a 4-year planning period, by rolling forward the majority of the assumptions from 2025/26. The notable exception was with regards to the pension fund deficit, as the next triennial valuation will had taken place. An indicative growth item of £5.000m had been added to address the potential deficit balance which could arise in the actuarial valuation. This figure would be revised each year based on the latest indications from the pension fund.

The change in the Council Tax base/Business Rates was the net impact of forecast changes to the Collection Fund. The spike in income in 2025/26 (£2.012m compared to circa £0.500m in the other years) reflected the end of the COVID-19 accounting arrangements, which saw the deficit arising during the pandemic being spread over 3 years. After this one-off reset, the position on the Collection Fund was expected to return to normal levels.

The Authority maintained a level of reserves to plan for and manage financial risk. It was important to remember that reserves could only be used once, and that they were maintained to provide a degree of financial resilience and flexibility for the Borough.

Reserves balances had fallen from 2021/22 primarily due to the planned use of balances relating to COVID grants, which were partially received in advance of the intended spend. By the end of 2022/23, grants relating to COVID would either be utilised or repaid in line with the grant condition which were attached, with the Authority maximising the benefit to the Borough's business and residents.

The Authority bought forward reserves' balances of £80.298m into 2022/23, based on the latest forecast of planned usage, it was anticipated £17.050m would be drawn down in 2022/23 to support service delivery. This would result in a 2023/24 balance bought forward for reserves of £63.249m. The planned usage did not incorporate the potential requirement of the strategic reserves to support the 2023/24 revenue budget pressure being forecast of £5.996m for 2023/24. Neither does it take into account any use of the strategic reserves to support the 2022/23 in-year pressures, as reported in the Financial Management report elsewhere on this agenda.

Reserves balances were forecast to fall to £54.369m by the end of the financial year 2026/27. This assumed no utilisation of the strategic reserves to underwrite revenue budget pressures over the MTFP. Should the Authority utilise the strategic reserve to underwrite the revenue budget pressures, this could lead to the Authority being in breach of the internal requirement to maintain a level of strategic reserves no less than £10m as per the Reserves and Balances Policy.

Whilst there was still a significant level of uncertainty, the Authority would continue to deliver best practice as would be expected. That meant there was a refreshed 4-year MTFP for both the General Fund and HRA, alongside a 5-year Capital Investment Programme. Those financial plans had been based on a benchmarked set of assumptions which had included information from HM Treasury, the Office of National Statistics, and the Office for Budget Responsibility, CIPFA, dialogue with the Society of Municipal Treasurers, as well as the local Treasurers across the LA7 and ANEC areas. The prudent use of reserves forms a vital part of this financial planning.

Financial Planning for the Housing Revenue Account (HRA), like the General Fund, was driven by the Council Plan vision and priorities. The HRA would set a Budget and updated four-year MTFP, supported by the updated 30-year Business Plan.

The Authority, in line with most Local Authority Registered Providers, followed the Government's social housing rent policy, which for the last two years had seen rent increases based on the Consumer Prices Index (CPI) rate, as of September, plus 1%. The CPI rate for September 2021 was 3.1% which led to a rent increase for 2022/23 of 4.1%. However, because of the cost-of-living crisis and the current high rates of inflation being experienced, the Government was concerned about the impact this would have on rent increases for tenants in 2023/24. On 31 August 2022 the Department for Levelling Up, Housing and Communities issued a consultation document on social housing rents, which concluded on the 12 October 2022. They were seeking views on a new Direction to be issued to the Social Housing Regulator in relation to social housing rent policy. The Government was proposing the introduction of a rent ceiling for 2023/24 to limit the maximum amount by which rents could be increased. The September 2022 rate of CPI was 10.1% and following the existing policy would see a rent increase of 11.1% for 2023/24. The Government's proposal was for a ceiling of 5% or CPI + 1%, whichever was the lower. In addition, however the Government were also seeking views on limits of 3% and 7% or any other proposals.

This had led to the need to model a range of scenarios within the 30-year HRA Business Plan. However, until the Government confirmed its final position following the consultation, it had been assumed that rents would rise in line with the Government's proposed new Direction i.e. 5%. The Authority was facing a range of pressures due to several factors including post-pandemic legacy costs, war in Ukraine, rates of inflation, and general economic uncertainty. This was no different for the HRA which was having to contend with some key issues, namely:

- 2022/23 pay award being above 2% budgeted for;
- Uncertainty over future pay awards;
- Craft Workers Pay Review;
- Additional responsibilities required of Landlords under Government Safety White Paper following Grenfell disaster e.g. Carbon Monoxide Detectors in every home and increased periodic electrical inspections;
- Increased costs for Materials across the Supply Chain; and
- Increased Sub-Contractor costs linked to inflationary issues.

All these issues had been factored into refreshing the HRA Business Plan, along with the current proposed rent increase with the aim of ensuring that the 30-year HRA Business Plan could be balanced, whilst meeting all the Elected Mayor and Cabinet's key objectives. These included maintaining the existing stock, meeting increased Affordable Homes ambitions and taking steps to respond to the Authority's Climate Change Emergency, by funding increased sustainability measures and starting to address the decarbonisation agenda as part of the Authority's Carbon Net-Zero 2030 Action Plan.

However, with the proposed change to the Government's rent policy, regardless of whether the increase ends up at 5%, or 3% or 7%, all these scenarios would result in a significant funding gap for the HRA. Table 7 (section 1.7.5) of the report gave an indication of the potential impact of differing rent increase rates. As stated above the current proposal had sought to balance the model using a 5% rent increase, with the "gap" being closed by a combination of slowing down the rate at which debt was repaid over the life of the plan and ultimately reducing the funding the Authority had available to undertake new build affordable housing, based on the premise that the Authority's primary responsibility as a landlord is to manage and maintain its existing homes and tenancies.

As was consistent with the General Fund, the HRA continued to face financial pressures, some of which had been significantly increased by the current economic climate. The continued roll out of Universal Credit and other welfare reforms brings greater pressure on tenants in terms of managing their finances in a time of rising inflation. The Authority continued to focus on supporting residents to sustain tenancies, and help tenants manage their money so that they did not end up in financial hardship or significant arrears.

During the current financial year there was clear evidence of continued shortages of certain key materials such as steel and wood, accompanied by increasing prices as a result along with the current upwards pressure on inflation, effecting both the capital programme and the day-to-day repairs.

The 2023/24 budget and 4-year Financial Plan for the HRA were based on the above assumptions, balanced with small, planned contributions from reserves over the next two years and then smaller adjustments to balances in the remaining two years of the MTFP as set out in Table 8 (section 1.7.8).

There were a number of areas where options had been developed for consideration to help balance the Housing Revenue Account and provide resources to move towards meeting Cabinet and tenants' ambitions. These had centred around:

a) An ongoing review of bad debt provisions and the associated assumptions;
b) A review of levels of in-year contingency provided within both the Management and Repairs budgets;
c) Review of the approach to debt management within the Treasury Management Strategy for the HRA;
d) Analysing Government consultation on rent policy to assess potential impact;
e) Balancing the needs of the existing stock whilst ensuring that the HRA continues to provide funding for a new build programme to assist towards helping to meet Cabinet's Affordable Housing ambitions;
f) Ensure that the Authority has the resources available to continue supporting a programme of training and development through apprenticeships and the Working Roots scheme; and
g) Identifying resources specifically to respond to the Authority's declaration of a Climate Change Emergency, by undertaking sustainability measures within the housing stock that will reduce the Authority's carbon footprint and help move towards net carbon zero status the Authority's Carbon Net-Zero 2030 Action Plan.

