



**North Tyneside Council**

# Cabinet

13 January 2023

**Monday, 23 January 2023**, The Chamber - Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

## Agenda Item

Page(s)

1. **Apologies for Absence**

To receive apologies for absence from the meeting.

2. **Notification of any Declarations of Interest and Dispensations Granted**

You are invited to **declare** any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.

You are also invited to **disclose** any dispensation in relation to any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda.

Please complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.

3. **Minutes**

To confirm the minutes of the meetings held on the 28 November 2022 (previously circulated) and 16 January 2023 (extraordinary) – to follow.

4. **Report of the Young Mayor**

To receive a verbal report on the latest activities of the Young Mayor and Young Cabinet.

Members of the public are welcome to attend this meeting and receive information about it.

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

For further information about the meeting please call (0191) 643 5320.

Agenda Item	Page(s)
5. <b>2022/23 Financial Management Report to 30 November 2022</b>	5 - 66
To receive the fourth budget monitoring report for the current financial year which reflects the first indication of the potential revenue and capital position of the Authority at 31 March 2022	
6. <b>Calculation of the 2023/24 Council Tax Base for North Tyneside Council</b>	67 - 78
To consider a report which gives an explanation of how the North Tyneside Council Tax Base for 2023/24 has been calculated and requests approval for the calculation of the Authority's Council Tax Base for 2023/24.	
7. <b>North Tyneside Air Quality Strategy</b>	79 - 130
To seek approval to consult on the draft North Tyneside Air Quality Strategy 2023-2028.	
8. <b>Cabinet response to Storm Arwen Task &amp; Finish Group Report</b>	131 - 142
To receive Cabinet's response to Storm Arwen Task & Finish Study Group Report recommendations from Overview, Scrutiny and Policy Development Committee.	
9. <b>North Tyneside Highway Asset Management Plan Annual Information Report 2022</b>	143 - 174
To introduce the North Tyneside Highway Asset Management Plan (HAMP) Annual Information Report 2022.	
10. <b>Exclusion Resolution</b>	
This is to give further notice in accordance with paragraphs 5(4) and 5(5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to consider items 11 and 12 below in private.	
Cabinet is requested to consider passing the following resolution:	
<b>Resolved</b> that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.	

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Reason for taking the item in private: the report in Items 11 and 12 contain information to the financial or business affairs of any particular person (including the authority holding the information).	
11. <b>Strategic Partnership Update</b>	<b>175 - 180</b>
To seek approval to the proposals for the variation to the Business Services Partnership.	
12. <b>Regeneration of 11/12 Northumberland Square</b>	<b>181 - 188</b>
To seek approval for the Authority to refurbish and regenerate the long-term derelict property at 11-12 Northumberland Square (on the site plan at Appendix 1) and agree the completed scheme in order to achieve best value.	
13. <b>Date and Time of Next Meetings</b>	
Monday 16 January 2023 at 4.00pm (Extraordinary Meeting)	
Monday 30 January 2023 at 6.00pm (Extraordinary Meeting)	

**Circulation overleaf ...**

**Circulated to Members of Cabinet: -**

N Redfearn (Elected Mayor)  
Councillor C Johnson (Deputy Mayor)  
Councillor C Burdis  
Councillor K Clark  
Councillor S Graham  
Councillor J Harrison  
Councillor H Johnson  
Councillor A McMullen  
Councillor S Phillips  
Councillor M Rankin

**Young and Older People's Representatives and Partners of  
North Tyneside Council.**



## North Tyneside Council Report to Cabinet 23 January 2023

**Title: 2022/23 Financial Management Report to 30 November 2022**

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

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### **PART 1**

#### **1.1 Executive Summary:**

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

- 1.1.4 The Authority's finances are complex in any year given the range of services that are delivered; the picture this financial year is even more volatile given these national and global economic challenges. At a Service level, before the application of planned contingencies and central funding, the gross pressure would be £23.511m.
- 1.1.5 However, when the Authority set the balanced budget for the year at Council in February 2022, this included contingencies of £6.752m and other central funding of £1.006m (both shown within the Central Items figure in Table 1). As a result, the total forecast year-end pressure for the General Fund, shown in Table 1 reduces to £15.753m.
- 1.1.6 Table 1 includes mitigations from the revised approach to the Minimum Revenue Provision (MRP) calculations of £4.927m, which are included in Central Items. Cabinet will be aware that a change was made towards the end of the previous financial year, with the External Auditors having recently confirmed that there are no issues with this revised methodology, so these can now be factored into in-year budget monitoring.
- 1.1.7 When the Budget was set, the potential impact of some of these additional pressures were foreseen by Cabinet. A number of mitigations through the use of grants and reserves, totalling £6.700m, were set aside in the 2022-2026 Medium-Term Financial Plan to support the 2022/23 financial position. The latest forecast has been updated for a further release of provisions of £0.428m, taking the total amount of mitigations shown in Table 2 to £7.128m, which reduces the overall forecast in-year pressure to £8.625m. This is an improvement of £0.175m from the last report to Cabinet.
- 1.1.8 Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to challenge the projected risks facing the Authority whilst continuing to deliver planned efficiencies. The potential savings from MRP, noted above, are available if required but it is expected that future actions to review activity and performance across the organisation, reducing non-essential spend and controlled vacancy management, should see the pressure reduce in the coming months.
- 1.1.9 The Mayor and Cabinet will be aware of recent increases in the Bank of England base rate, with an expectation that interest rates will continue to rise into 2023. The Authority drew down £10m of PWLB borrowing in August 2022 whilst rates were at the lower end of the interest rate curve and prior to the more recent financial markets volatility seen since September 2022. Whilst there is no immediate need to borrow, future borrowing costs may now be higher than originally forecast. This may lead to additional Capital and Treasury financing pressures in future years. As Cabinet would expect, interest rates continue to be proactively monitored and cash flow management undertaken to secure the maximum return/minimum cost for the Authority in line with the Prudential Code.
- 1.1.10 In terms of the Housing Revenue Account, a small underspend of £0.090m is forecast. This position is likely to be impacted by the "cost of living crisis", especially on rent collection levels, and will be closely monitored during the year.

- 1.1.11 The report includes details of the additional grants received by the Authority since the Budget was set. The report also advises Cabinet of the position so far on the 2022/23 Schools' budgets and Schools' funding.
- 1.1.12 In terms of the Investment Plan, initial work has been undertaken to consider the impacts of supply chain issues and inflation pressures. The focus has been to manage within the current financial envelope across the plan which may lead to a delay in delivery of some planned activity. Any such implications will be considered at the Investment Programme Board and brought to the Mayor and Cabinet for consideration as part of the normal financial management process.

## **1.2 Recommendations:**

1.2.1 It is recommended that Cabinet:

- (a) notes the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 30 November 2022 (Annex sections 1, 2 and 3);
- (b) approves the receipt of (£1.134m) new revenue grants (as outlined in section 1.5.4 of this report);
- (c) notes the Authority's Investment Plan spend of £40.858m to 30 November 2022 and the financing of the Plan to the end of the year (Annex Section 4);
- (d) approves variations of £0.152m and reprogramming of (£10.942m) for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4);
- (e) Notes the information on the Collection Fund (Annex section 6); and
- (f) Approves the write-offs of business rates identified in Table 29 of the Annex (Section 6 paragraph 6.5.1)

## **1.3 Forward Plan:**

1.3.1 Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 17 June 2022.

## **1.4 Authority Plan and Policy Framework:**

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

## **1.5 Information:**

### **1.5.1 Financial Position**

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

### 1.5.1.2 The report covers:

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

### 1.5.2 General Fund Revenue Account

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

1.5.2.2 The Authority's finances are complex in any year given the range of services that are delivered; the picture this financial year is even more volatile given the national and global economic challenges. At a Service level, before the application of planned contingencies and central funding, the gross pressure would be £23.511m. However, the budget for the year included contingencies of £6.752m and other central funding of £1.006m (both shown within the Central Items figure in Table 1). As a result, the total forecast year-end pressure for the General Fund, shown in Table 1 reduces to £15.753m. Table 1 below sets out the initial variation summary across the General Fund, with a detailed commentary of variances included in Annex 1.

1.5.2.3 Included within the position for Central Items is £6.752m of contingencies. Whilst held in Central Items, its use is identified as: £3.116m to offset the pressures in Children's Social Care; £1.301m is supporting the under achievement of savings targets; and £2.325m to support the inflationary pressures being faced by the Authority. In September's report, a £0.316m saving was included reflecting the part year reversal of the national insurance increase along with a £4.927m of Minimum Revenue Provision (MRP) savings following the conclusion of External Audit work into the methodology change; these items remain in the forecasts. In 2021/22 these savings were set aside in a new MRP reserve, which remains on the balance sheet, but it is likely that the in-year saving will be required to support the bottom-line position in 2022/23, so is currently included in the forecast position. This gives a total underspend for Central Items of £13.002m.

1.5.2.4 Table 2 adds further detail to the information in Table 1. The top half of table 2 breaks down the forecast £15.753m pressure into the main factors of covid legacy, utility, other inflation and other pressures. The covid pressures of £8.021m arise primarily from fees and charges income not yet returning to pre-pandemic levels and additional fixed term staff employed to cover increased demand or to enable front-line service provision to continue.

1.5.2.5 The lower half of Table 2 includes details of funding set aside to support known pressures. As part of the 2022-2026 Medium-Term Financial Plan (MTFP) agreed by full Council in February, £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£0.400m), Special Educational Needs (£0.400m), additional children's social care provision (£1.200m) and for the development of the Customer Relationship Management programme (£0.200m). The £0.400m relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, with the remaining £1.800m supporting the overall corporate pressure, in Table 2.

- 1.5.2.6 In addition £2.000m was also set aside to create a Covid-19 Reserve as part of the 2022-2026 MTFP, this included £0.650m to support additional caseloads within Children's Services, £0.350m to support Home to School Transport and £1.000m to support reduced fees and charges income following the pandemic. The £0.350m relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, leaving £1.650m to support the overall corporate pressure in Table 2.
- 1.5.2.7 Within the 2022-2026 MTFP, £0.150m was identified as planned use of the Insurance Reserve to support additional Repairs and Maintenance costs. The use of this funding has been included in Table 2.
- 1.5.2.8 Table 2 includes a further £1.300m of contingencies that has not been applied to specific service areas/central items, so can support the overall corporate position.
- 1.5.2.9 Following the on-going review of provisions, the Authority has been able to release a provision of £0.300m relating to Special Guardianship Order costs, reported previously, along with a further £0.428m included in this report, giving an underspend of £0.728 in total.
- 1.5.2.10 £1.925m of funding previously reported in July has now been allocated to help cover the cost of the Pay Award, which is now approved at £1,925 for every full-time equivalent employee. Despite this additional allocation, the cost of the pay award is higher than the funding set aside and is reflected in the overall forecast for the year, which is reflected in individual service areas in the top part of Table 2.
- 1.5.2.11 The Authority carried forward £2.962m of Covid-19 related central Government grants from 2021/22. Of this £1.462m has been committed and is reflected in the £15.753m position reported in Table 1. The remaining balance of £1.500m is available to support on-going Covid-19 legacy pressures and is reflected in the revised position shown in Table 2.
- 1.5.2.12 Taking all of the above into account, the result is a forecast year-end pressure of £8.625m, which is an improvement of £0.175m since the previous Cabinet report.
- 1.5.2.13 The main service areas facing forecast overspends are those most exposed to the new, emerging pressures, which are impacting on top of the residual covid-impacts. Environment, which includes Sports and Leisure activities, is experiencing income shortfalls from fees and charges, which continue to be at lower than pre-pandemic levels. That Directorate is significantly affected by energy costs, given it includes streetlighting, leisure centres and customer first centres which are all energy intensive activities. In addition, higher inflation rates are significantly impacting on the waste management contract.
- 1.5.2.14 Children's and Adults' Services are forecasting significant pressures, as the impact of Covid-19 has seen the need to increase staffing levels to manage increases in both the complexity and volume of demand for services. This is also resulting in increased payments to external providers. This is not unique to North Tyneside and is being seen across the region and nationally.
- 1.5.2.15 Commissioning & Asset Management is forecasting overspends in catering supplies and the cost of Home to School Transport, with the cost of supplies and fuel rising rapidly in this period of high inflation.

- 1.5.2.16 The Resources Directorate is experiencing overspends in Legal Services, associated with the level of locum solicitors dealing with a combination of increased demand and job vacancies, as well as the impact of the recovery of benefit overpayments in the Revenues and Benefits Service.
- 1.5.2.17 Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to review Business as Usual activity as well as challenging and reviewing the current projected risks the authority is facing in a number of key areas:
- Children's Services – 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.
- 1.5.2.18 The aim of this work will be to ensure actions are in place to bring the outturn forecast for normal activities in on balance and it is anticipated the position will 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 has available.

1.5.2.19 Table: 1 2022/23 General Fund Revenue Forecast Outturn as at 30 November 2022

Services	Budget	Forecast Nov	Variance Nov	Variance Sept	Change since Sept
	£m	£m	£m	£m	£m
Adults Services	56.120	61.353	5.233	5.588	(0.355)
Children's Services	21.363	34.840	13.477	13.154	0.323
Public Health	2.198	2.198	0.000	0.000	0.000
Commissioning & Asset Management	6.666	12.467	5.801	5.100	0.701
Environment	37.197	38.751	1.554	1.667	(0.113)
Regeneration & Economic Development	10.791	11.073	0.282	0.378	(0.096)
Corporate Strategy	0.691	1.191	0.500	0.462	0.038
Chief Executive Office	(0.076)	(0.103)	(0.027)	0.000	(0.027)
Resources	3.365	4.950	1.585	1.785	(0.200)
General Fund Housing	1.360	1.710	0.350	0.350	0.000
Central Items	3.656	(9.346)	(13.002)	(12.984)	(0.018)
Support Services	20.181	20.181	0.000	0.000	0.000
<b>Total Authority</b>	<b>163.512</b>	<b>179.265</b>	<b>15.753</b>	<b>15.500</b>	<b>0.253</b>

1.5.2.20 Table: 2 2022/23 Adjusted General Fund Revenue Forecast Outturn Position as at 30 November 2022

	Covid Legacy £m	Utility Inflation Pressures £m	Other Inflation Pressures £m	Other Pressures £m	Total £m	Sept £m	Change £m
Adults Services	4.300	0.279	2.324	(1.670)	5.233	5.588	(0.355)
Children's Services	2.361	0.328	1.086	9.702	13.477	13.154	0.323
Public Health	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Commissioning and Asset Management	0.824	0.444	2.899	1.634	5.801	5.100	0.701
Environment	0.536	2.643	0.116	(1.741)	1.554	1.667	(0.113)
Regeneration and Economic Development	0.000	0.013	0.000	0.269	0.282	0.378	(0.096)
Corporate Strategy	0.000	0.000	0.011	0.489	0.500	0.462	0.038
Resources and Chief Executive	0.000	0.000	0.000	1.558	1.558	1.785	(0.227)
General Fund Housing	0.000	0.000	0.039	0.311	0.350	0.350	0.000
Central Items	0.000	(1.480)	(4.927)	(6.595)	(13.002)	(12.984)	(0.018)
<b>Grand Total</b>	<b>8.021</b>	<b>2.227</b>	<b>1.548</b>	<b>3.957</b>	<b>15.753</b>	<b>15.500</b>	<b>0.253</b>
Planned use of Change Reserve	0.000	(0.477)	(1.323)	0.000	(1.800)	(1.800)	0.000
Planned use of Covid-19 Reserve	(1.650)	0.000	0.000	0.000	(1.650)	(1.650)	0.000
Planned use of Insurance Reserve	0.000	(0.150)	0.000	0.000	(0.150)	(0.150)	0.000
Planned use of Contingencies	0.000	(1.300)	0.000	0.000	(1.300)	(1.300)	0.000
Planned release of Provision	0.000	(0.300)	(0.225)	(0.203)	(0.728)	(0.300)	(0.428)
Planned use of Covid-19 Grants	(1.500)	0.000	0.000	0.000	(1.500)	(1.500)	(0.000)
<b>Total</b>	<b>(3.150)</b>	<b>(2.227)</b>	<b>(1.548)</b>	<b>(0.203)</b>	<b>(7.128)</b>	<b>(6.700)</b>	<b>(0.428)</b>
<b>Revised Pressure</b>	<b>4.871</b>	<b>0.000</b>	<b>0.000</b>	<b>3.754</b>	<b>8.625</b>	<b>8.800</b>	<b>(0.175)</b>



### 1.5.3 Delivery of Budget Savings Proposals

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

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

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

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

<b>Service</b>	<b>B/F Balances</b>	<b>2022/23 Business Cases</b>	<b>2022/23 Target</b>	<b>Projected Delivery</b>	<b>In Year Actions</b>	<b>Yet to be achieved</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adults	0.000	0.950	0.950	0.950	0.000	0.000
Children's	2.373	0.850	3.223	0.025	0.398	2.800
Environment	0.000	0.520	0.520	0.520	0.000	0.000
C&AM	0.164	0.582	0.746	0.068	0.176	0.502
Resources	0.000	1.563	1.563	1.563	0.000	0.000
Central	0.000	0.255	0.255	0.255	0.000	0.000
<b>TOTAL</b>	<b>2.537</b>	<b>4.720</b>	<b>7.257</b>	<b>3.381</b>	<b>0.574</b>	<b>3.302</b>

1.5.3.5 Adults Services are projecting to achieve the full £0.950m target. Within the CYPL pressure of £13.477m reported earlier, £2.800m relates to the non-achievement of savings targets. In the previous financial year these savings have been significantly impacted by Covid-19 and as such, achievement has been supported by Central Government Covid-19 grants. With these grants not available in 2022/23 and on-going demand-led pressures already impacting the service, current projections are for these CYPL savings to remain unachieved in 2022/23.

1.5.3.6 Within Commissioning & Asset Management, £0.400m of cross-cutting 2022/23 savings are held with £0.036m projected to be achieved and £0.026m of the Procurement saving projected to be achieved to date by in year actions, with work on-going across the Authority to achieve the balance by the year end. The unachieved savings are included in the forecast pressure in Table 1.

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

### 1.5.4 New Revenue Grants

1.5.4.1 The following revenue grants have been received during October and November 2022.

**1.5.4.2 Table 4 – Revenue Grants Received October and November 2022/23**

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2022/23 value £m</b>
Resources	Department for Work and Pensions	LA Data Sharing Programme: Payment for IT costs - NEC Las	To share more data across the public sector to improve opportunities for disadvantaged people, reduce crime and prevent fraud, reduce burdens on business and implement more effective and targeted policy.	0.003
Environment	Northumbria Police & Crime Commissioner	Wintertime Violence Reduction	To support local organisations in communities across Northumbria who provide locally-designed support for vulnerable people, diversionary activities or who seek to turn things around and improve their local neighbourhood through directly reducing and combatting the impact of crime and Anti Social Behaviour	0.02
Commissioning and Asset Management	European Social Fund (via DWP)	Building Steps for Young People to a Brighter Future	To support residents aged 18 - 29 and over along a journey into employment / self-employment.	0.075
Commissioning and Asset Management	European Social Fund (via DWP)	Step to Employment	To support residents aged 29 and over along a journey into employment / self-employment.	0.094
Children's	Ministry of Justice	Turnaround Programme Grant	This Grant is for the Turnaround Programme which is a voluntary youth early intervention programme led by the Authority. The Programme is a three-year programme which aims to improve outcomes and prevent offending for children who are on the cusp of the youth justice system and who do not meet the threshold for statutory support.	0.047
Children's	National Development Team for Inclusion	Supported Internships Grant	This grant is to support all Local Authorities to access, establish and/or develop SEND employment forums to improve the provision of Supported Internships across the country.	0.01

Service	Grant Provider	Grant	Purpose	2022/23 value £m
Adults'	Department for Health & Social Care	ASC Discharge Funding	The Fund can be used flexibly on the interventions that best enable the discharge of patients from hospital to the most appropriate location for their ongoing care. Funding can also be used to boost general adult social care workforce capacity, through staff recruitment and retention, where that will contribute to reducing delayed discharges.	0.859
Regeneration and Economic Development	North of Tyne Combined Authority	Northern Powerhouse Key Account Management	To deliver the Key Account Management Programme.	0.026
<b>Total</b>				<b>1.134</b>

### 1.5.5 School Funding

- 1.5.5.1 Schools are required to submit their rolling three-year budget plan by 31 May each year and as reported previously the total planned in-year deficit for 2022/23 is £5.533m. Cabinet will be aware that the Authority has been working with schools for a number of years with regard to the long-term strategic issue of surplus secondary places and the associated financial pressures, which continue to be compounded by rising employment costs.
- 1.5.5.2 Finance officers are working with schools to produce an update on 2022/23 school finances position which will be presented to Cabinet in the next finance report.
- 1.5.5.3 Cabinet will recall that the High Needs Block ended 2021/22 with a pressure of £13.511m. The forecast of the Budget position for 2022/23 indicates an anticipated in-year pressure of £4.416m reflecting continued demand for special school places, producing a cumulative deficit balance of £17.927m.

### 1.5.6 Housing Revenue Account (HRA)

- 1.5.6.1 The HRA is forecast to have year-end balances at 31 March 2023 of £0.281m. These balances are £0.090m lower than budget which was set at £0.371m.
- 1.5.6.2 Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of the end of November 2022, 4,049 North Tyneside Homes tenants have moved on to Universal Credit and a team is 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.

### 1.5.7 Investment Plan

- 1.5.7.1 The approved 2022-2027 Investment Plan totals £331.281m (£103.523m in 2022/23) and is detailed in table 20 of the Annex. The Annex to this report also sets out in Section 4 delivery progress to date, planned delivery for 2022/23, reprogramming and other variations identified through the Investment Programme Governance process.

1.5.7.2 An officer led review of the Investment Plan has resulted in proposals for variations of £0.152m and reprogramming of (£10.942m) of which more details are set out in Section 4 of the Annex to this report. The revised Investment Plan stands at £92.733m for 2022/23 and to the end of November 2022 spend of £40.858m had been incurred which represents 44.06% of the revised plan.

1.5.7.3 The Investment Plan continues to face significant inflationary pressure and Senior Officers within the Authority have undertaken a review of the expected financial impact on approved schemes with the relevant project managers. The review has confirmed that for the majority of schemes there has been an ability to re-profile planned works to future years given supply issues and rising costs. However, in some cases it is proposed to utilise the Authority's contingency allocation within the Investment Plan in order to maintain delivery plans. The use of the contingency is managed as part of the Investment Programme Board governance arrangements. The corporate risk register includes risks for such inflationary pressures to the investment plan and the position is monitored on an ongoing basis.

## 1.5.8 Performance against Council Plan

1.5.8.1 The 2021-2025 Our North Tyneside Plan (Council Plan) sets out the overall vision and policy context within which the Medium-Term Financial Plan and Budget are set. The Council Plan, "Building A Better North Tyneside", has five key themes as set out below;

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

1.5.8.2 For each theme there is a set of policy outcomes which the Authority is seeking to deliver; these are detailed in the Council Plan. The Authority has plans in place to deliver all elements of the Plan and performance against delivery is carefully monitored.

1.5.8.3 An update report on the progress of delivering the 2021-2025 Our North Tyneside Plan was taken to Cabinet in September 2022.

## 1.6 **Decision Options:**

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

### 1.6.2 Option 1

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

### 1.6.3 Options 2

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

## **1.7 Reasons for Recommended Option:**

1.7.1 Option 1 is recommended for the following reasons:

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

## **1.8 Appendices:**

Annex : Financial Management Report to 30 November 2022  
Appendix 1: Investment Plan Summary

## **1.9 Contact Officers:**

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

## **1.10 Background Information:**

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

(a) Revenue budget 2022/23

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

(b) Investment Plan 2022-27

<https://democracy.northtyneside.gov.uk/documents/s7911/Appendix%20D%20i%20-%202022-2027%20Investment%20plan%20-%20FINAL.pdf> (Agenda reports pack 17<sup>th</sup> February 2022 - Appendix D(i))

(c) Reserves and Balances Policy

<https://democracy.northtyneside.gov.uk/documents/s7919/Appendix%20G%20-%202022-23%20Reserves%20and%20Balances%20Policy.pdf> (Agenda reports pack 17<sup>th</sup> February 2022- Appendix G)

(d) Overview, Scrutiny and Policy Development Performance Report

<https://democracy.northtyneside.gov.uk/documents/s7921/Appendix%20I%20-%202022-23%20Report%20of%20the%20Overview%20Scrutiny%20and%20Policy%20Development%20Committee%20Jan%202022.pdf> (Agenda reports pack 17<sup>th</sup> February 2022 – Appendix I)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and Other Resources**

2.1.1 As this is a financial report, implications are covered in the body of the report. This report will also be presented to the Authority's Finance Sub-Committee at its meeting on 7 February 2023.

### **2.2 Legal**

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

### **2.3 Consultation/Community Engagement**

#### **2.3.1 Internal Consultation**

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

#### **2.3.2 External Consultation / Engagement**

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

### **2.4 Human Rights**

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

### **2.5 Equalities and Diversity**

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

### **2.6 Risk Management**

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

### **2.7 Crime and Disorder**

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

### **2.8 Environment and Sustainability**

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

**PART 3 - SIGN OFF**

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

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# 2022/23 Financial Management Report Annex

## INDEX

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## **SECTION 1 – SERVICE COMMENTARIES**

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

### **1.2 Adults Services**

1.2.1 Adults Services is showing a forecast variance of £5.233m against its £56.120m net controllable expenditure budget.

#### **1.2.2 Table 1: Forecast Variation for Adults Services at November 2022**

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Variance</b>	<b>Change</b>
	<b>£m</b>	<b>Nov</b>	<b>Nov</b>	<b>Sept</b>	<b>since</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>Sept</b>
					<b>£m</b>
Central, Strategy and Transformation	1.180	1.116	(0.064)	(0.002)	(0.062)
Social Work and Associated Activity	7.384	7.243	(0.141)	0.121	(0.262)
Integrated Services	3.171	1.826	(1.346)	(1.251)	(0.095)
Business Assurance	0.304	0.319	0.015	0.016	(0.001)
<b>Sub-total Operations</b>	<b>12.039</b>	<b>10.504</b>	<b>(1.535)</b>	<b>(1.116)</b>	<b>(0.419)</b>
Commissioned Services – Wellbeing and Assessment	12.870	16.491	3.621	3.952	(0.331)
Commissioned Services – Learning Disability	26.864	28.355	1.491	1.198	0.293
Commissioned Services – Mental Health	3.607	5.817	2.210	2.108	0.102
Commissioned Services - Other	0.740	0.186	(0.554)	(0.554)	(0.000)
<b>Sub-total – Commissioned Services</b>	<b>44.081</b>	<b>50.849</b>	<b>6.768</b>	<b>6.704</b>	<b>0.064</b>
<b>Total Adult Services</b>	<b>56.120</b>	<b>61.353</b>	<b>5.233</b>	<b>5.588</b>	<b>(0.355)</b>

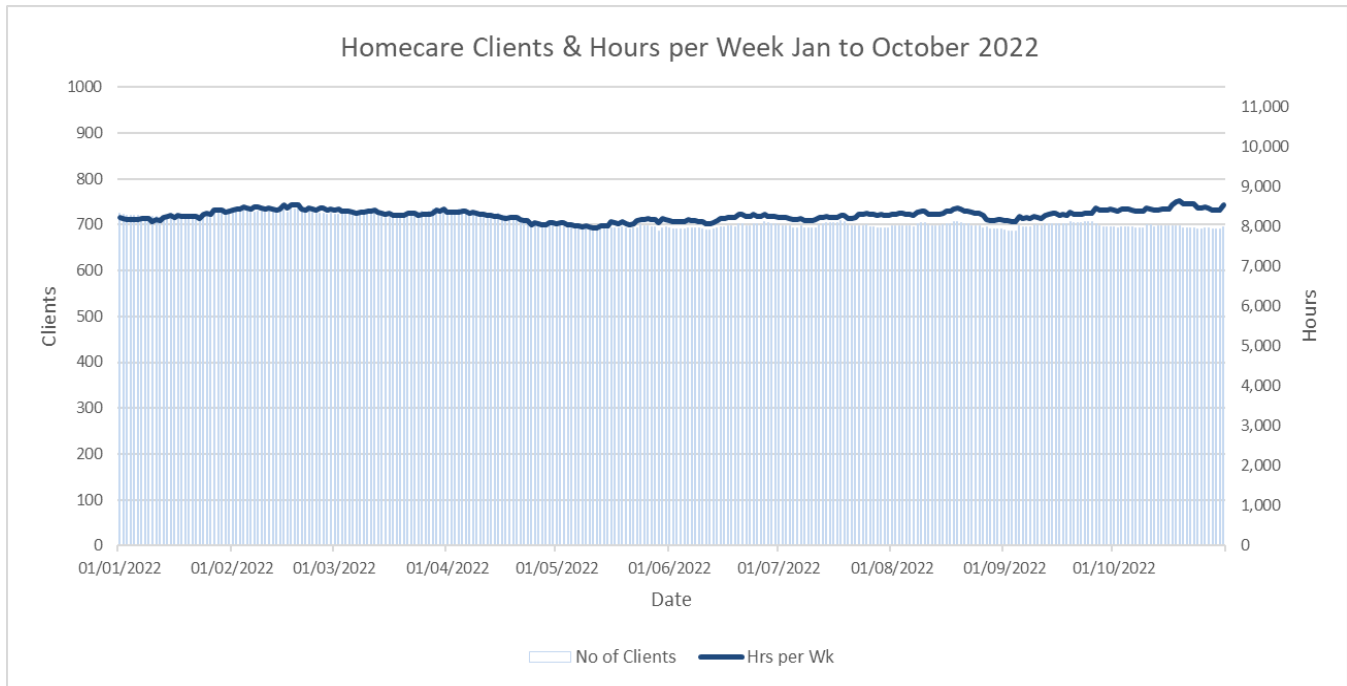
#### **Main budget pressures across Adults Services**