The 2022-2027 Investment Plan totalling £264.974m was approved by full Council on 17 February 2022. Delivery of projects within the plan and progress to date had been reported to Cabinet as part of the bi-monthly Financial Management reports. Reprogramming of £27.416m had been identified as part of the process and this spend was now included in the 2023-2028 planned spend shown in Table 9 (section 1.8.1).

A schedule of the individual projects included in the draft Plan was attached as Appendix B(i). All projects were subject to the Authority's Gateway process.

In addition to the agreed 2022-2027 Investment Plan, proposals for the 2023-2028 Investment Plan for consideration as part of Budget-setting were set out below:

- Projected investment of £1.000m pa to reflect the initial work underway in relation to Carbon reduction targets and enable progress to be made on this key priority; and
- A new year 5 (2026/27) has been added to reflect rolling programme projects such as Asset Planned Maintenance, ICT infrastructure refresh and sustained investment of £2m/annum on additional Highways Maintenance.

School funding was a matter for the Department for Education (DfE); either by direct funding agreements with academy trusts or delegated by local authorities to schools where budget management was the delegated responsibility of each governing body. As in previous years, Cabinet would need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2023/24. The formula would apply directly to maintained schools for the financial year, and for academies it would form the basis for their funding, distributed by the Education, Skills and Funding Agency (ESFA), for the year starting 1 September 2023. The local formula must comply with statutory guidance, but within these confines the final decision on the formula rests with the Authority after consultation with schools and the Schools Forum, was shown in Table 6 (section 1.9.1).

North Tyneside, like many local authorities both regionally and nationally, was experiencing an increase in the numbers of children with SEND. The number of children with an Education Health and Care Plan (EHCP) continued to increase and the complexity of the needs of those children and young people continued to grow. Responding to this increase in needs is creating pressure on the High Needs block of the Dedicated Schools Grant (DSG). The indicative funding allocation for High Needs showed that the Authority would receive an additional £2.203m in 2023/24, however, it was not sufficient to address the underlying increase in need.

The ringfenced DSG was received from the Government and administered by the Authority and was the main source of income for the schools' budget. The DSG first fell into deficit during 2017/18 and it was an important element of the financial management of the Authority that the DSG was not in a deficit position. As a result, there had been action to address the deficit working collaboratively with Schools Forum, however increasing numbers of children with special needs entering the education system had offset some of the progress.

DSG deficits had come under increasing scrutiny from DfE and, during 2021, the Authority was required to submit a draft DSG Management Plan to the ESFA as its DSG deficit was more than 1% of the total value of the DSG as at March 2021. As a consequence, since then, the Authority's DSG deficit had remained under review.

Liaising with the DfE during 2021/22, the Authority had been working to reduce the DSG deficit and this work was now being overseen by the Strategic Education and Inclusion Board. The Authority submitted a draft DSG Management plan to the ESFA in August 2021 which outlined the main areas of priority that focus on reducing the deficit on the High Needs block of the DSG. As of 2022/23, the Authority has been invited to be part of phase 2 of the ESFA's Safety Valve Intervention programme from September 2022. The Authority had had early discussions with representatives from the ESFA and as plans were firmed up over the coming months, the ESFA would continue to challenge and support the Authority through to the Safety Valve process.

For 2022/23 £150m of revenue funding was available to support the cumulative deficit position of those authorities who were part of the Safety Valve programme, however, the ESFA had been clear that access to this funding will only be agreed once a robust and balanced DSG Management Plan is in place. The current cumulative deficit position on the High Needs block of the DSG at the end of the 2022/23 financial year was projected to be £18.622m. This was an increase of £5.111m since March 2022.

A key risk for the Authority was that the statutory override to ring-fence DSG deficits from councils' wider financial position in statutory accounts was due to end after the accounts for the financial year 2022/23. After this point, unless the statutory override was extended, authorities would need to demonstrate their ability to cover DSG deficits from their available reserves. Due to the level of the deficit on the High Needs block of the DSG it was imperative that the Authority's DSG Management Plan met the ESFA's requirements to ensure the historic deficit could be supported by funding that was available.

Cabinet's initial Budget proposals were based upon available information and judgements at the time of the writing of this report. As noted throughout this report, there were several assumptions and judgements built into the figures presented that were outside the control of the Authority and needed to be finalised.

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

- The overall impact of the Autumn Statement due to be announced on 17 November 2022;
- The Provisional and Final Local Government Finance Settlement announcements for 2023/24, including capital announcements and specific grants, including the Dedicated Schools Grant (DSG);
- Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority Precepts (due February 2023);
- Levies, including the North of Tyne element of the Newcastle upon Tyne, North Tyneside, and Northumberland Combined Authority Transport Levy (due February 2023);
- Tyne and Wear Joint Service Budgets (due January/February 2023); and
- Consideration of the impact of the economic climate on the residents of the Borough and Council Taxpayers.

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

Cabinet considered the following decision options: to approve the recommendations set out in paragraph 1.2.1 of the report; or alternatively, suggest that further / different options are considered by the Senior Leadership Team and be reported back to Cabinet for further consideration.

Resolved that (1) the key principles being adopted in preparing the Medium-Term Financial Strategy for the Authority, subject to an annual review, be agreed;
(2) performance against the Our North Tyneside Plan outcomes (Annex 1 and be noted;
(3) the initial Budget proposals in relation to the 2023/24 General Fund Revenue Budget and Dedicated Schools Grant, including the assessment in relation to the current year's Budget monitoring information (Section 1.6), be agreed;
(4) the proposed 2023-2028 Investment Plan, including initial prudential indicators for 2023-2028 in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Framework and a proposed Minimum Revenue Provision (MRP) policy in line with capital finance regulations (Appendix B(i) & B (iii)), be agreed;

(5) the draft Capital Investment Strategy be noted, and that this Strategy will now be subject to consultation as part of the Budget Engagement Strategy (Appendix B (iv)), be noted;
(6) all approved schemes within the 2023-2028 Investment Plan will be kept under corporate review by the Investment Programme Board, be noted;
(7) the initial proposals in relation to the Treasury Management Statement, Annual Investment Strategy for 2023/24 and Treasury Management Practices (TMPs) (Appendix C & H), be agreed;
(8) the formal Reserves and Balances Policy for the Authority, subject to review at least annually (Appendix I), be noted;
(9) the Provisional Statement by the Chief Finance Officer (Annex Section 8), be noted;
(10) the 2023/24 rent policy for housing be agreed; and the initial Budget proposals in relation to the 2023-2027 Housing Revenue Account budget, and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2022/23) (Annex Section 4), be agreed;
(11) the proposed 5.0% rent increase from April 2023 (subject to results of Government consultation and imminent issuing of new Direction on Social Housing Rent Policy to the Social Housing Regulator), and the initial proposals in relation to housing service charges and garage rents for 2023/24, be noted;
(12) the Director of Resources, in consultation with the Director of Commissioning and Asset Management, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, be authorised to undertake resource allocations to schools for 2023/24 in line with the school funding arrangements set out in the report; and
(13) the Elected Mayor, in conjunction with the Cabinet Member for Finance and Resources, Deputy Mayor and other Cabinet Members, be authorised to work with the Senior Leadership Team to continue their joint review of these initial Budget proposals.

(Reason for decision: Due to external information still to be received, Cabinet is not able to finalise setting its proposed Council Tax level for 2023/24 in relation to the General Fund. This report will form the basis of Budget engagement and scrutiny over the next two months, but further work will inevitably be required before final decisions are made on the Budgets for next year, hence the authorisation recommendation referred to in section 1.10 of the report.)