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

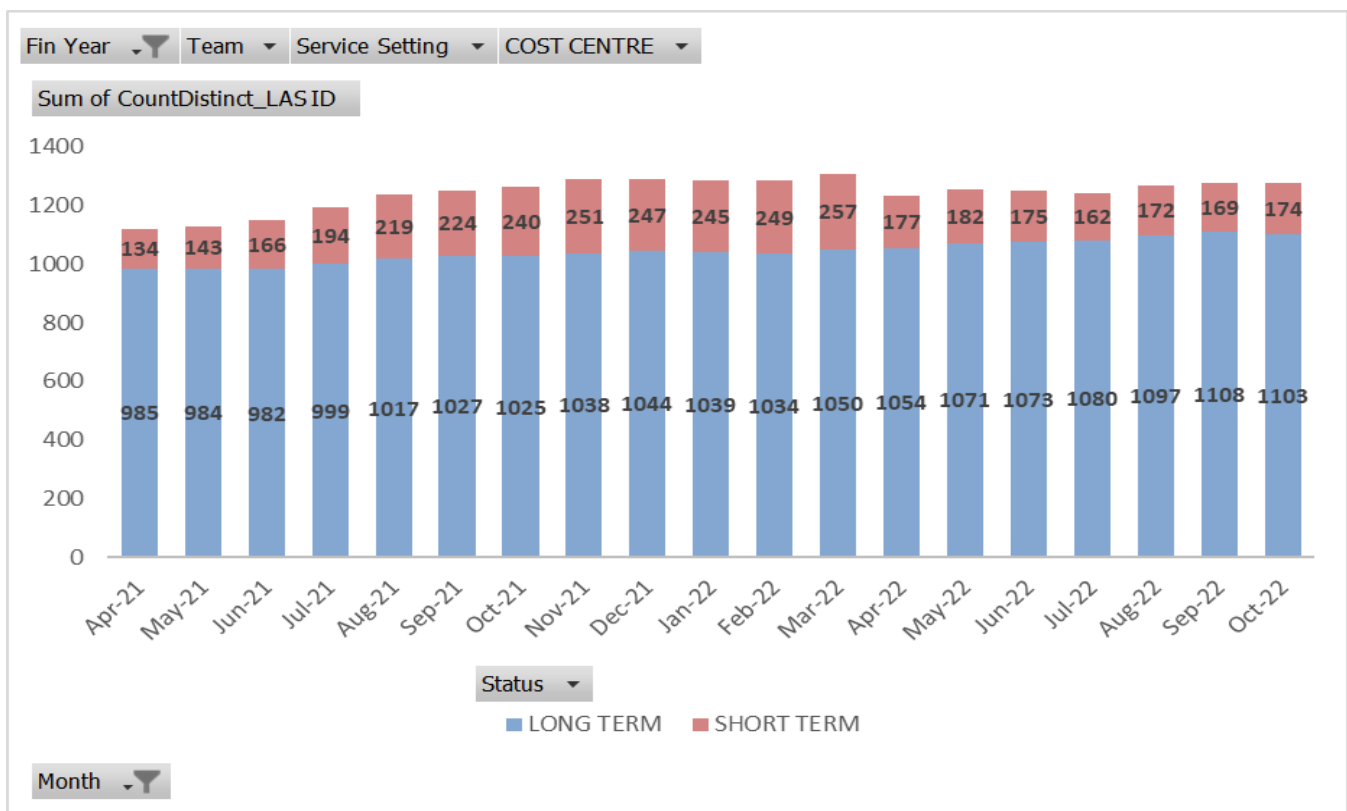
place on discharge from hospital as well as those to prevent hospital admission. Work is also ongoing to support social care providers to maintain their vital services.

- 1.2.4 Adults Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but also from the cost-of-living increases currently being experienced across the country. The 2022/23 fee uplift (including an additional in-year temporary uplift) was agreed with providers, but dialogue will continue to be informed by the national cost of care exercise.
- 1.2.5 The analysis of sub service areas is reported to show the split between the operational aspects of the service and the externally commissioned care costs.
- 1.2.6 Forecast costs associated with the operational management of the service are showing an underspend of £1.535m. This position represents an improvement of £0.419m from the previously reported position and is due to a continued increase in vacant posts because of the difficulty in recruitment and retention of staff. There has also been a review of vacancy forecasting and other non-pay related staffing costs.
- 1.2.7 Commissioned Services are reporting a pressure of £6.768m, an increase of £0.064m on the previous reported pressure, mainly due to the ongoing legacy of Covid £4.300m, significant levels of inflationary pressures being experienced by external providers estimated at £2.324m and other pressures of £0.145m. There has however, been an increase in Adult Social Care Discharge Funding received to help offset some of these pressures.
- 1.2.8 £500m Adult Social Care Discharge Funding was announced by the Department of Health and Social Care (DHSC) as part of the Autumn Statement. 40% of this funding will be allocated directly to local authorities with North Tyneside receiving £0.859m. This will partly fund additional beds to support hospital discharges £0.235m with the balance allocated to support additional winter pressures over the coming months.
- 1.2.9 60% of the funding was allocated directly to the Integrated Care System (ICS) and Adult Services are working with ICS colleagues on the most efficient use of this funding to further support the care system over the coming months.
- 1.2.10 There continues to be pressure around funding from the NHS for clients with shared care and mental health resettlement needs; negotiations continue around ensuring funding contributions from the NHS for clients with these health needs and will continue on an equitable basis.
- 1.2.11 Whilst the pressure within Adult Services continues, there has been on-going work around maximising resources and reducing costs. 2022/23 savings targets were achieved with additional Extra Care placements being utilised and reablement flats helping with the transition from hospital, allowing more clients to receive community-based care.

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



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



### 1.3 Children's Services

1.3.1 Children's Services is showing a forecast variance of £13.477m against its £21.363m net controllable expenditure budget after a transfer of £0.127m to Public Health. This forecast position excludes the application of contingency budgets £3.116m, set aside in Central Items for pressures in Children's Services. The Children's Services, Corporate Parenting & Placements budget has increased by £0.426m since the Sept position.

1.3.2 Within Children's Services there is a continuing high level of activity resulting from a combination of Covid related and household finance pressures impacting on family stability.

#### 1.3.3 **Table 2: Forecast Variation for Children's Services at November 2022**

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Variance</b>	<b>Change</b>
	<b>£m</b>	<b>Nov</b>	<b>Nov</b>	<b>Sept</b>	<b>since</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>Sept</b>
					<b>£m</b>
Corporate Parenting & Placements	16.051	27.021	10.970	10.544	0.426
RHELAC Service	0.010	0.010	0.000	0.000	0.000
Child Protection, Independent Assurance and Review	0.594	0.596	0.002	0.018	(0.016)
Early Help & Vulnerable Families	1.664	1.566	(0.098)	(0.109)	0.011
Employment & Skills	0.632	0.586	(0.046)	(0.043)	(0.003)
Integrated Disability & Additional Needs Service	2.219	4.801	2.582	2.654	(0.073)
School Improvement	0.360	0.428	0.068	0.090	(0.022)
Regional Adoption Agency	(0.168)	(0.168)	0.000	0.000	0.000
<b>Total Children's Services</b>	<b>21.363</b>	<b>34.840</b>	<b>13.477</b>	<b>13.154</b>	<b>0.323</b>

#### **Main budget pressures across Children's Services**

1.3.4 Children's Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. The £13.477m forecast pressure relates mainly to demand pressures of £10.970m in Corporate Parenting and Placements and £2.582m in Integrated Disability and Additional Needs. There is also a forecast pressure of £0.068m in School Improvement.

- 1.3.5 The pressures were foreseen by Cabinet and backed by £3.116m of centrally held contingencies which, if transferred into Children’s Services, would reduce the forecast pressure to £10.361m. The ongoing impact of rising demand impacted by Covid and the cost-of-living crisis has led to additional challenges in delivering savings targets and there are £2.800m of savings targets yet to be delivered.
- 1.3.0 The main factor behind the overall forecast position is the significant pressure within Corporate Parenting and Placements in relation to care provision for children in care and care leavers. There is also a pressure relating to services for children with additional needs. In addition to care provision pressures, there are also on-going pressures in the workforce arising from staff retention and recruitment costs and a pressure resulting from savings targets not yet achieved.
- 1.3.1 The increased pressure of £0.323m since the Sept position is a result of 2 new and 1 extended external residential care placements, £0.373m and in-year fee increases £0.068m both offset by reductions due to other placements ending.

1.3.2 **Table 3: Forecast Variation for Children’s Services Split between Operational & Commissioned Care Costs**

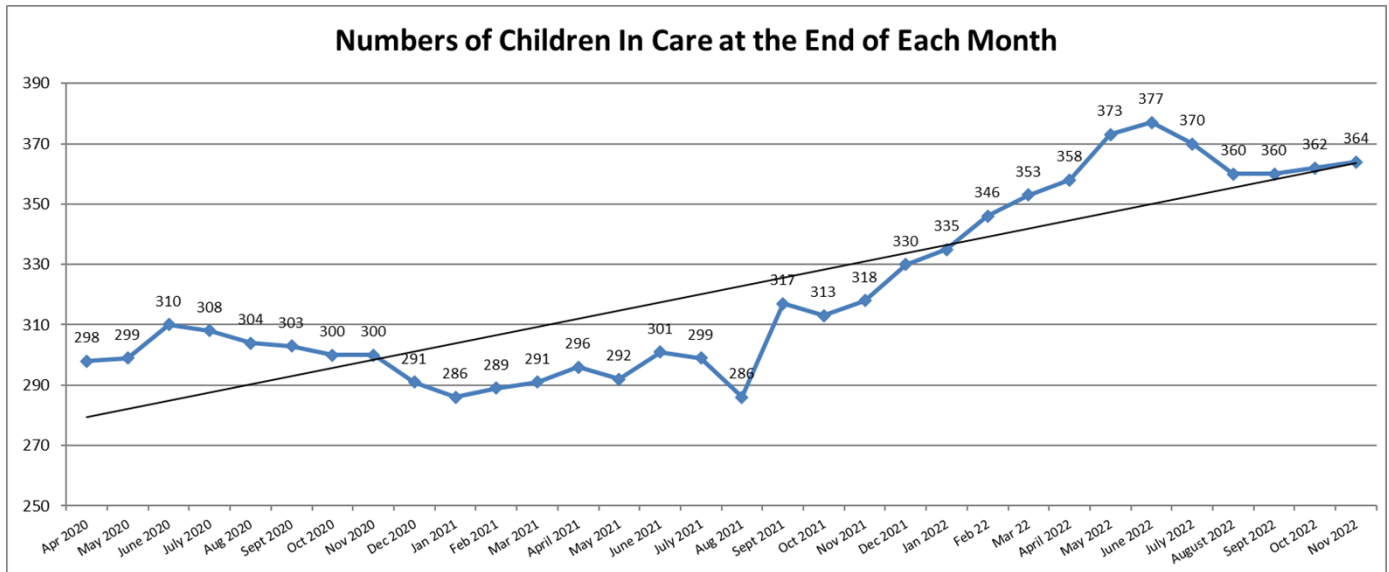
	<b>Budget</b>	<b>Forecast Nov</b>	<b>Variance Nov</b>	<b>Variance Sept</b>	<b>Change since Sept</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Externally Commissioned Services	3.480	9.159	5.679	5.585	0.094
In-house Service Provision	9.523	13.545	4.022	3.867	0.155
Staffing & Operations	8.528	12.304	3.776	3.702	0.074
Regional Adoption Agency	(0.168)	(0.168)	0.000	0.000	0.000
<b>Total Children’s Services</b>	<b>21.363</b>	<b>34.84</b>	<b>13.477</b>	<b>13.154</b>	<b>0.323</b>

- 1.3.3 The Children’s Services system is established to meet the statutory needs of approximately 1,400 children. However, the service is currently dealing with more than 1,700 children who reach that threshold. Referrals have increased by 25% compared to pre-Pandemic levels with the police and schools continuing to be the main sources. This level of activity is leading to a requirement for additional staff and contributes to significant pressure on budgets providing care for the children in most need.
- 1.3.4 In November 2022, the children in care numbers have increased to 364, but below the high of 377 in May 2022. However, numbers are still significantly above the levels seen in previous financial years. The increase in demand is largely due to the impact of additional stress on family relationships during Covid lockdown restrictions leading to increase in parental mental health issues and domestic abuse but is exacerbated when combined with financial stressors caused by the cost-of-living crisis.

1.3.5 Current numbers include 25 UASC, an increase of 2 since the September position, which the Authority is mandated to take. The net cost to the Authority, after applying the UASC grant funding, is forecast to be a pressure of £0.226m.

1.3.6 The overall rise in demand is a national issue, with North Tyneside seeing a rate of children in care per 10,000 of 88, which compares favourably both to the North-East average of 108 and to the average within our statistical neighbours of 103.

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



**Corporate Parenting and Placements**

1.3.8 **Table 4: Analysis of Pressures in Corporate Parenting and Placements**

Type of Service	Budget £m	Forecast Nov £m	Variance Nov £m	Variance Sept £m	Change since Sept £m
Care provision – children in care	8.995	16.150	7.155	6.958	0.197
Care provision – other children	3.957	4.658	0.701	0.654	0.047
Management & Legal Fees	(1.442)	0.338	1.780	1.476	0.304
Social Work	4.494	5.824	1.330	1.452	(0.122)
Safeguarding Operations	0.047	0.051	0.004	0.004	0.000
<b>Total</b>	<b>16.051</b>	<b>27.021</b>	<b>10.970</b>	<b>10.544</b>	<b>0.426</b>

1.3.9 The forecast has been developed based on the children in care as at the end of November 2022. As set out in paragraph 1.3.10, the number in care at the end of November was higher than the average of 315 during 2021/22 resulting in the forecast for the total number of care nights also being higher for 2022/23 at 111,030 nights compared to the total number of care nights delivered in 2021/22 which was 108,745.



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

Placement Type	2022/23 Nov Variance £m	Average Annual Placement cost £m	2022/23 Forecast Bed Nights	2021/22 Outturn Bed Nights	Place-ment Mix	No. of children Nov 22	No. of children Sept 22
External Residential Care	2.792	0.254	9,375	8,163	10.2%	37	31
External Fostering	0.379	0.041	10,220	12,068	7.7%	28	26
In-House Fostering Service	0.897	0.024	79,248	68,812	57.1%	208	215
External Supported Accommodation	1.459	0.104	8,106	6,170	9.1%	33	32
In-House Residential Care	1.629	0.208	4,081	**	3.8%	14	17
Other*	0.000	**	**	13,532	12.1%	44	39
<b>Total</b>	<b>7.155</b>		<b>111,030</b>	<b>108,745</b>	<b>100%</b>	<b>364</b>	<b>360</b>

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

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

1.3.11 The number of Children in Care can be volatile and costs for individual children can be very high. There is a potential risk that the forecast could increase if numbers of care nights delivered on complex cases starts to rise above current levels. There is a concern that there may be future spikes in numbers of children in care as the effects of the Covid-19 restrictions and the cost-of-living crisis impact on families.

**Care Provision – Children in Care**

1.3.12 Over recent years, there has been an increasing trend nationally in demand for children’s residential placements but with no corresponding increase in government-funded provision. The trend in North Tyneside over the last few years is that the overall number of children in care has mirrored the increases being felt nationally. Unit costs for external residential care have also increased significantly with a further increase in rates starting to be agreed within 2022/23 because of the rising cost of living. Children’s Services have developed a small number of in-house services for children with very complex needs as a way of mitigating against high costs for external provision.

1.3.13 A block arrangement of 4 residential placements started from 1 August 2022 and to date 3 children have been successfully placed which has resulted in cost avoidance compared to other external residential placements of £0.084m. A fourth child has been identified and after the initial transition period will see full year effect cost avoidance of up to £0.300m.

### **Care Provision – Children not in care**

- 1.3.14 The pressure of £0.701m relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority's policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. The contingency budget of £3.116m established in Central Items was, in part, intended to mitigate against these costs.

### **Management and Legal Fees**

- 1.3.15 This area has a forecast pressure of £1.780m. The pressure within this area is due to savings targets of £1.468m which are yet to be achieved, the increase seen in November is due to increased legal fees. The service is continuing to work on the delivery of planned savings targets and continues to review all budget areas for any other mitigating savings.

### **Social Work**

- 1.3.16 Within the overall pressure of £10.970m for Corporate Parenting and Placements, there are social work-related pressures of £1.330m. There is an additional team in place of 6 posts costing circa £0.265m and the '14 Plus Team' adds a further £0.243m to the pressure. Market supplements have been superseded by the Social Worker regrading exercise contributing £0.191m to the position. There are S17 assistance costs forecast to be above budget level. Cabinet is aware of the challenges faced across the children's social care sector nationally. Caseloads per social worker have increased with increasing referrals (up 25% on pre-Pandemic levels) and are now at 28 compared to the national average of 16.3 (for 2020).

### **Other Service Areas**

- 1.3.17 Integrated Disability & Additional Needs Service is forecasting a pressure of £2.581m, net of an over achievement of £0.370m Children's Health Income. Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs). Within North Tyneside, the number of children with an EHCP has risen from 1,102 in January 2018 to 2,133 in November 2022.
- 1.3.18 Within this service area the main pressures relate to operational staffing costs within in-house residential services and in Educational Psychology relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs.
- 1.3.19 The IDANS service is continuing to carefully review planned provision to identify any areas of spend which can be reduced without adverse impacts on the children and families receiving support.
- 1.3.20 The School Improvement Service is showing a forecast pressure of £0.068m driven by staffing and energy inflation.

1.3.21 These have been partly mitigated by utilising (£0.350m) of grant funding brought forward from 21/22. The service is working with HR and Finance officers to review the School Improvement structure and continues to explore other income streams that may be available to help mitigate the pressure in-year.

## 1.4 Public Health

1.4.0 Public Health is forecasted to outturn on budget, which is the same as the last Cabinet report in September.

### 1.4.1 **Table 6: Public Health Forecast Variation**

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Variance</b>	<b>Change</b>
	<b>£m</b>	<b>Nov</b>	<b>Nov</b>	<b>Sept</b>	<b>since</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>Sept</b>
					<b>£m</b>
Public Health Ring Fenced Grant	0.034	0.034	0.000	0.000	0.000
0-19 Children's Public Health Service*	0.273	0.273	0.000	0.000	0.000
Community Safety	0.349	0.349	0.000	0.000	0.000
Public Protection	1.542	1.542	0.000	0.000	0.000
<b>GRAND TOTAL</b>	<b>2.198</b>	<b>2.198</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

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

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

1.4.3 0-19 Children's Public Health Services and are funded by the Public Health Ring-Fenced Grant and any balances are carried forward and have no impact on the General Fund.

## 1.5 Commissioning and Asset Management

1.5.1 Commissioning and Asset Management (C&AM) is showing a pressure of £5.801m as set out in Table 7, an increase of £0.701m since the September Cabinet report.

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

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

	Budget	Forecast	Variance	Variance	Change
	£m	Nov	Nov	Sept	since Sept
	£m	£m	£m	£m	£m
School Funding & Statutory Staff Costs	5.561	5.452	(0.109)	(0.100)	(0.009)
Commissioning Service	0.439	0.471	0.032	0.026	0.006
Facilities & Fair Access	0.410	5.554	5.144	4.278	0.866
Community & Voluntary Sector Liaison	0.368	0.368	0.000	0.000	0.000
Strategic Property & Investment	0.814	1.359	0.545	0.726	(0.181)
Property	(0.979)	(0.979)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.165	0.169	0.004	0.004	0.000
Procurement	(0.112)	0.073	0.185	0.166	0.019
<b>GRAND TOTAL</b>	<b>6.666</b>	<b>12.467</b>	<b>5.801</b>	<b>5.100</b>	<b>0.701</b>

1.5.4 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing a forecast pressure of £5.144m (September forecast pressure of £4.278m). The Home to School Transport position is showing a pressure of £2.075m due to an increase in the number of routes and other costs for the academic year 2022/23 for children with complex needs £0.652m, an unidentified savings target of £0.064m and inflationary pressures of £1.359m. Demand pressures in High Needs is a known issue nationally and is also impacting on the High Needs budget within the Dedicated Schools Grant. As a result of the increase in demand for home to school transport for children with additional needs, the number of children in vehicles has risen from 614 in April 2016 to 875 in September 2022 as shown in the performance data. Work is continuing on route rationalisation using the new QRout system as well as looking at new options about transport delivery.

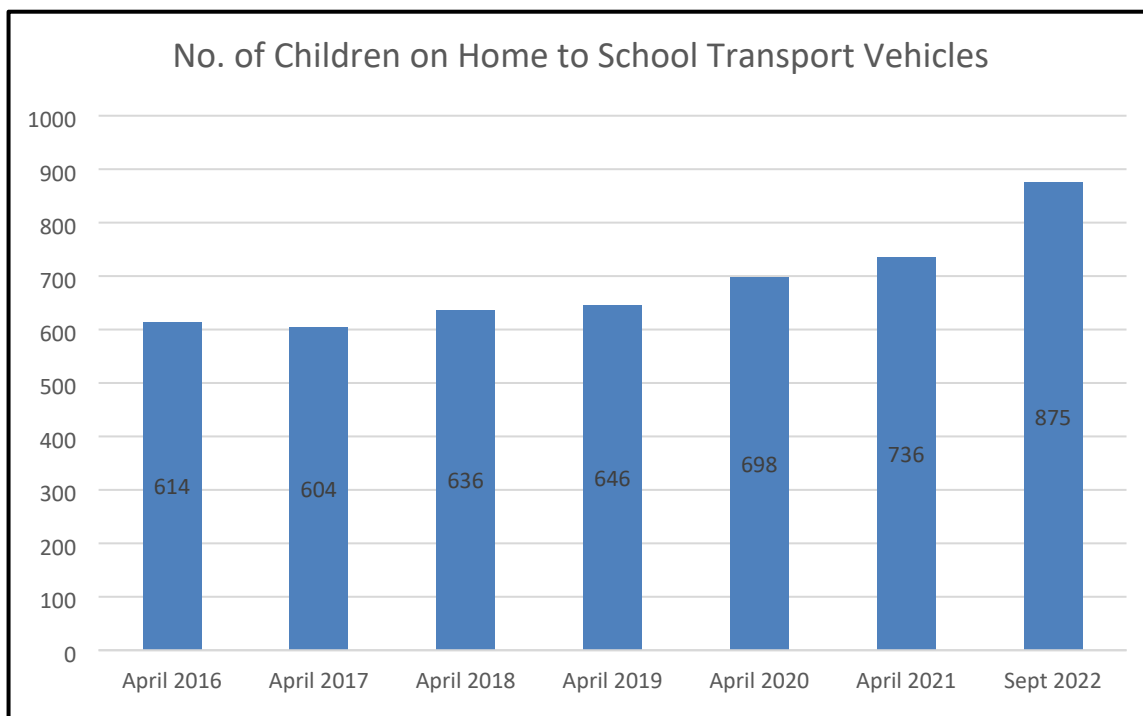
1.5.5 There is a pressure on the catering service of £2.992m due to paid school meals and other catering income not forecast to return to pre Covid levels £0.723m and inflationary pressures of £1.470m. There are pressures on wages of £0.316m and current and previous years paid school meals and SLA income target savings will not now be achievable in their original planned way, due to the number of schools that have left the SLA adding £0.164m to the pressure. The service is currently reviewing all costs associated with SLA provision to mitigate the loss of income. The management & central establishment element of the catering SLA cannot now be recovered from the schools that have left the SLA adding a further £0.319m to the position.

1.5.6 Cleaning has a pressure of £0.137m which results from inflationary pressures of £0.070m and sickness/maternity cover of £0.061m which are partially offset by

additional income (£0.006m). There are also salary savings on the Access Service of (£0.060m).

- 1.5.7 There is a pressure on Strategic Property and Investment of £0.545m and relate to energy charges £0.444m, of which £0.398m relates to the Killingworth site. The service has, and continues to, undertake several initiatives to minimise energy consumption and costs at the Killingworth site by the decommissioning of Block C and solar panel installations. There are pressures on the Procurement service of £0.185m due to a cross-cutting savings target of £0.174m and other operational pressures £0.061m, which is partially offset by additional income of (£0.050m) from a one off KPI failure in the Technical Partnership. There are commissioning and asset management pressures of £0.004m and commissioning service operational pressures of £0.032m. These are partially offset by savings on teachers early/ill health retirement costs of (£0.109m).
- 1.5.8 There are pressures on car parking income of £0.101m in relation to charges at Quadrant being removed and a corporate sustainability savings target of £0.100m. These are partially offset by other operational savings of (£0.100m).
- 1.5.9 The main movements from September 2022 are in Home to School Transport due to an increase in the number of routes and other costs for academic year 2022/23 for children with complex needs £0.552m and inflation of £0.293m which is partially offset by reductions in forecast home to school transport personal budget payments (£0.040m), partial identification of annual savings target (£0.036m) and a reduction in special provision costs (£0.038m). 80.9% of this movement relates to special schools. There is also an increase in the catering forecast pressure £0.092m due to the increasing effect of inflation £0.201m which is partially offset by an increase in forecast income (£0.030m) and reduction in the wages forecast (£0.079m). There is a reduction in the Strategic Property & Investment forecast due to a reduction in forecast energy costs due to revised forecasts from NEPO (£0.152m), a reduction in NNDR forecast cost at Killingworth Site due to a rebate (£0.018m) and salary savings (£0.011m).

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



**1.6 Environment**

1.6.1 Environment is forecasting a pressure of £1.554m against the £37.197m budget, as set out in Table 8 below, a decrease of £0.113m since the September report.

1.6.2 The main cause of the pressure is increased energy costs, though Sports & Leisure income is still to recover back to pre-pandemic levels.

**1.6.3 Table 8: Forecast Variation in Environment**

Service Areas	Budget £m	Forecast Nov £m	Variance Nov £m	Variance Sept £m	Change since Sept £m
Fleet Management	0.991	0.941	(0.050)	0.000	(0.050)
Head of Service Environment & Leisure	0.139	0.103	(0.036)	(0.033)	(0.003)
Local Environmental Services	7.744	8.175	0.431	0.552	(0.121)
Sport, Leisure & Community	8.634	10.549	1.915	1.747	0.168
Street Lighting PFI	5.123	5.123	0.000	0.000	0.000
Waste Management	14.566	13.860	(0.706)	(0.599)	(0.107)
<b>GRAND TOTAL</b>	<b>37.197</b>	<b>38.751</b>	<b>1.554</b>	<b>1.667</b>	<b>(0.113)</b>

1.6.4 The following paragraphs 1.6.5 to 1.6.12 outline the pressures in each service area with details of any variances greater than £0.050m.

### Local Environmental Services

- 1.6.5 Local Environmental Services includes Security, Street Environment and Bereavement teams and is predicting a net forecast pressure of £0.381m. This is due to energy and business rates costs within Bereavement of £0.062m, as well as Security income shortfalls (including the £0.050m loss of the annual Nexus contract income and the one-off impact of a £0.075m credit note covering the cancellation of 2021/22 and 2022/23 income) together with employee and operational cost pressures amounting to a £0.206m pressure.
- 1.6.6 There are additional pressures linked to employee and third party elements across Community Protection of £0.060m. There are employee and operational expenditure cost pressures across Environmental Protection and Street Cleansing, which includes delivering improved litter management at the coast, amounting to £0.061m. The combined improved £0.171m variance change from the previously reported position can be attributed to a higher income generation forecast within Bereavement Services, plus a reduction in the combined cross service employee, premises and operational expenditure as well as improved income across Street Environment, together with improved trading account income and operational variances around Fleet / Transport Management.