CAB63/22 An Ambition for Wallsend

Cabinet considered a report seeking approval for the draft Wallsend Masterplan and to use it as a basis for engagement with residents and businesses in Wallsend.

At its meeting on 28 March 2022, Cabinet received a report which set out a set of policy priorities for Wallsend Town Centre. These policy priorities were developed with the Deputy Mayof and following engagement with the Ward Councillors for Battle Hill, Howdon, Northumberland and Wallsend and were to inform a Masterplan for Wallsend which was identified as a priority in Our North Tyneside Plan 2021-2025.

Over the past 6 months, working with the Deputy Mayor, Ward Members, the Chief Executive and other stakeholders the Authority had prepared a draft Masterplan which reflected its ambition for the town centre and delivered on the policy objectives which were agreed in May 2022. The draft Masterplan enshrined the Cabinet's agreed policy objectives and included a series of projects to deliver them. The first stage of that work was now complete, and a draft Masterplan had been prepared.

The scope of the Masterplan area covered the town centre core of High Street East and West, the Forum shopping centre and Station Road, with their surrounding catchment area of housing. It also included the Segedunum Roman Fort and Museum and Wallsend riverside as far as Davy Bank. And to the north it included the Parks, Wallsend Hall, and the former Buddle School and arts centre building. This built on the early engagement with ward members which had helped inform thinking and the direction of the Masterplan.

In addition, since March 2022 the Authority had been working to better understand the issues, challenges and opportunities in Wallsend focussing in particular on the three policy priorities i) Improve the quality of the housing offer in Wallsend; ii) Make the town centre and the nearby neighbourhoods great places to visit and live; and iii) Make sure Wallsend residents were connected to good jobs. This work had included:

- A review of recent reports such as the surveys of town centre businesses and customers in 2021 (the “Understanding the Heart of our Town” report);
- An assessment of the town centre’s buildings, roads, streets, footpaths and public spaces and development of ideas for improving them;
- A review of the local property market to better understand the supply of and demand for homes, shops and offices;
- Identification of opportunities to support residents in securing employment and improving their skills e.g. adult education and a “Working Well” employability hub;
- Creation of the River Tyne Task Force with the North of Tyne Combined Authority, Port of Tyne, businesses and other local authorities marketing the offshore energy opportunities under the ‘Tyne Powered’ brand and providing a collective voice to talk to Government.
- A review of traffic flows, transport usage and car parking;
- Working with the Academic Health Service Network and the One Public Estate initiative to understanding the opportunities for the Masterplan to support public health initiatives and provision.

The 14 proposed projects listed in section 1.5.4 of the report were mostly based on a specific place or building while those covering Business Support, Employment Support and Events & Animation would apply throughout the Masterplan area.

Cabinet was asked to note the work done so far and agree the approach to the next stage. Officers had developed a draft Communications, Marketing and Engagement Plan which was subject to an EqIA to ensure stakeholders with protected characteristics had an equal opportunity to engage. The draft document set out the Authority’s approach to communications, marketing and engagement activities, including the core narrative to support the successful delivery of the Wallsend Masterplan. It aimed to help audiences to understand the Masterplan vision and its strategic intent, in a way that was relevant to their particular point of view and needs; ensure information was accurate, consistent and timely; help facilitate effective two-way communications and encourage feedback from residents, elected members and partners so that their views, issues and comments could help shape future communication planning; and increase the profile of and change negative perceptions around Wallsend.

A range of communications methods would be used to ensure residents, businesses, staff, members and partners were kept informed and encouraged a two-way conversation, both digitally and via traditional methods to ensure all demographics were targeted. A dedicated email address and phone line would be created for enquiries from members of the public. It was proposed to run the engagement process for a 6-week period from the 16 January to 26 February 2022.

In line with the Authority's listening approach, public feedback would be reviewed, and any necessary changes made to the plan, prior to retuning to Cabinet in the spring of 2023 with a final plan for approval. This would then provide a long-term plan for the town and would provide an effective tool to secure the additional funding necessary to bring forward projects. Further reports would be brought forward to Cabinet should the Authority secure Levelling Up funding in October, and to review progress on an annual basis.

In introducing the report the Deputy Mayor had also invited the Director of Regeneration and Economic Development, to present to Cabinet the draft Wallsend Masterplan.

The Deputy Mayor also commented that the projects were at different stages of development, for example the Authority had secured just under half a million pounds of funding for repairs at Segedunum Museum and were developing a lottery bid for its wider transformation. In the town centre the Authority had secured almost £2 million of grant funding from the Combined Authority to fund a packaged of measures including business support, shop front grants, events and improved walking and cycling routes. Other projects in the plan targeted housing development and refurbishment and investing new uses for historic buildings such as the Civic Hall and the Coach and Horses. The Authority was hopeful that Government would approve its application for a Levelling Up Fund grant for improvements to the town centre. All of this would be underpinned by the Authority's employment initiatives such as a Working Well Hub to ensure Wallsend's residents had the support, they needed to access job opportunities in Wallsend and beyond.

The Elected Mayor welcomed the report and thanked the Director of Regeneration and Economic Development for the presentation and for the work done so far on the Ambition for Wallsend Masterplan.

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

Resolved that (1) the progress made in delivering the Wallsend Town Centre Masterplan since March 2022, be noted;
(2) the Draft Wallsend Town Centre Masterplan be used as a basis for consultation and engagement with residents, businesses and stakeholders over a 6-week period in January and February 2023, be agreed;
(3) the Director of Regeneration and Economic Development, be authorised to consult and engage with residents, businesses and stakeholders in line with (2) above;
(4) the Director of Regeneration and Economic Development, in consultation with the Deputy Mayor and the Director of Resources, be authorised to prepare a final Draft Wallsend Town Centre Masterplan; and
(5) a further report be received in Spring 2023 when Cabinet will be asked to consider and approve the final draft Wallsend Town Centre Masterplan, be agreed.

(Reason for decision: The scope aligns with the themes within the Levelling Up prospectus and the Masterplan boundary enables the three themes of housing, employment and an improved built environment to be addressed.)

CAB64/22 Delivering New Council Housing Homes and Tackling Derelict Properties

Cabinet received a report on delivering new Council homes and tackling derelict properties, which sought approval for two sites to be developed by the Authority through the Housing Revenue Account (HRA).

The Affordable Homes Programme was approved by Cabinet on the 14 May 2013 and has delivered 1,934 affordable homes to date, including 573 new Council homes. This performance represents a 145% improvement on the ten years prior to the programme starting. The Authority's work to support private landlords and tackle empty and derelict properties continues to improve communities and since 2019 the number of empty homes in the borough has reduced by 39%.

The Our North Tyneside Plan was approved at full Council on 23 September 2021 and included a priority to deliver 5,000 affordable homes and confirmed a commitment to reduce the number of derelict properties across the borough.

This new, ambitious target increased the previous delivery target by 1,000 affordable homes whilst remaining within the Authority's objectively assessed housing need and in line with the North Tyneside Local Plan that was adopted in July 2017. To meet this challenge, the target of 5,000 homes would be delivered in two phases.

Phase One would see the delivery of a further 2,000 affordable homes bringing the Phase One total to 4,000 by 2032. This would include the delivery of a ten-year Housing Revenue Account (HRA) plan that would aim to deliver at least 350 new Council homes, utilising new technology to reduce carbon emissions, supporting the Authority's work in response to the climate emergency declaration.

Phase Two of the programme would include work to identify new opportunities to deliver affordable homes. This would include assessing brownfield sites in the borough and actively seeking 'windfall' opportunities that may include new sites or opportunities that were not currently within the Local Plan. for homes that were currently not within the plan. The two sites that were the subject of this report were both 'windfall' opportunities that would contribute to delivering the 1,000 homes in Phase Two of the programme.

This former West House Pub Site, Camperdown Ward, was overgrown and causing blight in the community and was put up for sale by the owner and following consultation with the Cabinet Member for Housing and the Strategic Property Group, it was recommended that the site be purchased to provide new Council homes. An offer for the land was accepted at £0.210m and the sale was completed on the 27 May 2022.

Preliminary design work and consultation with the Planning Authority had led to an outline design of 22 new affordable homes. The mix of homes aligned to housing need in the area and will include 10, two-bed houses, 2, three-bed house, 2 one-bed apartments and 8, two-bed apartments. Three of the properties would be built for wheelchair accessibility and the scheme would incorporate a full suite of green technology that exceeded the current

Building Regulations. The scheme would be delivered through the HRA with the expected cost to be circa £4.1m. Subject to Cabinet approval, a Planning Application was due to be submitted in December 2022 with work potentially beginning on site in August 2023 with a projected completion of Autumn 2024.

The site at 2 Seymour Street and 9 & 11 Waterville Road, as shown in Appendix B included one property that consisted of 2 Seymour Street and 9 and 11 Waterville Road, North Shields. The site was located on one of the main gateways to North Shields Town Centre. These properties had been unoccupied and unused for over 20 years and had fallen into a state of considerable disrepair.

Over the years both properties had been the subject of complaints to the Authority's Planning Enforcement, Environmental Health and Building Control sections with the landlord completing only minimal repairs, necessary to comply with the requirements of the various improvement notices issued. Several unsuccessful attempts were made to develop a long-term solution with the owner to secure the reoccupation and improvement of the properties. During these attempts it came to light that the properties were included in a historic bankruptcy order. Consequently, the Authority had been able to work directly with the official receiver as the trustee in bankruptcy.

Following consultation with the Strategic Property Group and the Cabinet Member for Housing, authorisation was received in January 2020 for officers to investigate the legal position, negotiate directly with the receiver and make an appropriate offer or offers to secure the derelict properties. Following extensive negotiations with the receiver and an independent valuation of the properties, an offer of £0.022m was accepted by the receiver with the sale completing on 4 January 2021.

With the properties in the Authority's ownership, work had been carried out to secure the buildings and to undertake an options appraisal of their future use. Due to the condition of the building, it was proposed that a planning application was submitted to demolish and clear the current buildings and use the site to provide a new 2-bed affordable home and provide a landscaped area to enhance the area.

This scheme would be delivered through the HRA with the expected cost to be circa £0.244m. Subject to Cabinet approval, a Planning Application had been submitted in October 2022 with a decision expected in December 2022. Subject to planning approval, work was currently forecasted to begin on site in April 2023 with a projected completion of Winter 2023.

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

Resolved that (1) the development of new Council homes at the former West House Public House Site at Swindale Drive, Killingworth, through the Housing Revenue Account, be approved;
(2) the demolition of the derelict property at 2 Seymour Street and 9 and 11 Waterville Road and re-provide a new Council home on the cleared site through the Housing Revenue Account, be approved; and
(3) the Director of Housing and Property Services, in consultation with the Cabinet Member for Housing, the Director of Resources and the Assistant Chief Executive, be authorised to

undertake all necessary work to carry out and complete the two new affordable housing schemes.

(Reason for decision: It will support the delivery of the Elected Mayor and Cabinet's commitments within the Our North Tyneside Plan to deliver more quality affordable homes, reduce the number of derelict properties and support the ambition for North Tyneside to be carbon neutral by 2030.)

CAB65/22 Annual Complaints Report 2021-2022

Cabinet considered a report which detailed complaint related activity during 2021-22 and which complied with the requirement to publish a report on complaints under the relevant statutory complaint's legislation.

The Authority's Annual Complaints Report, attached at Appendix 1, shared information about the corporate complaints the Authority had received in 2021-22.

Both the Our North Tyneside Plan 2021 – 2025, agreed by Council on 23 September 2021 and the customer service programme, agreed by Cabinet on 28 May 2019, made clear the Authority's commitment to using customer feedback, including complaints, to design, deliver and improve its services.

Every complaint received by the Authority, was an opportunity to demonstrate that the Authority listened to its residents and cared about their views and concerns. The way in which complaints were received and responded to was an important element of a customer's experience and should follow the Authority's Corporate Complaints Procedure. All complaints provided an insight into what was working well and what was not. The analysis of complaints data could provide a rich source of intelligence, to inform future prioritisation, planning and service delivery by the Authority.

The Authority served over 208,000 residents each year with millions of individual services and transactions, including those to businesses and visitors, Whilst the overwhelming majority of the services were well received, the Authority knew it did not always get it right, for every one of those customers, first time. The Authority's aim was to listen, learn and improve, where it doesn't get it right

The Authority received 647 corporate complaints in 2021-22. Whilst this number was very low as a proportion of the services provided, the Authority was committed to learning from each and every complaint raised and was grateful to those who took the time to share their experiences.

At its meeting of the 17 October 2022, Cabinet agreed the 'We Listen, We Care', Customer Service Programme End of Phase Two report which detailed other feedback on customer experiences of council services and the improvements the Authority was making in response to this feedback. The definition of a complaint could be wide-ranging but can be defined as an expression of dissatisfaction with the service provided, or lack of action by the Authority or its employees. This could include failure to achieve specific standards of service.

The Authority's Corporate Complaint Procedure covered all services it provided and had a three-stage process. Corporate complaints also included statutory complaints received through the Local Authority Social Services Complaints (England) Regulations 2006. A copy of the Local Government and Social Care Ombudsman's Annual Review of complaints concerning North Tyneside Council for 2021-22 was attached at Appendix 2 to the report.

Cabinet had recently reviewed the work of the second phase of its Customer Service Programme – 'we listen, and we care' at its meeting of 17 October 2022. This report detailed other feedback on customer experiences of council services and the improvements the Authority was making in response to this feedback.

The Authority had many ways that it received feedback about the services it provided. Whatever the channel, nature or purpose of this feedback, its benefit was not only to the customer but also to the Authority. All feedback or complaints were an opportunity to demonstrate that the Authority listened to its residents and cared about their views and concerns. The way in which complaints were received and responded to, was an important element of a customer's experience and should meet the standards set out in the Authority's customer promise, every time.

Complaint information was an insight into what was working well and what was not and helped the Authority to meet the needs of the communities it served, especially as those needs evolved. The organisation wide assimilation and analysis of this feedback could then provide one of the most reliable sources of intelligence, to inform future prioritisation, planning and service delivery.

A new Customer First Office (CFO) was established by the Authority in July 2022. This Authority team continued to administer the Authority's corporate complaints in line with its corporate complaint procedure but are now also delivering the work using lessons learned from the Customer Service Programme, as well as ongoing learning from complaints received by the Authority.

The Authority's Annual Corporate Complaints report for 2021-22 was attached at Appendix 1 to the report, and a summary of the complaints set out in section 1.5.2 of the report.

Complaint activity over the past two years had undoubtedly been influenced by the Covid-19 pandemic and it's clear that trends and patterns had become more difficult to interpret and predict as a result. Other changes made by the Authority in terms of embedding its values of 'we listen' and 'we care', may also be changing how the Authority better responded to initial complaints and sought early resolution of any customer complaints.

Priorities for the year ahead reflected the learning from the Authority's Annual Corporate Complaint report for 2021-22 and focused primarily on strengthening the processes, practices and recording systems, which supported the Authority in making the most from corporate complaint feedback.