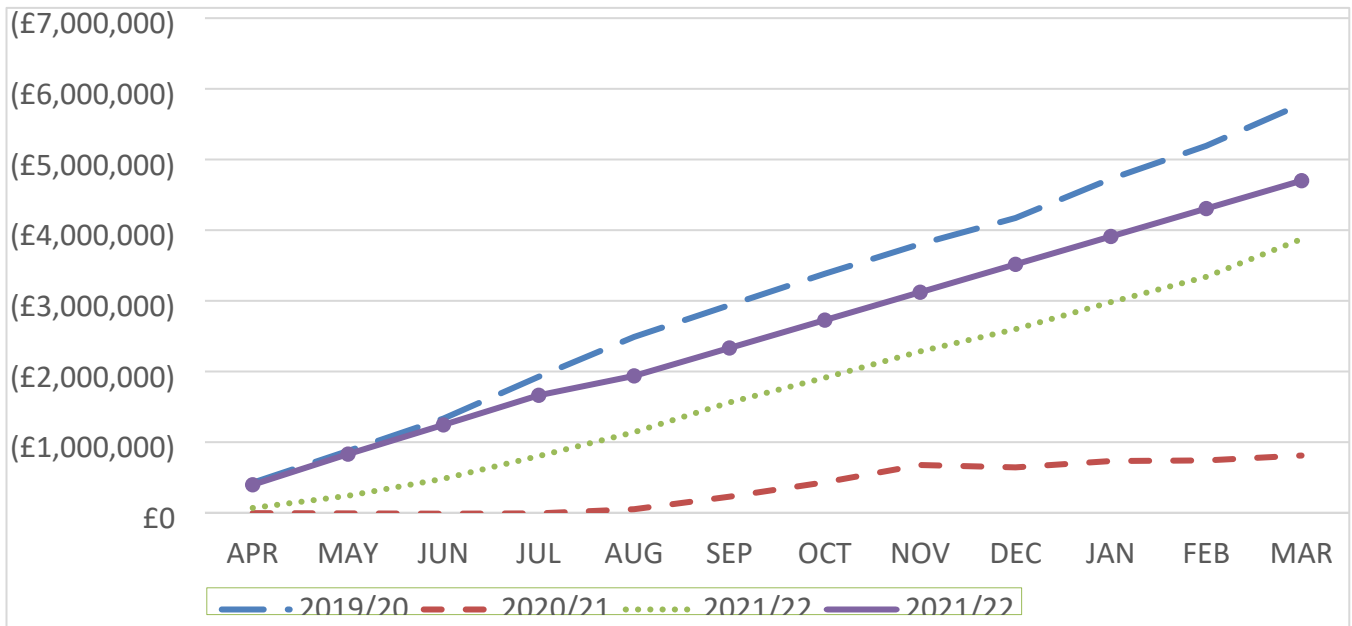
### Waste Management including Recycling and Disposal

- 1.6.7 A combined improving underspend of (£0.706m) is now forecast which reflects employee savings as vacant posts are being held within Waste & Recycling Contracts. There are significant expenditure underspends compared to the July report (savings of £0.545m) which is linked to Home Recycling Disposal which are now forecast to reflect the lower global market rate on the cost per tonne. Additionally, a combined improving overachievement on income (of £0.179m) across Commercial Waste & Special Collections is forecast within Refuse & Waste Management. The aforementioned income overachievement fully mitigates forecast cost pressures of £0.130m associated with the Waste Disposal Contract.

### Sport, Leisure & Community

- 1.6.8 Sports and Leisure is forecasting a pressure of £1.536m. Included within this variance is a legacy pressure of £0.400m (£0.300m in the September report) against the £5.600m income target for sports and leisure centres. This pressure reflects that service income is still recovering and improving whilst looking to attain to income generation levels pre-pandemic.
- 1.6.9 Libraries & Community Centres is forecasting a £0.379m pressure, mainly linked to forecast premises costs being higher than the budget as well as reduced and unachievable income generation available around Wallsend and North Shields Customer First Centres. A combined change of £0.168m in the reported variance since the previously reported position across this service area reflects the adverse forecast movement in income generation around Sports and Leisure (Contours Gyms), as well as a reduction in employee forecast costs with the extended use of casual staff covering vacant posts / staff turnover within Libraries & Community Centres.

**1.6.10 Chart 5: Income levels in Sports & Leisure for the last 4 Years**



**Street-Lighting PFI**

1.6.11 The Street-Lighting PFI is expected to have energy inflation pressures of £1.433m. It is assumed, as in previous years, that the impact of energy pressures for this PFI would be taken to the PFI reserve. Officers are continuing to review the position across all PFI contracts and further updates will be included in future financial management reports.

1.6.12 The service continues to reflect vacancy and other operational cost savings as it is resourced to meet the new level of participation.

**1.7 Regeneration and Economic Development**

1.7.1 Regeneration and Economic Development (R&ED) has expanded with service areas previously managed under Environment, Housing & Leisure. R&ED is forecasting a pressure of £0.281m, as shown in Table 9 below, which is an improvement of (£0.097m) since the September Cabinet report.



## 1.7.2 Table 9: Forecast Variation for Regeneration and Economic Development

Service Areas	Budget £m	Forecast Nov £m	Variance Nov £m	Variance Sept £m	Change since Sept £m
Culture	1.572	1.728	0.156	0.164	(0.008)
Business & Enterprise	0.760	0.736	(0.024)	(0.018)	(0.006)
Regeneration	0.415	0.658	0.243	0.325	(0.082)
Resources & Performance	0.300	0.301	0.001	0.001	0.000
Technical Package - Planning	0.296	0.257	(0.039)	(0.039)	0.000
Technical Package - Transport & Highways	7.448	7.393	(0.055)	(0.055)	0.000
<b>GRAND TOTAL</b>	<b>10.791</b>	<b>11.073</b>	<b>0.281</b>	<b>0.378</b>	<b>(0.096)</b>

- 1.7.3 Culture is forecasting a pressure of £0.156m which is an improvement of (£0.008m) since the September Cabinet report. The improvement in month reflects an improvement in the position around Tourism. The remaining pressure is mainly due to events in the Borough (Queens Baton Relay, Platinum Jubilee Activities, National Festival of Archaeology £0.040m) combined with a pressure in Whitley Bay Playhouse of £0.035m due to increased fees to the external operating contractor. Culture service staffing costs and reduced forecast income across the service makes up the remaining pressure of £0.063m.
- 1.7.4 Transport and Highways is forecasting an underspend of £0.055m which is as a result of client team recharges for work on Section 38 and 278 schemes.
- 1.7.5 The forecast pressure with Regeneration is mainly due to an ongoing issue at the former Swans site in relation to costs and income shortfalls relating to the Centre for Innovation (CFI) building which are expected to continue in 2022/23. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants.

## 1.8 Corporate Strategy

- 1.8.1 Corporate Strategy is forecasting a £0.500m pressure, an increase of £0.038m since the September Cabinet report. The variance reflects a forecast underachievement in a cross-service income target of £0.157m within Corporate Strategy Management, as well higher forecast employee resource costs as workload and service demand activities are leading to a requirement for additional staffing capacity within Children's Participation and Advocacy.

1.8.2 **Table 10: Forecast Variation Corporate Strategy**

<b>Service Areas</b>	<b>Budget</b>	<b>Forecast Nov</b>	<b>Variance Nov</b>	<b>Variance Sept</b>	<b>Change since Sept</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children's Participation & Advocacy	0.334	0.493	0.159	0.149	0.010
Corporate Strategy Management	(0.129)	0.074	0.203	0.192	0.011
Elected Mayor & Executive Support	0.022	0.037	0.015	0.016	(0.001)
Marketing	0.302	0.370	0.068	0.044	0.024
Policy Performance and Research	0.162	0.217	0.055	0.061	(0.006)
<b>GRAND TOTAL</b>	<b>0.691</b>	<b>1.191</b>	<b>0.500</b>	<b>0.462</b>	<b>0.038</b>

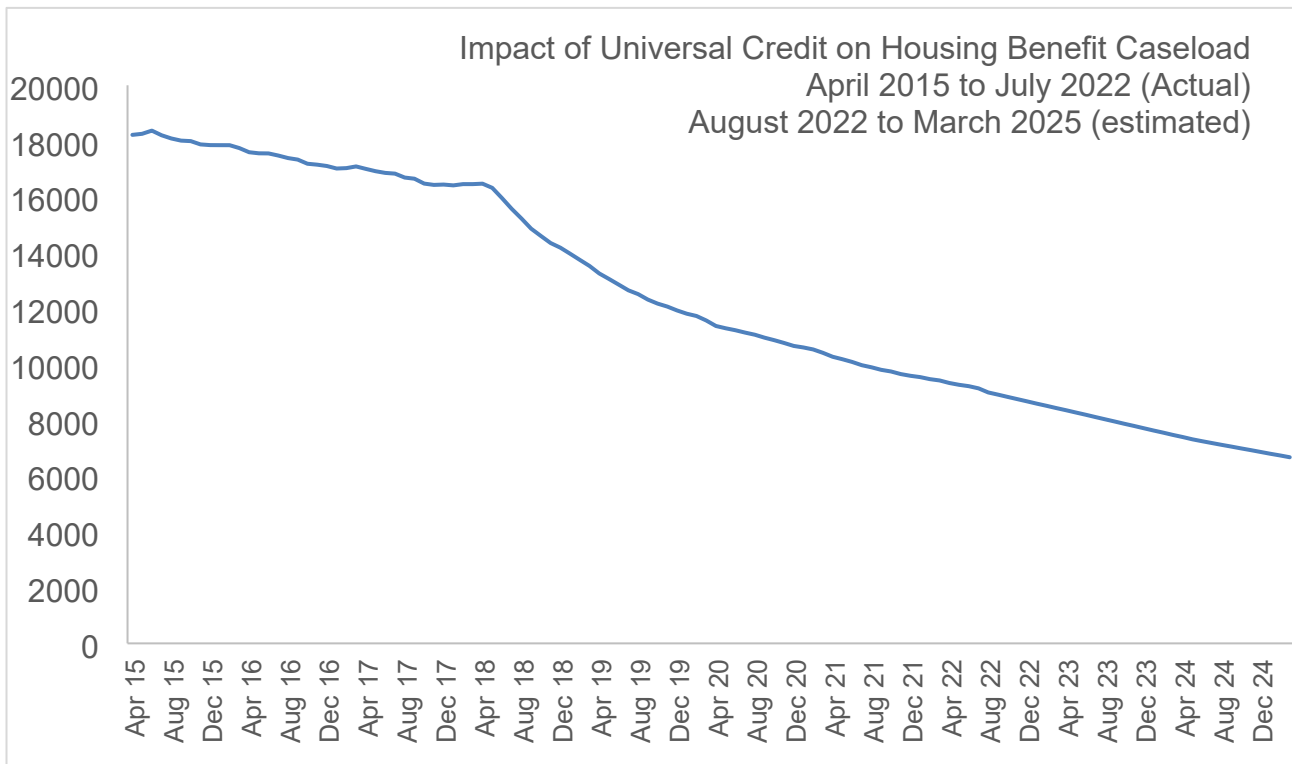
1.9 **Resources and Chief Executive Office**

1.9.1 This report shows the forecast position for the full Resources directorate and the Chief Executive Office, which is showing a pressure of £1.558m, which is a decrease of £0.227m since the last Cabinet report in September.

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

<b>Service Areas</b>	<b>Budget</b>	<b>Forecast Nov</b>	<b>Variance Nov</b>	<b>Variance Sept</b>	<b>Change since Sept</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executive	(0.076)	(0.103)	(0.027)	0.000	(0.027)
Finance	(0.563)	(0.724)	(0.161)	(0.161)	0.000
ICT	2.456	2.457	0.001	0.000	0.001
HR & Organisational Development	0.259	0.301	0.042	0.000	0.042
Internal Audit and Risk Management	0.032	0.039	0.007	0.000	0.007
Revenues and Benefits	0.629	1.246	0.817	0.889	(0.072)
Director of Resources	0.000	0.000	0.000	0.000	0.000
Customer, Governance and Registration	(0.066)	(0.031)	0.035	0.040	(0.005)
Democratic and Electoral Services	(0.002)	0.099	0.101	0.079	0.022
Information Governance	0.176	(0.051)	(0.227)	(0.113)	(0.113)
Legal Services	0.152	1.045	0.893	0.836	0.057
North Tyneside Coroner	0.294	0.571	0.277	0.215	0.062
<b>GRAND TOTAL</b>	<b>3.291</b>	<b>4.849</b>	<b>1.558</b>	<b>1.785</b>	<b>(0.227)</b>

### 1.9.3 Chart 6: Impact of Universal Credit on Housing Benefit Claims



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

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

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

- Enforcement income is currently forecast to be below target by around £0.500m, based on the outturn and known position at November, which is no change from the Sept position. This reflects reduced court caseloads whilst the Authority supported vulnerable residents in difficult times by not adding to debt in the borough. The service will continue to work with our partners to review the impact of the service returning to normal protocols.

- Overpayment income recovery is expecting a pressure of £0.477m against targets due the reduction in Housing Benefit claimants caused by the move to Universal Credit (UC), which is down from £0.691m in the previous Cabinet report. The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues.
- The overpayment income pressure is partially offset (£0.261m, which is an improvement on the reported £0.210m at the last Cabinet report) by an in-year reduction in the Bad Debt Provision requirement, due to the reduction of overpayment income debt.
- The Benefits subsidy grant is expected to show a net saving of £0.027m, which is a slight worsening of the position (£0.076m) since the last report. However, the good performance overall for subsidy is masking a situation regarding lost subsidy for Housing Benefit on Bed and Breakfast accommodation for homeless persons. This area is forecast to have a pressure of £0.147m for the year due to increased demand and also due to the increased cost of Bed and Breakfast accommodation, which is above the limit subsidy can be claimed on and so therefore the Local Authority has to fund the balance. Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.

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

1.9.7 HR & Organisation Development and Internal Audit are forecast to have slight overspends of £0.049m as a result of pressures on staffing, which are partially offset by staffing savings with the Chief Executives office of (£0.026m).

#### Law and Governance

1.9.8 Within the former Law and Governance service the main budget issue in this area relates to Legal Services, with the variance reflecting forecasted cost pressures in Legal Services of £0.893m relating to the employment of locums and staff costs in response to staffing pressures and reduced income for legal fees. This has slightly worsened since the last Cabinet report due to an additional member of staff moving into the service £0.102m, which has been partially offset by increased staff recharges (£0.014m). The Legal Service has had difficulty in attracting and retaining permanent staff to meet existing vacancies and additional pressures relating to increased demand for their services from other departments, which senior management in the service are actively looking to resolve.

1.9.9 Democratic and Electoral Services are forecasting a pressure of £0.101m due to the cost of the staffing of the 2022 Local Elections and By-Elections and also the projected cost of the canvas in the Autumn.

1.9.10 In addition, there is an expected £0.277m pressure to deliver North Tyneside Coroner Services, an increase of £0.062m, due to increased forecast costs from all areas of the service (NHS, Partner Local Authority, Funeral Directors, Doctors) arising from increased activity levels. Other areas within Law and Governance are forecast to mitigate these pressures. There are net savings forecast that can be attributed to an expected overachievement on Information Governance work carried out on behalf of

schools under the SLA. In addition, vacant post savings, which are now forecast to remain until 2023/24, are forecast to result in a net £0.226m underspend.

## 1.10 General Fund Housing

1.10.1 General Fund Housing is reporting a forecast £0.350m pressure which is no change since the last Cabinet report in September. The forecast pressure reflects the ongoing increased cost pressures of materials and subcontractors of £0.500m, less 2022/23 grant funding of (£0.150m). The Repairs and Maintenance pressure is a continuation of the pressure previously identified in 2021/22 due to the impact of higher costs of raw materials required to carry out repairs on the Authority's properties. There has also been a number of one-off high costs repairs which have completed in the period.