- Work would be undertaken in 2022-23 with Authority services whose complaint patterns had shifted significantly over the past 4 years, to understand the reasons for this.

- The Authority remained committed to the prerequisites of a good complaint system. Action would be taken next year to strengthen customer complaint statements, including the outcomes they wished to see and the learning outcomes and actions for services.

- A new IT system would assist with easier collation of corporate complaint data and frequency of reporting.

- The CFO was still in its infancy and would continue to embed in the year ahead, developing positive and proactive relationships with Authority customers and service teams. Particular focus would be given to the relationship between the CFO and the Authority's dedicated housing, repairs and property customer experience function.

Cabinet considered the following decision options: to note the content of the report and approve publication of the report; or alternatively to refer the report back to officers and request that further analysis and information is provided.

Resolved that (1) the complaint related activity during 2021-22, as set out in the Annual Complaints Report (Appendix 1), be noted;
(2) the Report be approved for publication on the Authority's website from 12 December 2022; and
(3) the Local Government and Social Care Ombudsman's Annual Review of complaints concerning North Tyneside Council for 2021-22 (Appendix 2), be noted.

(Reasons for decision: All local authorities providing 'social service functions' including North Tyneside Council are legally required to publish an annual report on complaints received.)

CAB66/22 Future of Coroner Service for North Tyneside

Cabinet received a report which sought approval to the proposed merger of the Coronial areas of Newcastle upon Tyne and North Tyneside.

In September 2019 following the retirement of the Senior Coroner for South East Northumberland and North Tyneside, Mrs Karen Dilks was appointed as the Acting Senior Coroner for North Tyneside with effect from 1 October 2019. That appointment was made in the knowledge that the Ministry of Justice had indicated that the merger of the North Tyneside Coronial area with the Newcastle upon Tyne Coronial area was appropriate and in line with that department and the Chief Coroner's intention to reduce the overall number of Coronial areas through mergers.

The appointment of Mrs Dilks as Senior Coroner was therefore seen as an interim arrangement until such time as the North Tyneside and Newcastle upon Tyne Coronial areas were merged. It was envisaged at that time that Mrs Dilks would be appointed as Senior Coroner for the newly merged coronial area of Newcastle Upon Tyne and North Tyneside. Against that backdrop, Cabinet agreed in principle to the merger of the Newcastle Upon Tyne and North Tyneside Coronial areas, subject to the development of an agreed Business Case. The Business Case had now been jointly developed by officers of the Authority and Newcastle City Council and was appended to the report for Cabinet's endorsement and submission to the Ministry of Justice.

Mrs Dilks had given notice of her intention to retire as Senior Coroner in early 2023. Given the proposed merger of the two Coronial areas, the Authority had undertaken a joint recruitment exercise with Newcastle City Council to appoint a Senior Coroner for both jurisdictions. After due deliberation, the interview panel, which consisted of Senior Officers from both Authorities, decided to offer the post of Senior Coroner for North Tyneside and Newcastle upon Tyne to Ms Georgina Nolan as the highest-scoring candidate. Ms Nolan was currently an Assistant Coroner for both the North Tyneside and Newcastle Upon Tyne jurisdictions, as well as the North and South Northumberland jurisdictions. The appointment of Ms Nolan as the Senior Coroner for both Coronial areas was subject to approval by the Chief Coroner and the Lord Chancellor. Both had approved the appointment of Ms Nolan for each Coronial area.

Newcastle City Council at its full Council meeting on 2 November 2022 appointed Ms Nolan as its Senior Coroner. Full Council made a similar appointment for North Tyneside at its meeting on 24 November 2022.

If the Ministry of Justice agreed to the merger of the North Tyneside and Newcastle upon Tyne Coronial areas, then subject to the making of the appropriate Order by the Lord Chancellor, Ms Georgina Nolan would become the Senior Coroner for the newly merged Coronial area of Newcastle upon Tyne and North Tyneside.

The interim arrangements had worked extremely well including during the Covid-19 pandemic. The re-location of the North Tyneside Coroner's service to Newcastle Civic Centre, the funding of staff and the cost-sharing model agreed between the Authority and Newcastle City Council had resulted in an extremely efficient Coroner's service. These arrangements had been included in the Business Case, the terms of which were now before Cabinet for endorsement.

The interim arrangements had now been in place for three years. The Business Case, which Cabinet was being invited to endorse, reflected the current arrangements and if the merger of the Coronial areas was agreed by the Ministry of Justice it would in real terms make very little, if any, noticeable difference to the way in which the Coroner's service had operated in both North Tyneside and Newcastle upon Tyne for that period of time.

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

Resolved that (1) the merger of the Newcastle upon Tyne and North Tyneside Coronial areas and the Business Case for the merger appended to the report be endorsed for submission to the Chief Coroner and Ministry of Justice, be approved;
(2) the name for the new service be the 'Newcastle upon Tyne and North Tyneside Coroners Service', be agreed;
(3) the Chief Executive, in consultation with the Elected Mayor, be authorised to take all necessary steps to progress the Business Case including (but not limited to) making amendments or adjustments to the Business Case, and the Chief Executive to submit the Business Case to the Chief Coroner and the Ministry of Justice on behalf of the Authority; and
(4) the Chief Executive, in consultation with the Elected Mayor, be authorised to take any further steps necessary to facilitate the merger of the Newcastle upon Tyne and North Tyneside Coronial areas on behalf of the Authority.

(Reason for decision: Since Cabinet agreed in principle in September 2019 to the merger of the Coronial areas of North Tyneside and Newcastle upon Tyne the interim arrangements that have been in pace for three years. In that time service provided by the Interim Senior Coroner and her staff has been extremely efficient and is evidence that the proposed merger, which will in effect maintain the status quo, is reflected in the Business Case.)

CAB67/22 Land at Newsteads Drive, Monkseaton

Cabinet considered a report detailing the representations that had been made to the Authority in relation to statutory notices placed in the press confirming the Authority's proposal to dispose of an area of public open space within its ownership at Newlands Drive in Monkseaton. The land was shown by dark outline on the plan appended to the report.

The proposed disposal of the land would be to facilitate the development of a new medical centre as a replacement for Beaumont Park Medical Centre which no longer met the current NHS standards. A planning application for the scheme had not yet been submitted.

This land was declared surplus to the Authority's requirements on 14 December 2021, in accordance with the Officer Delegation Scheme.

As the area of land was public open space it was subject to the relevant provisions of the Local Government Act 1972. As such, the Authority must advertise its intention to dispose of the land by placing statutory notices in the press in accordance with Section 123 of the Act, and formally consider any representations made. This was initially done in December 2021, and the representations received by the Authority were referred to Cabinet in May this year when the decision was taken to uphold the objections to the sale of the land.

Following the meeting of Cabinet, Beaumont Park Medical Practice found it necessary to apply to NHS North East and North Cumbria Integrated Care Board for a temporary closure of their patient list. This was because of issues being experienced by the practice with the existing medical centre building as detailed in section 1.5 of the report and added difficulty for the practice in recruiting and retaining staff.

There was now a risk to the ongoing viability of the practice and if the NHS contract were to be handed back due to the challenges faced, it was likely to result in a list dispersal. This would have a significant impact on surrounding practices if 6,000 patients needed to find an alternative GP to register with. Because of the list closure and these implications, the practice and the NHS Care Board asked the Authority to reconsider its position regarding the sale of the land at Newsteads Drive, and on the 17 August the Strategic Property Group agreed to officers undertaking the Section 123 procedure again.

Details of the 84 representations received in response to the statutory notices placed in the press during December of last year and again in September of this year were detailed in Section 1.5 of the report, together with information about concerns raised by the Monkseaton Ward Members regarding the proposed disposal of the land. The main points of objection had been carefully considered by the Authority's officers, the agent acting on behalf of Beaumont Park Medical Practice and the NHS Care Board, and their responses to the points raised were provided in the report.

The report also confirmed the main points of support for the proposed disposal of the land including statements received from the NHS Care Board, the Newcastle and North Tyneside Local Medical Committee and the Whitley Bay Primary Care Network.

One key point to note was that 86% of the total area of the public open space at Newsteads Drive was unaffected by the proposed disposal.

Cabinet considered all of the representations made as detailed in sections 1.5.4 to 1.5.8 of the report in respect of the proposed disposal of the Land at Newsteads Drive.

In making this decision, Cabinet noted that there would still be opportunities for residents to express their views as part of the formal planning process and that the sale of the asset would be subject to a successful Planning Permission and would also include a covenant for health care needs only.

Cabinet considered the following decision options: to set aside the objections received in relation to the proposed disposal of the land at Newsteads Drive and allow the disposal of the land to proceed; or alternatively, to uphold the objections received, and not agree to the disposal of land.

Resolved that the objections received in relation to the proposed disposal of the Land at Newsteads Drive in Monkseaton (shown by dark outline on the plan appended to the report) be set aside, and authorisation to the disposal of the land, be agreed.

CAB68/22 Fostering Strategy 2022-25 - Review and Refresh of Strategy

Cabinet received a report seeking approval for the proposed changes within the refresh of the Fostering Strategy 2022 to 2025, attached at Appendix 1 to the report.

The strategy sought to give effect to the Authority's duties under Section 22G of the Children Act 1989, which required the Authority take steps to secure, so far as reasonably practicable, sufficient accommodation within the Authority's area which met the needs of children that the Local Authority cared for and whose circumstances were such that it would be consistent with their welfare for them to be provided with accommodation that was in the Local Authority's area (the so-called 'sufficiency duty').

The Fostering Strategy had the following key aims and objectives:

1. To increase the total number of local Foster Carers available for the children and young people of North Tyneside who required care;
2. To increase the number of Foster Carers with the skills to care for teenagers;
3. To increase the number of Foster Carers with the skills to care for sibling groups;
4. To improve the resilience of our Foster Carers through our support to them, reducing the number of foster care arrangements which break down;
5. To cease the use of Independent Fostering Agency placements in emergency situations;
6. To reduce the number of external Children's Home placements for children and young people in favour of placements with skilled Foster Carers.

The Authority had pledged to the children and young people of the Borough that it would only care for them when it had first worked tirelessly to keep them safe within their family home. The Authority successfully delivered on this pledge and hundreds of children who remained within their family home and connected to their community because of the help and support that the Authority and its partners provided to make it safe for them to do so.

When it was absolutely necessary for a child or young person to move from their family home to keep them safe, the Authority would try to place a child or young person in the care of someone known to them and part of their family and friend's network. Such placements minimised the impact on children and young people having to leave their own home. At the current time there were approximately 100 of our children helped in this way by the Authority. Where the network of family and friends around a child or young person was not able to care for them, the Authority required Foster Carers – residents who opened their door and their lives to a child or young person in need of love and care. At any one time, approximately 100 of our children and young people were cared for in Foster Care. Accordingly, Foster Carers made an extraordinary and important contribution to the life of our community.

Nationally, there were too few Foster Carers for the number of children and young people requiring care. This was also the situation locally. The Authority had faced significant challenge in recruiting and retaining sufficient numbers of Foster Carers to meet the needs of the Borough, in particular Foster Carers skilled at caring for teenagers, and Foster Carers who are skilled at caring for sibling groups. Set against this challenging need, the Authority was recruiting in an increasingly competitive marketplace for new carers, with other local authorities and Independent Fostering Agencies actively recruiting residents within our Borough.

The Authority understood that wherever possible children in care should live in a family environment for their health and wellbeing. The Authority's in-house fostering arrangements were the most cost-effective way of caring for our children, costing on average £199.54 per week. Alternative arrangements proved more costly, which included; independent agency foster care arrangement – average cost of £777 per week; in-house children's home – average cost of £2,894 per week; and children's home with a private provider – average cost of £4,481 per week (with the range of costs between £3,500 and £10,000 per week). These costs were increasing, not only due to market forces but also as a result of current inflationary pressures and the increased costs of living.

It was the ambition of the Authority to provide a competitive foster care service to children and young people who needed it, by recruiting the right number of Foster Carers with the right skills. To achieve this ambition, the Authority had refreshed the Fostering Strategy to offer a competitive fostering allowances payment structure to improve recruitment and retention of Foster Carers, and which met the Government recommended levels, and included proposals to:

- Annually review and increase age related allowances in line with the National Minimum Allowance as set by the Government
- Phase out the use of teen supplement
- Introduce a £75 second child fee
- Cease the out of hours Foster Carer Advice and Support telephone service
- Introduce Foster Carer clinics with HIVE counsellors

- Expand outreach support offer

Detailed information regarding each of the above proposals were set out in sections 1.5.2 to 1.5.7 of the report.

The Authority had engaged with other Authorities within the North East region about their approach to the payment of age-related allowances. The Authority not only paid below the recommended levels, but also paid the lowest rate compared to other regional Authorities. The Authority had received letters from Will Quince MP, Parliamentary Under Secretary of State for Children and Families, seeking reasons why it currently paid below the recommended levels.

Adopting the National Minimum Allowance would impact on Special Guardianship allowances, Child Arrangement Order allowances, and Adoption Order allowances due to the means testing and financial calculation of these allowances, with fostering allowance as the base measure.

As Cabinet members, it was their collective duty to ensure the Authority provided a high-quality foster care service that met the needs of children and young people who needed it, by attracting and retaining Foster Carers.

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

Resolved that (1) the Fostering Strategy 2022-25 attached at Appendix 1 to the report, be approved; and
(2) the Director of Children's Services, in consultation with the Cabinet Member for Children, Young People and Learning, the Director of Resources and the Assistant Chief Executive, be authorised to review the Fostering Strategy and to make any amendments to the Strategy as appropriate.

(Reasons for decision: The Authority needs to increase the number of mainstream Foster Carers to meet the needs of children and young people in the care population, particularly teenagers and sibling groups. Keeping these children in North Tyneside maintains their family network, community links and stability in education. Children have better future outcomes by living within a family environment.

Many Foster Carers in North Tyneside are from older generations who have the time and resources to look after children in their homes. However, this does mean that the Authority regularly have carers who choose to retire from the profession. In 2021/22 the Authority received 13 resignations. This year to date there has been 8 resignations. It is imperative that new Foster Carers are recruited to ensure that numbers are maintained and, to deliver on the aims of the strategy, increased.

Adopting the strategy, with the aim of recruiting 30 mainstream Foster Carers, will allow the Authority to:

- reduce the use of IFA care arrangements by 1 child per year (saving on average £30,000 per year)
- reduce external children's home care arrangements by 1 child per year (saving on average £222,600 per year.)

CAB69/22 A Cultural Strategy for North Tyneside

Cabinet received a report which detailed the progress to date and outcomes of the consultations as forming the basis of the strategic objectives for a boroughwide Cultural Strategy.

The value of culture and its vital role in supporting health and wellbeing was brought into sharp relief during the COVID 19 pandemic, when the initial absence of cultural provision was keenly felt, and the cultural sector had to find new ways to connect with audiences. The value of shared human experience and the sense of connectedness that cultural activity brought, whether as participant or audience, was key to helping many people navigate and emerge from the darkest days of the pandemic.