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

Service Areas	Budget	Forecast Nov	Variance Nov	Variance Sept	Change since Sept
	£m	£m	£m	£m	£m
GF Housing	1.789	2.139	0.350	0.350	0.000
Building Control	(0.429)	(0.429)	0.000	0.000	0.000
<b>GRAND TOTAL</b>	<b>1.360</b>	<b>1.710</b>	<b>0.350</b>	<b>0.350</b>	<b>0.000</b>

## 1.11 Central Items

1.11.1 Central Items is forecasted to be in surplus by (£13.002m) which is an improvement of (£0.018m) since the September Cabinet report. The surplus figure of (£13.002m) includes the contingency budgets of (£8.677m), of which (£3.116m) relates to the pressure being experienced in Children's Services. Of the remaining contingencies budget (£5.561m) was established in the 2022-2026 MTFP to support the likely impact of inflationary pressures in 2022/23.

1.11.2 Included in this months position is a pressure of £0.400m relating to a projected increase in the bad debt provision and a £0.329m pressure relating to a projected shortfall on Trading Company income. These pressures have been mitigated in month by (£0.750m) of savings on external interest as the Authority continues to benefit from its robust Treasury Management strategy.

### 1.11.3 **Table 13: Forecast Variation Central Budgets and Contingencies**

Service Areas	Budget	Forecast Nov	Variance Nov	Variance Sept	Change since Sept
	£m	£m	£m	£m	£m
Corporate & Democratic Core	2.925	2.906	(0.019)	(0.019)	0.000
Other Central Items	0.731	(12.252)	(12.983)	(12.965)	(0.018)
<b>GRAND TOTAL</b>	<b>3.656</b>	<b>(9.328)</b>	<b>(13.002)</b>	<b>(12.984)</b>	<b>(0.018)</b>

## **SECTION 2 - SCHOOLS FINANCE**

### **2.1 Update on School Budgets**

- 2.1.1 Cabinet will recall that the overall level of school balances at the end of March 2022 was £2.360m compared to £3.721m as at March 2021. This represented a decrease in balances of £1.361m.
- 2.1.2 The first set of monitoring for the 2022/23 year is complete, with schools overall showing a £1.145m improvement against budget plans pre unfunded staffing impact. The position after the unfunded staffing impact is a deficit of £7.453m this represents a decrease in balances £1.920m.
- 2.1.3 A number of schools had difficulty completing their monitoring statements due to issues with the new financial budget planning and monitoring system SBS, nil returns were submitted for these few schools allowing for unfunded staffing pressures. We hope to resolve issues for budget monitoring 2.
- 2.1.4 Table 14 below shows the current movement from budget in 2022/23, also illustrating unfunded staffing pressures. In 2022/23 there has also been £0.585m received for Homes for Ukraine Education & Childcare Grant, which is currently being allocated to relevant schools and is not yet reflected against school projections.
- 2.1.5 **Table 14: Schools 22/23 budget plan/monitoring summary**

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

### **2.2 National Funding Formula Consultation for 2023/24**

- 2.2.1 The method for allocating funding to schools is still set by a Local Funding Formula (LFF), though DfE are considering making their National Funding Formula (NFF) mandatory in the future. For 2022/23, North Tyneside have agreed with Schools Forum to adopt the NFF factors in their LFF.
- 2.2.2 For 2023/24 the Authority asked Schools Forum to consider modelling a potential option to transfer the maximum funding from Schools Block to High Needs. Guidance states that a local authority can transfer up to 0.5% with agreement from the local Schools Forum. This equated to approximately £0.730m on indicative grant values.

The Schools Forum did not agree to the transfer, this will now be considered by the DFE in-line with the Safety Valve programme.

## 2.3 School Deficits

2.3.1 Cabinet will recall from the previous finance updates that some individual schools expected to face significant financial challenges. During the year, the Authority and Cabinet paid particular attention to those schools with approved deficits.

2.3.2 There are now 17 schools identified with planned deficits in 2022/23 following budget monitoring 1 submissions, with a total deficit value of £14.454m. The progress of individual schools is outlined in Table 15 below:

### 2.3.4 Table 15: Schools in an expected deficit position 2022/23

School	Budget Plan 22/23 £m	BUDGETTED 3% PAY AWARD		NEW PAY AWARD/NI		Impact of Changes in Pay Award/NI £m	22/23 Deficit Comments
		Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m	Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m		
Denbigh Primary	0.166	0.026	-0.139	-0.016	-0.181	-0.042	Emerging
Forest Hall Primary	-0.002	0.009	0.011	-0.007	-0.006	-0.016	Emerging
Rockcliffe First	0.000	0.007	0.007	-0.018	-0.018	-0.025	Emerging
Silverdale	0.008	-0.028	-0.036	-0.119	-0.127	-0.091	Emerging
Sir James Knott Nursery	0.004	-0.044	-0.049	-0.060	-0.065	-0.016	Emerging
Southlands	0.100	0.092	-0.008	-0.019	-0.120	-0.111	Emerging
Wallsend Jubilee Primary	0.009	0.015	0.005	-0.018	-0.027	-0.033	Emerging
Whitehouse Primary	0.111	-0.028	-0.140	-0.074	-0.185	-0.046	Emerging
Balliol Primary	-0.025	-0.037	-0.012	-0.046	-0.020	-0.008	New 22/23
Coquet Park First	-0.020	-0.027	-0.008	-0.041	-0.021	-0.013	New 22/23
Holystone Primary	-0.069	-0.057	0.011	-0.107	-0.038	-0.049	New 22/23
Wallsend St Peters Primary	-0.107	-0.126	-0.019	-0.146	-0.039	-0.020	New 22/23
Beacon Hill	-1.794	-1.537	0.257	-1.705	0.089	-0.168	Existing
Ivy Road Primary	-0.162	-0.161	0.001	-0.185	-0.023	-0.023	Existing
Longbenton High	-1.863	-1.824	0.039	-1.909	-0.046	-0.085	Existing
Norham High	-4.130	-4.079	0.051	-4.149	-0.018	-0.070	Existing
Monkseaton High	-5.799	-5.783	0.016	-5.835	-0.036	-0.053	Structural
<b>Total</b>	<b>-13.573</b>	<b>-13.583</b>	<b>-0.010</b>	<b>-14.454</b>	<b>-0.881</b>	<b>-0.871</b>	

2.3.5 Eight further schools within year (those categorised as 'Emerging' in the table above) are expected to request deficit approval in 2022/23.

2.3.6 The Education and Skills Funding Agency (ESFA) offered support to schools in the form of School Resource Management Advisors (SRMAs). For the four schools new to deficit, along with Beaconhill and Monkseaton High School, the SRMAs are working



through the schools' finances and management structure to then provide a report to these schools and the Authority after the autumn term.

## 2.4 Schools in Financial Difficulty (Headroom Funding)

2.4.1 The opening balance for de-delegated funds for Schools in Financial Difficulty (Headroom funding) in 2022/23 was £0.335m. Following Schools Forum approval of Falling Rolls applications, £0.107m was transferred from Falling Rolls to Schools in Financial Difficulty (Headroom), giving a balance of £0.442m. This balance will be available to fund Headroom applications still to be submitted by schools for consideration by Schools Forum Sub-Group.

## 2.5 Growth Policy 2022/23

2.5.1 The DfE established a separate fund in the School Block of the DSG for growth in 2019/20. In North Tyneside this fund was not used for growth and was instead added into the remaining balances to be redistributed to all schools. When setting the 2022/23 School Block allocation, Schools Forum agreed to set aside £0.250m of the identified growth funding, with a further £0.071m carried forward from 2021/22. Total Growth Funding available in 2022/23 is therefore £0.321m.

2.5.2 Officers from the Authority have reviewed all schools' projected pupil numbers for September 2022 using the latest information available from the Admissions Team, then applied the criteria in the Growth Funding Policy to identify eligible schools. Five schools, with a total funding allocation of £0.311m were eligible and approved by Schools Forum Sub-Group, subject to each school providing a response to our request for evidence. If all funding payments are approved the 2022/23 closing balance will be £0.010m surplus which will be held and carried forward into 2023/24.

### 2.5.3 Table 17: Growth Funding Eligibility 2022/23

Growth Funding	Value £m	Eligibility
Wellfield	0.057	Evidence approved payment processed
Norham	0.058	Evidence approved payment processed
Burnside	0.072	No response to request for evidence
North Gosforth	0.064	No response to request for evidence
Backworth	0.060	Growing School Criteria payment processed
<b>Total</b>	<b>0.311</b>	



## 2.6 High Needs Block

- 2.6.1 Cabinet will recall from the previous finance report that the High Needs block of the Dedicated Schools Grant (DSG) was anticipating an in-year pressure of £5.111m in September, which would have raised the cumulative pressure on the block to £18.623m.
- 2.6.2 The forecast for the High Needs Block as at November 2022 is now an anticipated in-year pressure of £4.416m reflecting continued demand for special school places within the Authority. A breakdown of the in-year pressure is shown in Table 18.

### 2.6.3 Table 18: Breakdown of High Needs Pressures at November 2022

Provision	Budget £m	Forecast Variance November £m	Comment
Special schools and PRU	17.788	2.217	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder. Includes High Needs additional funding.
Additional Resource Provision/Top ups	4.705	0.859	Pressures in mainstream pre 16 top-ups
Out of Borough	3.316	1.285	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.974	0.055	
<b>Subtotal</b>	<b>29.783</b>	<b>4.416</b>	
2021/22 Balance	0.000	13.511	
<b>Total</b>	<b>29.783</b>	<b>17.927</b>	

## 2.7 Dedicated School Grant (DSG) Management Plan

- 2.7.1 In July 2022, the Authority was formally invited by the Department for Education (DfE) to take part in the 'safety valve' intervention programme, with the aim of agreeing a package of reform to the Authority's high needs system that will bring the Dedicated School Grant (DSG) overspend under control. The Authority is required to demonstrate this package of reform within a DSG Management Plan which shows that we can create lasting sustainability, effective for children and young people, which includes reaching an in-year balance within five years. Where the Authority does this, the DfE will enter into an agreement with the Authority, subject to Ministerial approval. Where there is evidence of progress in reaching that in year balance, the DfE will provide additional funding over time, with a view to removing a large proportion of the Authority's DSG deficit.
- 2.7.2 The Authority is undertaking engagement with partners across SEND to co-create the Dedicated School Grant Management Plan. An initial draft has been submitted to

the DfE and together, with them, we will continue to refine before a final submission is made on 3 February 2023. The Secretary of State for Education will inform the Authority in March 2023 if we have been successful to enter onto the programme.

## **2.8 DSG Illustrative funding 2023/24: Schools Block**

- 2.8.1 In 2023/24, as in the last 3 financial years, the Authority will receive its DSG funding based on the revised DfE National Funding Formula. In July 2022 the DfE published indicative allocations under the National Funding Formula (NFF) at a school level using October 2021 census data. This shows the funding level for each mainstream school based on the NFF using the 2023/24 Primary Unit of Funding (PUF) and Secondary Unit of Funding (SUF) with October 2021 pupil numbers. This information is for planning purposes only as local formulae used by each local authority can still vary from the NFF within the guidance issued by the DfE. It is anticipated that the initial DSG allocation to the Authority for 2023/24 will be published in December 2022 using the October 2022 census results. However, this may be delayed depending on the Governments settlement being slightly later than in previous years.

## 2.8.2 Table 19: 2023/24 Illustrative allocation compared with prior year actuals

	2017/18 Baseline £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22* £m	2022/23* £m	2023/24* Indicative £m	2022/23 to 2023/24 £m
Schools	115.395	116.594	120.926	126.794	137.231	140.373	146.813**	6.440
Central School Services	2.500	2.314	2.343	2.051	1.877	1.724	1.620	(0.104)
High Needs	18.680	19.291	19.818	22.319	26.709	30.092	31.987	1.895
Early Years Block	12.064	12.553	12.514	12.771	13.946	14.673	14.673 <sup>†</sup>	0.000
<b>TOTAL</b>	<b>148.639</b>	<b>150.752</b>	<b>155.601</b>	<b>163.935</b>	<b>179.763</b>	<b>186.862</b>	<b>195.093</b>	<b>8.237</b>
Move from 17/18 Baseline £m	-	2.113	6.962	15.296	31.124	38.223	46.460	
Move from 17/18 Baseline %	-	1.42%	4.68%	10.29%	20.94%	25.72%	31.26%	
Change per Year £m	-	2.113	4.849	8.334	15.828	7.099	8.237	
Change per Year %	-	1.42%	3.22%	5.36%	9.66%	3.95%	4.41%	
PUF	-	£3,770	£3,860	£4,083	£4,425	£4,539	£4,771	
SUF	-	£5,273	£5,305	£5,427	£5,841	£5,988	£6,277	
MPPF: Primary	-	£3,300	£4,600	£3,750	£4,180	£4,265	£4,405	
MPPF: Secondary	-	£4,600	£5,100	£5,000	£5,415	£5,525	£5,715	

\* Includes pay award grants previously separate to DSG

\*\* Includes Schools Supplementary Grant (SSG) previously separate to DSG

<sup>†</sup> No information from DSG, so based on last year.

2.8.3 Within North Tyneside, modelling work is continuing based on the information currently available. At this stage, we are proposing to implement the revised minimum per pupil funding rates published by the DfE for 2023/24.

2.8.4 The link to the school level NFF allocations using October 2021 census data information is shown below: -

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2023-to-2024>

- 2.8.5 The DfE initially proposed a two-year transition period (2018/19 and 2019/20) where local authorities will continue to set a local formula to distribute funding to individual schools. However, in July 2018, as a result of the significant movement witnessed towards the NFF, the Government confirmed that these transitional arrangements would continue into at least 2020/21. In 2020, the DfE again confirmed that the transitional arrangements will continue into 2022/23. This has continued into 2023/24, with the earliest expected move to “hard” NFF being likely in 2025/26.
- 2.8.6 The Schools NFF for 2023/24 will continue to have the same factors as at present. The Government announced its intention to implement the formula to address historic underfunding and move to a system where funding is based on need. The key aspects of the formula for 2023/24 are:
- The minimum per pupil funding levels will be set at Primary £4,405, Key Stage 3 £5,503 and Key Stage 4 £6,033; and
  - The funding floor will be set at 0.5% per pupil. This minimum increase in 2023/24 allocations will be based on the individual school’s LFF allocation in 2022/23.
  - Rolling the 2022 to 2023 schools supplementary grant into the NFF.
  - Increasing NFF factor values (on top of amounts added for the Schools Supplementary Grant) by:
    - 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)
    - 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and sparsity factors, and the lump sum.
    - 0.5% to the floor and the minimum per pupil levels (MPPL)
    - 0% on the premises factors, except for Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 11.2% for the year to April 2022
- 2.8.7 In addition, two important restrictions will continue:
- Local authorities will continue to set a Minimum Funding Guarantee in the local formula, which in 2023/24 must be between +0.0% and +0.5%. This allows them to mirror the real terms protection in the NFF, which is the Government’s expectation; and
  - Local authorities can only transfer up to 0.5% of their Schools block to other blocks of the DSG, with their schools’ forum approval. To transfer more than this, or any amount without their schools’ forum approval, they will have to make a disapplication request to the Department for Education, even if the same amount was agreed in the past two years.
- 2.8.8 The North Tyneside illustrative allocation for the Schools block, Central Schools Services block and High Needs block in 2023/24 (using census 2021 i.e. static pupil numbers) is shown below with the 2017/18 to 2023/24 figures for comparison.
- 2.8.9 The Early Years Block value for 2023/24 is based on 2022/23 rates and uses prior year pupil numbers, as the DfE have not published this information at time of writing.
- 2.8.10 Key changes to Early Years Funding:
- updating the data sets underpinning the formulae, alongside some changes to the actual formulae, which aim to ‘better target resources’;

- the introduction of protections for 2023/24, which support local authorities whose funding is impacted by the formulae changes. Local authorities will receive a minimum 1% funding increase in 2023/24. A cap on maximum increases will also be introduced;
- rolling the early years element of the teachers' pay and pensions grants into the early years funding formula for 3 & 4 year olds; and
- reform of maintained nursery schools' (MNS) funding, including the introduction of a minimum hourly funding rate and a cap on the maximum funding a LA can receive.
- Roll in of Teachers Pay and Pension Grant into Early Years Formula.