Following agreement with the Cabinet Member for Culture, Sport and Leisure in September 2021, the process of initiating consultation on a Cultural Strategy for North Tyneside began in April 2022. The agreed approach was that, while the Authority should take the initiative in providing a framework for the cultural offer, the active engagement of the wider public sector, private and voluntary sectors would also be vital. The strategy should be one for the Borough, not just the Authority.

Consultants Iain Watson OBE (former TWAM Director) and Catherine Hearne (formerly CEO Helix Arts and BBC Executive) were commissioned to work with the Head of Culture to undertake a process of consultation which would result in a boroughwide strategy and cultural compact, consistent with the Arts Council England (ACE) guidance in their ten year plan *Let's Create* (2020-2030), which emphasised partnership working and the development of broad based cultural compacts in developing the cultural offer for the benefit of residents and the economy.

Consultation had identified a number of challenges which any strategy for the borough would need to address if it was to sustain the engagement of key stakeholders. The report provided details of the seven emerging challenges identified which were summarised in section 1.5.5 of the report. The consultation had demonstrated an enthusiasm and readiness to engage along with a willingness to be part of an ongoing process of developing the cultural agenda for the borough.

The development of a unified Cultural Strategy would provide the opportunity to give an even greater strategic profile to the cultural offer in the Borough, promoting new ways of more effectively engaging communities, supporting the wider objectives of 'Our North Tyneside Plan' and contributing towards town centre recovery. Recent work by ACE, *A High Street Renaissance* (2021), illustrated how investment in arts and culture could bring people and pride back to high streets.

The process and outcomes of the three phases of consultation were detailed in section 1.5.2 of the report. In total 359 responses were received to the public survey, an analysis of which was provided at Appendix 1 to the report.

The journey to date had certainly demonstrated an enthusiasm and readiness to engage and a willingness to be part of an ongoing process of developing the cultural agenda for the Borough. Harnessing and sustaining this energy would be key to the next phase of the process, as the Authority moved towards a finalised strategy and an ongoing dialogue through a long term compact not only with the cultural sector but engaging business, education and health and wellbeing.

An impact statement, which considered each of the challenges; partners and resources required to meet them; indicative outputs; and impact, was included at Appendix 2 to the report. An illustrative visual representation of the networks necessary to make a cultural compact work, which was by no means exhaustive, was included at Appendix 3 to the report.

The report also gave a breakdown of the National and Regional picture in section 1.5.6 of the report, which provided examples of the scope of work by a variety of organisations and governing bodies, the evidence being gathered across various forms of art and culture suggested that audiences were returning to culture in different ways.

The recently published DCMS Committee report on placemaking and levelling up included a range of recommendations aimed at supporting the sector. The report recognised the important role culture played in placemaking, stating, "It is evident that placed-based cultural policymaking can help deliver on the missions set out in the Levelling Up White Paper, including improving pride in place but also local leadership, living standards, education, skills, health and wellbeing, so long as these are done in a locally-sensitive way." The report goes on to stress the need for the government to incorporate support for local arts and culture into its Statement for Levelling-Up Missions.

Within the region, in Durham, where the City of Culture bid was not successful, the process of developing the bid through engaging communities and the cultural sector had been assessed as being so valuable that it would be continued as part of a County-wide approach to ongoing cultural development.

The common factor in all of these examples had been the role of culture in defining place. While the approach in each area had been different, due to the different geography and history of these locations, the essential role of culture in the process of regeneration and, latterly, post pandemic recovery had been a constant. These were examples from which the Authority could learn in North Tyneside and take inspiration in shaping the Authority's own bespoke vision, with and for the residents and cultural workforce in the Borough.

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

Resolved that (1) the progress to date and support the outcomes of the consultation as forming the basis of the strategic objectives for a boroughwide Cultural Strategy, be noted;
(2 the outcome of the Cultural Strategy Survey Key Finding Report at Appendix 1 to the report, be noted;
(3) the Director of Regeneration and Economic Development, be authorised to draft a Cultural Strategy in consultation with [appropriate Cabinet Member(s)] and the Director of Resources and the Assistant Chief Executive and to take all necessary steps to develop the Final Strategy;
(4) a further report be received presenting the final draft Cultural Strategy, be
be agreed; and

(5) Work with partners to form a North Tyneside Cultural Compact to drive forward the delivery and monitoring of the Cultural Strategy, be agreed.

(Reason for decision: It supports the Authority's objective to develop a thriving economy; it is consistent with the objectives of the Authority's Equally Well strategy for health and wellbeing; and supports the strategic objectives of Arts Council England in promoting place-based strategies for culture.)

CAB70/22 Annual Review of Council Policy on Covert Surveillance

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

The Authority's current Surveillance Policy was approved by Cabinet in November 2021 and was subject to annual review. That Policy was had been reviewed and a draft Surveillance Policy was attached at Appendix 1 to the report. The draft Policy had been considered by members of the Regulation and Review Committee who had made no recommendations for amendments to be made to the Policy, and had been referred to Cabinet for consideration and, if appropriate, approval.

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

The aims of the Authority's Policy were to:

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

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

To meet these requirements the Policy provided that:

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

consideration; and

- The Elected Mayor would receive regular updates from the Senior Responsible Officer regarding the use of the Authority's powers.

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

Resolved that (1) the Authority's Policy on Covert Surveillance 2022-23, attached at Appendix 1 to the report, be approved;
(2) the Chief Executive and the Head of Technical & Regulatory Services, in consultation with the Elected Mayor as appropriate, be authorised to implement the policy and all ancillary matters relating to it; and
(3) an update report be received every 12 months to ensure proper oversight of the Policy.

(Reason for decision: Approving the Authority's Policy on Covert Surveillance 2022-23 will secure adherence to the recommended best practice contained within the Codes of Practice. In particular, the Code of Practice – Covert Surveillance and Property Interference indicates that elected members should review the Authority's use of Part II of the Regulation of Investigatory Powers Act 2000 and set the policy at least once a year.)

CAB71/22 Developer Contributions Governance

Cabinet received a report seeking approval for the Authority's infrastructure list and updated development contributions governance arrangements.

The report presented the Authority's revised infrastructure list and updated development contributions governance arrangements. This was proposed for the Authority to continue to make best use of developer contributions that supported growth and development and to ensure the borough continued to be an attractive, sustainable place to live and work.

Developer contributions were an important mechanism to support investment in infrastructure and are secured through either planning obligations entered into with developers under section 106 of the Town and Country Planning Act 1990 (commonly referred to as "section 106 agreements"), the payment of a levy by a developer under the Community Infrastructure Levy (CIL) or through agreements for the execution of works entered with developers under section 278 of the Highways Act 1980 (commonly referred to as "section 278 highway agreements") . Their use was subject to legislative controls designed to ensure they are used fairly.

In March 2018 Cabinet adopted an update to the Authority's Planning Obligations Supplementary Planning Documents (SPDs). The Planning Obligations SPD provides guidance for planning applicants on the circumstances in which planning obligations might be sought from developments across a range of different infrastructure needs. In November 2018 full Council approved the Authority's Community Infrastructure Levy (CIL) Charging Schedule and Cabinet approved the Infrastructure List associated with CIL.

A formalised developer contributions governance process was agreed by Cabinet in

May 2018. This process outlined how the Authority would ensure decisions taken regarding section 106 planning obligations would be fair and reasonable and aligned with the priorities of the Mayor and Cabinet. This process and the CIL charge had now been in place for over four years and had remained under continuous review to ensure they were effective and fit for purpose. In order to continue to ensure developer contributions were utilised to best support the sustainable development of the area this report considered some amendments to the Authority's Infrastructure List and developer contributions governance arrangements.

Developer contributions was 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 were 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. Within North Tyneside the framework for administering developer contributions was comprised of:

- North Tyneside Local Plan 2017 (adopted by full Council, July 2017.
- Planning Obligations Supplementary Planning Document (adopted by Cabinet, 12 March 2018).
- Community Infrastructure Levy Charging Schedule (CIL) (adopted by full Council, 22 November 2018
- Community Infrastructure Levy Infrastructure List (former Regulation 123 List) (approved by Cabinet 19 November 2018)
- Developer Contributions Governance Arrangements (adopted by Cabinet 14 May 2018)

Each of the above arrangements had been in place for a number of years. This report detailed proposals to refresh the Authority's Infrastructure List, as part of the Infrastructure Funding Statement 2022, and amend the process associated with Developer Contributions governance arrangements approved in 2018.

The current Infrastructure List for North Tyneside was informed by the Infrastructure Delivery Plan 2018 (IDP 2018). This IDP 2018 identified 98 separate infrastructure projects or types and a total cost for their delivery of over £386m. From this evidence of infrastructure requirements, the Community Infrastructure Levy (CIL) was adopted. Alongside adoption of the CIL charge five key infrastructure projects or types were identified to be funded by CIL receipts:

1. Secondary education.
2. Health facilities.
3. Suitable Alternative Natural Greenspaces.
4. Community Facilities.
5. Off-site walking and cycling connections associated with Murton Gap and Killingworth Moor.

The total estimated cost of delivering these infrastructure items in 2019 was some £33.5m. An index linked assessment of costs suggested this would have increased to over £35m. To date, total planning permissions granted since 2019 had secured in excess of £2.5m in CIL payments with approximately £300k received.

The IDP update had refreshed the Authority's understanding of infrastructure requirements in terms of updated costs and consideration of the most effective approach to utilising developer contributions to assist in the development of the area – in accordance with the purpose of CIL funds set out at Regulation 59 of CIL Regulations 2010 (as amended). It was considered the findings of the updated IDP justified making amendments to the current Infrastructure List that was agreed by Cabinet in 2018. In making such changes the use of CIL must continue to be for the wider benefit of the Borough in supporting infrastructure needs arising from its growth and development.

Taking into account the proposed changes as detailed in sections 1.5.11 to 1.5.22 of the report a revised Infrastructure List as contained within the Infrastructure Statement 2022, was included at Appendix 1 to the report.

In accordance with the delegated Authority and process agreed by Cabinet in May 2018; the process for defining and agreeing section 106 agreements and subsequent project delivery was managed through a section 106 sub-group of the Authority's Investment Programme Board (IPB). The membership of IPB was the most appropriate group to endorse decisions regarding developer contributions as the board that oversaw the delivery of the Authority's capital programme once funding was established in the Authority's budget setting process. The process of decision making was formalised in the May 2018 Cabinet report. This now required amendment to ensure decision making regarding the monitoring and identification of CIL funded projects was appropriately reflected.

The revised process for Developer Contributions governance was included at Appendix 2 to the report.

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

Resolved that the updated Infrastructure List 2022 included at Appendix 1 of the report, be approved; and
(2) the amended Developer Contributions Governance process as set out at Appendix 2 to the report be approved, and the Director of Regeneration and Economic Development, in consultation with the Director of Resources, the Assistant Chief Executive, the Deputy Mayor and the Cabinet Member for Finance and Resources, be authorised to make any minor amendments to the process as necessary.

(Reason for decision: The Authority has a duty to administer developer contributions in accordance with the relevant regulations and ensure appropriate funding is secured from development and directed in the most effective way to address the impacts and support the development of the area. The recommendations will extend the ability of the Authority to use CIL funds effectively and improve the governance regarding developer contributions decision making.)

CAB72/22 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 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB73/22 Murton Gap Strategic Housing Site

Cabinet considered a report seeking approval to declare land holdings at the Murton Gap Strategic Housing Site (as shown on Plans 1, 2, 3, 4 & 5 appended to the report), that were owned by the Authority surplus to its requirements and for the sites to be made available for sale by private treaty for the development of affordable homes.

The report outlined the strategic context for the delivery of housing across the Murton Gap Strategic Housing Site and detailed how the Authority would assist in this process as a landowner, the Local Planning Authority and as Highway Authority.

The report provided the details of the commercial arrangements that would be needed with the other landowners across the Site in order to ensure that all of the strategic infrastructure was provided over an eleven-year period to support the development of new homes.

The report also explained how two areas of land within the ownership of the Authority and located in Shiremoor and Backworth could be utilised in order to assist in bringing forward the Site for development.

Resolved that (1) the Authority's land holdings at Murton Gap Strategic Housing Site (as shown on Plans 1 and 2 appended to the report), be declared surplus to the Authority's requirements and available for disposal by private treaty for the development of affordable homes, be agreed;
(2) the Director of Housing and Property Services, in consultation with the Elected Mayor, with the Elected, the Director of Resources and the Assistant Chief Executive, be authorised to agree the final terms of sale;
(3) the Director of Resources, be authorised to negotiate a sale contract, together with associated documents and complete the freehold transfer of the land at Murton Gap Strategic Housing Site in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;
(4) the land at Earsdon Road in Shiremoor (as shown on Plan 3 appended to the report), be declared surplus to the Authority's requirements and available for freehold transfer, be agreed;
(5) the Director of Housing and Property Services, in consultation with the Elected Mayor, the Director of Resources and the Assistant Chief Executive, be authorised to agree the financial arrangements required for the Murton Gap Development Consortia to compensate the Authority for the value of the land at Earsdon Road in Shiremoor;
(6) the Director of Resources, be authorised to negotiate a sale contract, together with associated documents and complete the freehold transfer of the land at Earsdon Road in Shiremoor in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;
(7) the land at Fisher Road in Backworth (as shown on Plan 4 appended to the report), be declared surplus to the Authority's requirements and to make it available to the Murton Gap Development Consortia as a site for ecological mitigation, be agreed;
(8) the Director of Housing and Property Services, in consultation with the Elected Mayor, the Director of Resources and the Assistant Chief Executive, be authorised to agree the

financial arrangements required for the Murton Gap Development Consortia to compensate the Authority for the value of the land at Fisher Road in Backworth;
(9) the Director of Resources, be authorised to complete a sale contract or long lease with either the Murton Gap Development Consortia or an appropriate ecological organisation, together with associated documents for the land at Fisher Road in Backworth in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;
(10) the Director of Housing and Property Services, in consultation with the Elected Mayor, the Director of Resources and the Assistant Chief Executive, be authorised to agree the financial arrangements required for the Murton Gap Development Consortia to compensate the Authority for the value of the land at Murton Gap Strategic Housing site that needs to be set aside for the future development of a new primary school; and
(11) the Director of Housing and Property Services, be authorised to deal with all ancillary matters arising that were consistent with all of the preceding resolutions.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations in which case the delivery of new homes and the associated infrastructure across the Site may be jeopardised.

(Reason for decision: It is considered to be the best way to secure the Authority's own affordable housing development priorities and safeguard the wider delivery of housing in the Borough in order to meet with its Local Plan housing target.)

CAB74/22 Date and Time of Next Meeting

6.00pm on Monday 23 January 2023.

Minutes published on 2 December 2022.

With the exception of decisions contained in Minute CAB66/22 The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 9 December 2022.

The decisions contained in Minute CAB66/22 are not subject to call-in and may be implemented immediately.