2.8.11 There are also local implications:

- North Tyneside's relative level of deprivation has declined under the new formulae and the borough does not score highly on the 'cost of provision' elements;
- North Tyneside's funding for the 2 and 3&4 year old funding entitlements will be limited to the minimum protected increase of 1%; and
- Introduction of a Maintained Nursery School base rate will address the shortfall in funding identified by the school, which is based on historic funding decisions. Under the proposals Sir James Knott nursery would receive £0.128m funding in 2023/24 compared to the £0.011m allocation for 2022/23.

## **SECTION 3 - HOUSING REVENUE ACCOUNT**

### **Forecast Outturn**

- 3.1 The forecast set out in Table 20 below is based on the results to November 2022. Currently the Housing Revenue Account (HRA) is forecasting an underspend of £0.090m. Throughout the year, costs will be monitored closely across all areas with additional focus on Rent Arrears and the effect this has on the bad debt provision. In addition, changes to prudent assumptions around Rental Income, Council Tax voids, Contingency and staffing vacancies will be monitored which could lead to improvements in the forecast position. The main area of pressure is in the Repairs budget where the impact of inflationary increases, higher than anticipated pay awards, increasing difficulty in recruiting certain trades and an increased reliance on sub-contractors allied to supply chain issues in accessing key materials are driving the pressure.

#### **3.1.1 Table 20: Forecast Variance Housing Revenue Account**

<b>Row Labels</b>	<b>Budget £m</b>	<b>Current Forecast £m</b>	<b>Variance £m</b>
Management – Central	2.535	2.535	0.000
Management – Operations	4.958	4.962	0.004
Management – Strategy & Support	3.756	3.744	(0.012)
Capital Charges – Net Effect	12.484	12.484	0.000
Contingencies, Bad Debt & Transitional Protection	0.990	0.844	(0.146)
Contribution to Major Repairs Reserve – Depreciation	13.741	13.741	0.000
Interest on Balances	(0.050)	(0.075)	(0.025)
PFI Contracts – Net Effect	2.094	2.094	0.000
Rental Income - Dwellings, Direct Access Units, Garages	(62.891)	(63.079)	(0.188)
Rental Income – HRA Shops and Offices	(0.356)	(0.430)	(0.074)
Revenue Support to Capital Programme	10.311	10.301	(0.010)
Repairs	12.799	13.160	0.361
<b>Total</b>	<b>0.371</b>	<b>0.281</b>	<b>(0.090)</b>

### **Rental Income**

- 3.2 Rental Income overall across all areas including general dwelling rent, service charges, garage rents and income from shops and other premises is currently forecast to be performing slightly better than budget (£0.198m). This is helped by the level of Empty Homes continuing to trend at well below 1% which increases the level of rent that is collectable. However, a note of caution is that the Right to Buy (RTB) levels in the first few months are still trending at higher than anticipated levels which could erode this forecast position. Therefore, the current rental forecasts could change as the year progresses if the level of RTB sales continues. The impact of Universal Credit on arrears and the bad debt provision also continues to be closely monitored.

## **Management Costs**

- 3.3 Management Costs are currently forecast to come in marginally over budget (£0.001m). However, some pressures being faced are contained within existing budgets, notably in relation to costs of energy and the pay award for 2022/23 which with a flat rate increase currently waiting to be confirmed will cost considerably more than the 2% that was budgeted for. There may still be some improvement in this position depending on levels of staff turnover, and recruitment attached to the Unified Systems project including backfilling internally seconded staff.

## **Bad Debt Provision and Contingency**

- 3.4 Current trends in rate of increase in arrears suggest that this will be contained within the Bad Debt Provision budget for the year, and a small underspend is now being forecast (£0.071m). In addition, Contingency is also being forecast to underspend (£0.070m), plus a small, improved position in the transitional protection forecast (£0.005m), albeit this is helping to absorb the pressures elsewhere in the budget caused by the likes of the pay award for 2022/23.

## **Repairs**

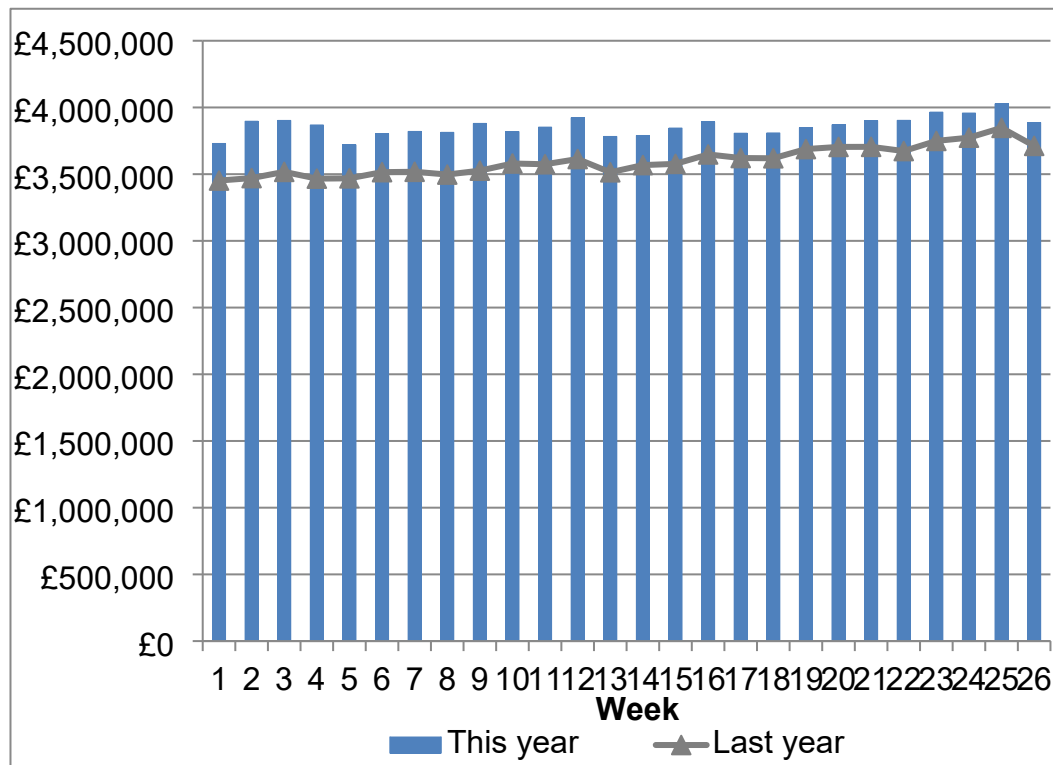
- 3.5 The Housing Repairs budget is starting to feel the pressure from a number of sources, mainly caused by the current economic turbulence being experienced across the world. The current rates of inflation in material and sub-contractor prices, plus difficulty even accessing certain materials and services within the supply chain are providing several challenges. There are difficulties recruiting to certain trades which then places more reliance on sub-contractors and agency staff. In addition to this the Authority is dealing with the implications of the Housing White Paper which arose from the Grenfell Disaster, which is placing a whole range of additional responsibilities on Landlords e.g., the need for carbon monoxide detectors to be placed in all properties, and more frequent periodic electrical testing. The Authority also now knows that the pay award for 2022/23 will have an impact of more than the 2% budgeted. All of which effectively means most of the in-year contingencies are already committed to known spend. This results in a pressure on this budget for 2022/23 (£0.361m), which is an increase of £0.063m on the September position reported to Cabinet, and this position will be closely monitored to assess if they can be contained as we head into the winter period or will increase before year-end.

## **Rent Arrears**

- 3.6 Current Rent Arrears have risen albeit gradually in the first eight months of 2022/23 as compared to 2021/22, with an increase of £0.192m being seen in this period since the start of April 2022. Chart 7 below shows the value of current rent arrears in 2022/23 compared to the same period in 2021/22. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. Last year saw a significant under-spend against the bad debt provision for the second year in a row, which has led to a reduction in the budgeted provision made for 2022/23, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted provision made. This will also be impacted potentially by the amount of debt being written off, which the Authority will

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

**3.6.1 Chart 7: Rent Arrears in Weeks 1-26 (April-Sept) 2022/23 compared to 2021/22**



3.7 UC was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. As of the end of March 2022, there were 3,712 tenants of North Tyneside Homes on UC, with arrears totalling £2.934m. At the end of November 2022 there were 4,049 tenants on UC (an increase of 337 tenants) with related arrears of £3.185m (an increase of £0.249m). For wider comparison, as at the beginning of 2021/22, there were 3,297 tenants on UC with arrears of £2.680m, which increased during the 2021/22 financial year to 3,712, an increase of 415 tenants with an increase in arrears of £0.254m.

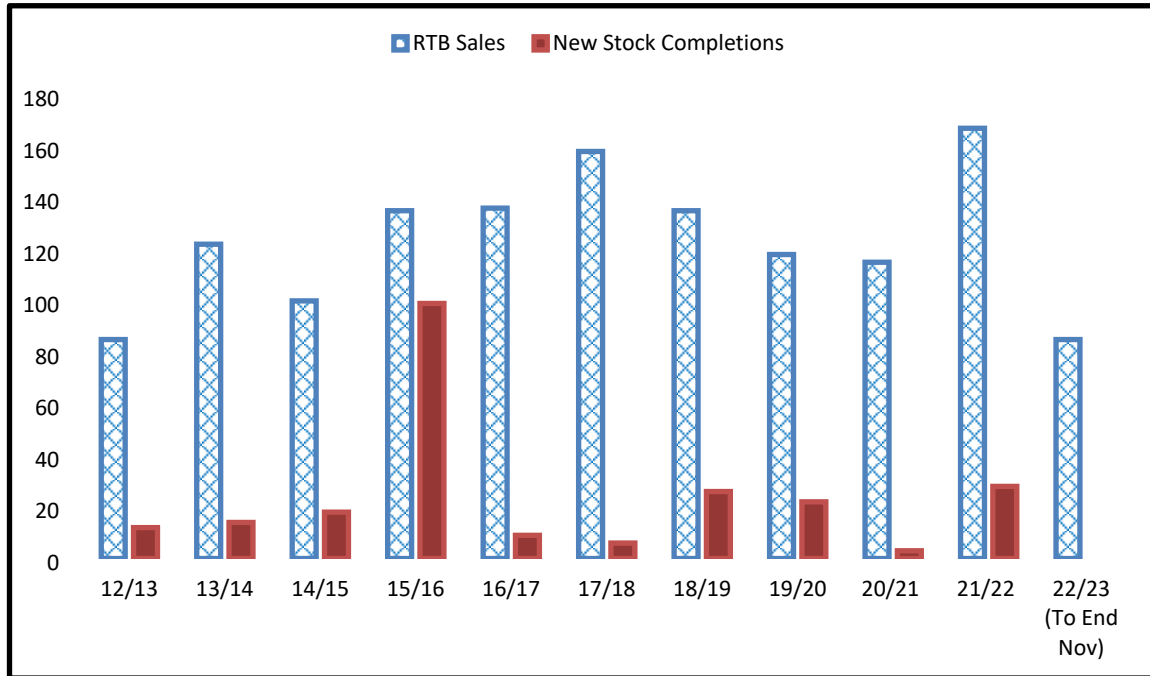
**Right to Buy (RTB) Trends**

3.8 The impact of RTB is critical to long-term planning for the HRA. Prior to the introduction of self-financing in 2012, average RTB sales had dropped to around 25 per annum, mainly due to the capped discount (£0.022m) which had remained static as property values had increased, making RTB less attractive financially to tenants. Shortly after self-financing began, Central Government announced a change to RTB significantly increasing the maximum discount, initially to £0.075m and then subsequently annual inflation was added to the maximum. Chart 8 below shows the trend in RTB sales since that time. The first eight months of 2022/23 saw 85



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

### 3.8.1 Chart 8: Yearly RTB Sales v New Stock Additions



## SECTION 4 - INVESTMENT PLAN

### Review of Investment Plan

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

### Variations to the 2022-2027 Investment Plan

- 4.3 Variations of £1.104m to the 2022-2027 Investment Plan have been identified and are included in tables 20 and 21 below. Further details are provided in paragraph 4.4 and 4.5.

#### 4.3.1 Table 20: 2022 - 2027 Investment Plan changes identified

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<b>Approved Investment Plan – Council 17 February 2022</b>	<b>64.632</b>	<b>51.594</b>	<b>49.829</b>	<b>47.561</b>	<b>51.358</b>	<b>264.974</b>
<b>Previously Approved Reprogramming/Variations</b>						
2021/22 Monitoring	9.654	0.000	0.000	0.000	0.000	9.654
2021/22 Outturn	39.629	8.832	1.071	0.252	0.252	50.036
2022/23 Monitoring	(10.392)	15.582	1.121	0.306	0.000	6.617
<b>Approved Investment Plan</b>	<b>103.523</b>	<b>76.008</b>	<b>52.021</b>	<b>48.119</b>	<b>51.610</b>	<b>331.281</b>
<b>November 22 Monitoring Variations</b>						
Variations	0.152	0.580	(0.186)	(0.202)	0.760	1.104
Reprogramming	(10.942)	10.942	0.000	0.000	0.000	0.000
<b>Total Variations</b>	<b>(10.790)</b>	<b>11.522</b>	<b>(0.186)</b>	<b>(0.202)</b>	<b>0.760</b>	<b>1.104</b>
<b>Revised Investment Plan</b>	<b>92.733</b>	<b>87.530</b>	<b>51.835</b>	<b>47.917</b>	<b>52.370</b>	<b>332.385</b>

- 4.4 The proposed significant variations to the Investment Plan in 2022/23 are shown below:
- EV034 Local Transport Plan £0.306m** – Transfer of £0.306m from EV056 Additional Highways Maintenance, aligning the budget allocations with the delivery programmes relating to planned highway works.
  - BS026 Asset Planned Maintenance £0.220m** – Additional resources have been allocated from the GEN03 Contingency allocation to address urgent works to

- replace boilers at North Tyneside Business Centre and undertake roof replacement on industrial units at Lawson Street following a recent inspection.
- (c) **Lawn Tennis Association £0.094m** – Additional resources have been included within the plan following confirmation of LTA grant funding towards works to improve Tennis courts managed by the Authority.
  - (d) **GEN13 Project Management £0.075m** – An allocation has been transferred from the GEN03 Contingency allocation to fund dedicated project management resource to assist with the delivery of the Authority’s major regeneration projects.
  - (e) **CO092 Wallsend Park Bothy Toilet £0.060m** – Resources have been added to the plan relating to the proposed use of Heritage Lottery Funding to refurbish the accessible toilet facilities.
  - (f) **DV078 Bedford Street/Saville Street (£0.155m)** – The allocation has been reduced following the decision to withdraw from the purchase of a potential property acquisition.

4.5 The proposed reprogramming of the Investment Plan from 22/23 includes the following:

- (g) **Transforming Cities Fund Schemes EV099 NT10 Links to Metro (£3.418m) and EV098 NT08 Four Lane Ends Bus Priority (£1.190m)** – Resources have been re-profiled to the 23/24 financial year reflecting the revised delivery timescales as a result of supply chain issues and delays associated with the traffic order implementation. These changes are reflective of the position on other similar schemes in the region and have been agreed by the Funder.
- (h) **HS044 HRA New Build (£3.130m)** – The proposed investment has been re-profiled to future years following a review of funding and delivery requirements within the HRA as well as the decision to develop land at Murton West by other developers.
- (i) **GEN03 Contingencies (£1.910m)** – Resources have been re-profiled to future years following a detailed review of the current pressures and challenges facing the plan. Elements of the contingency have been released to existing schemes and a balance remains within the current financial year to address any emerging issues during the final quarter.
- (j) **HS015 Refurbishment/Decent Homes Improvements (£0.467m)** – Supply chain issues have resulted in the need to re-profile 55 properties from the kitchen and bathroom replacement programme to the 23/24 financial year.
- (k) **HS039 ICT Infrastructure Works (£0.302m)** – Resources have been re-profiled to the 23/24 financial year following negotiations over the contract award and finalising the terms and conditions which has extended the delivery timescales.
- (l) **EV096 Highway Maintenance Challenge Fund (£0.300m)** – Proposed works have been re-profiled to the 23/24 financial year to co-ordinate delivery with the Embankment Walkway project.
- (m) **DV080 Segedunum Roman Museum MEND (£0.225m)** – Planned works have been re-profiled to align with the delivery timescales for the proposed Heritage Lottery Funded scheme, to maximise delivery efficiencies across the schemes.

4.6 The impact of the changes detailed above on capital financing is shown in table 21 below.

#### 4.6.1 Table 21: Impact of variations on Capital financing

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<b>Approved Investment Plan</b>	<b>103.523</b>	<b>76.008</b>	<b>52.021</b>	<b>48.119</b>	<b>51.610</b>	<b>331.281</b>
Council Contribution	(1.960)	1.960	0.000	0.000	0.000	0.000
Grants and Contributions	(4.931)	5.366	0.000	0.000	0.000	0.435
HRA Capital Receipts	(1.000)	1.696	0.470	0.802	(0.896)	1.072
HRA Grants & Contributions	0.000	0.286	(0.185)	(0.201)	0.758	0.659
HRA Major Repairs Reserve	(2.899)	2.213	(0.471)	(0.803)	0.898	(1.062)
<b>Total Financing Variations</b>	<b>(10.790)</b>	<b>11.522</b>	<b>(0.186)</b>	<b>(0.202)</b>	<b>0.760</b>	<b>1.104</b>
<b>Revised Investment Plan</b>	<b>92.733</b>	<b>87.530</b>	<b>51.835</b>	<b>47.917</b>	<b>52.370</b>	<b>332.385</b>

#### Capital Receipts – General Fund

4.7 General Fund Capital Receipts brought forward at 1 April 2022 were £3.017m. The capital receipts requirement for 2022/23, approved by Council in February 2022, was £0.317m (2022-27 £0.317m). To date £0.020m of capital receipts have been received in 2022/23. The receipts position is shown in table 22 below.

#### 4.7.1 Table 22: Capital Receipt Requirement – General Fund

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

#### Capital receipts – Housing Revenue Account

4.8 Housing Capital Receipts brought forward at 1 April 2022 were £10.094m. The housing receipts are committed against projects included in the 2022-2027 Investment Plan. The approved Capital Receipt requirement for 2022/23 was £2.104m. To date, receipts of £4.729m have been received in 2022/23 of which £nil has been pooled as part of the quarterly returns to Central Government as these are now payable on an annual basis. In total, subject to future pooling, this leaves a surplus balance of £13.719m to be carried forward to fund future years.

#### 4.8.1 Table 23: Capital Receipt Requirement - Housing Revenue Account

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Requirement reported to February 2022 Council	2.104	1.584	1.700	1.851	1.956
Variations to be reported to November 22 Cabinet	(1.000)	1.696	0.470	0.802	(0.896)
<b>Revised Requirement</b>	<b>1.104</b>	<b>3.280</b>	<b>2.170</b>	<b>2.653</b>	<b>1.060</b>
Receipts Brought Forward	(10.094)	(13.719)	(10.439)	(8.269)	(5.616)
Receipts Received 2022/23	(4.729)	0.000	0.000	0.000	0.000
Receipts Pooled Central Government	0.000	0.000	0.000	0.000	0.000
<b>(Surplus)/ Balance To be generated to fund future years (subject to further pooling)</b>	<b>(13.719)</b>	<b>(10.439)</b>	<b>(8.269)</b>	<b>(5.616)</b>	<b>(4.556)</b>

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

#### Investment Plan Monitoring Position to 30 November 2022

4.9 Actual expenditure for 2022/23 in the General Ledger was £40.858m; 44.06% of the total revised Investment Plan at 30 November 2022.

#### 4.9.1 Table 24: Total Investment Plan Budget & Expenditure to 30 November 2022

	2022/23 Revised Investment Plan £m	Actual Spend to 30 Nov 2022 £m	Spend as % of revised Investment Plan %
General Fund	66.119	26.719	36.60
Housing	26.614	14.139	46.34
<b>TOTAL</b>	<b>92.733</b>	<b>40.858</b>	<b>39.47</b>

## **SECTION 5 – TREASURY MANAGEMENT & CASH POSITION**

### **Current Cash Position**

5.1 The Authority's current available cash balance as at the end of November 2022 is £36.594m, with £15.000m invested externally with other UK Local Authorities or institutions. All investments are made in line with the approved Treasury Management Strategy.

#### **5.1.1 Table 25: Investment Position as at 30 November 2022**

<b>Counterparty</b>	<b>Type</b>	<b>Amount (£m)</b>	<b>Maturity</b>
DMO	Term	25.000	1 November 2022
Barclays	Call	2.294	n/a
Lloyds Bank	Call	5.000	n/a
Fixed Deposits	Fixed	4.300	January 2023

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

5.2 The Bank of England Monetary Policy Committee (MPC) increased the Bank Rate for an 8<sup>th</sup> consecutive meeting in November. An increase of a further 0.75 bps, to 3.00%, taking it to the highest since 2008. The MPC have said further increase of the bank rate may be required for a sustainable return of inflation to target. The rate is forecast to reach 4.00% by February 2023.

5.3 The impact of raising base rate had an immediate impact to the cost of borrowing. Table 26 below demonstrates the increase in rates both in the temporary space and longer-term PWLB rates.

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

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

#### **5.5.1 Table 26: Summary of Borrowing Levels**

<b>Temporary Market*</b>		<b>PWLB**</b>	
<b>Tenor</b>	<b>Level</b>	<b>Tenor</b>	<b>Level</b>
1 week	2.80%	2 years	4.30%
1 month	3.02%	5 years	4.22%
3 months	3.30%	10 years	4.22%
6 months	3.50%	20 years	4.55%
9 months	3.70%	30 years	4.41%
12 months	3.85%	50 years	4.01%

*\*Please note these levels are from 06/12/2022*

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

- 5.6 Any shortfalls in cashflow are covered by in year temporary borrowing, which is a quick and cost-effective method of cash management in the current situation.

### Borrowing Position

- 5.7 Table 27 shows the Authority's current debt position, with total borrowing maturing in 2022/23 of £5.000m.

#### 5.7.1 Table 27: Current Debt Position

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

- 5.8 The Authority was under-borrowed to the value of £102.011m as at 31 March 2022. Whilst the Authority cannot borrow to fund this revenue pressure, it can look to utilise reserves, unwind its under-borrowed position, and externalise borrowing.

- 5.9 In August 2022 the Authority took £10m of long-term PWLB loans, this was for a combination of refinancing existing debt (as per table 27), de-risk the Authority's under-borrowed position, as well as take advantage of relatively low long-term rates.

- 5.10 Table 28 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates remain uncertain over the next 2 years, forecasting to peak at 4.40% for 50 year borrowing in March 2023 before tracking back to lower levels by September 24.

#### 5.9.1 Table 28: Link Interest Rate Forecasts

Interest Rate Forecasts								
Bank Rate	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Link	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%
Cap Econ	3.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%
<b>5Y PWLB RATE</b>								
Link	4.30%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%
Cap Econ	3.90%	3.80%	3.70%	3.60%	3.50%	3.50%	3.40%	3.30%
<b>10Y PWLB RATE</b>								
Link	4.50%	4.50%	4.40%	4.30%	4.20%	4.00%	3.90%	3.70%
Cap Econ	3.80%	3.80%	3.70%	3.60%	3.60%	3.50%	3.40%	3.40%
<b>25Y PWLB RATE</b>								
Link	4.70%	4.70%	4.60%	4.50%	4.40%	4.30%	4.10%	4.00%
Cap Econ	4.10%	4.00%	4.00%	3.90%	3.80%	3.80%	3.70%	3.60%
<b>50Y PWLB RATE</b>								
Link	4.30%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%
Cap Econ	3.70%	3.70%	3.70%	3.80%	3.80%	3.80%	3.70%	3.60%

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

### **Council Tax and Business Rates Collection**

- 6.1 The budgeted Council Tax debit for 2022/2023 is £124.729m, of which the retained share for the Authority is £109.720m. For Business Rates (NNDR) the opening net debit for 2022/2023 is £46.559m, following adjustment for the previous year's deficit position on NNDR, the budget retained share for the Authority for 2022/23 is £22.814m. Business Rates income is supplemented by a top up grant from Government of £20.505m, providing an anticipated combined budgeted income from Business Rates to the Authority of £43.319m. Tables below set out the in-year collection performance against the Council Tax and Business Rates net debit.
- 6.2 As at 30 November 2022, the actual current year Council Tax net liability has increased to £126.629m. The Authority has collected 70.45% (£89.322m) compared to 70.32% (£84.991m) at the same point in 2021/22. This relates to 100,956 dwellings administered.
- 6.3 Collection is slightly ahead of 2021/22 but behind against the percentage collected pre-pandemic in 2019/20 at the same point. All working age Council Tax Support claimants received additional support of up to £150.00 again this year to help pay their Council Tax and this meant around 57% had no liability for 2022/23 to pay. This reduced the liability to collect by around £1.462m. Long-term rate of collection is expected to be maintained at the budgeted level of 98.5%.
- 6.4 In relation to Business rates, as at 30 November 2022, the Authority had collected 73.06% (£43.639m) of the current net liability compared to 65.24% (£34.492m) at the same point in 2021/22. A total number of 6,260 properties have been administered.
- 6.5 A table of business rate write offs has been prepared for approval.



6.5.1 Table 29: Schedule of Business Rate Write Off applications for approval by Cabinet

Case Number	Account Reference	Name	Period of charge	Reason for Write off	Amount (£)
1	Various x 8	My Easi Claim Ltd	Various	Company is dissolved	£153,044.10
2	Various x 4	Placebook Ltd	Various	Company is dissolved	£210,420.46
3	Various x 5	Induct Ltd	Various	Company is dissolved	£276,338.34
4	Various x 29	The Place 2 Ltd	Various	Company is dissolved	£241,907.82
5	1188536, 1188534	Online Storage Ltd	Various	Company entered voluntary liquidation	£145,118.72
6	1187954, 1186029	Hobart Rose	Various	Company is dissolved	£97,701.99
7	Various x 3	55 Leisure Ltd	Various	Company Liquidated	£61,902.03
8	1174105	Offshore Group Newcastle Ltd, T/A OGN Group	2016-17	Company entered Administration	£109,369.13
9	Various x 6	Bay Leisure Restaurants	Various	Company is dissolved	£167,411.02
				<b>TOTAL</b>	<b>£1,463,213.61</b>

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Fu nd	Proj ect	Financing Type	Year					Total £000
			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
<b>General Fund</b>								
		BS026 Asset Planned Maintenance						
		Council Contribution	2,232	1,900	2,000	2,000	2,000	10,132
		Section 106	9	0	0	0	0	9
		Contribution from Reserves (Insurance)	772	0	0	0	0	772
		<b>BS026 Asset Planned Maintenance Total</b>	<b>3,013</b>	<b>1,900</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,913</b>
		BS029 Wallsend Customer First Centre						
		Council Contribution	19	0	0	0	0	19
		North of Tyne Combined Authority	250	0	0	0	0	250
		<b>BS029 Wallsend Customer First Centre Total</b>	<b>269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>269</b>
		BS030 Public Sector Decarbonisation Scheme						
		Council Contribution	317	0	0	0	0	317
		Low Carbon Skills Grant	444	0	0	0	0	444
		<b>BS030 Public Sector Decarbonisation Scheme Total</b>	<b>761</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>761</b>
		BS031 Childrens Home Capital Programme						
		Dept for Education - Childrens Home Capital Fund	201	0	0	0	0	201
		<b>BS031 Childrens Home Capital Programme Total</b>	<b>201</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>201</b>
		BS032 Spirit of NT Commemoration Project						
		Council Contribution	175	0	0	0	0	175
		Section 106	25	0	0	0	0	25
		<b>BS032 Spirit of NT Commemoration Project Total</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>
		BS033 Changing Places Facilities						
		Changing Places Grant MHCLG	100	0	0	0	0	100
		<b>BS033 Changing Places Facilities Total</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
		BS034 Parks Sports Centre - Security Measures						
		Council Contribution	350	0	0	0	0	350
		<b>BS034 Parks Sports Centre - Security Measures Total</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350</b>
		CO079 Playsites						
		Section 106	50	91	0	0	0	141
		<b>CO079 Playsites Total</b>	<b>50</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141</b>
		CO080 Burradon Recreation Ground						
		Section 106	6	0	0	0	0	6
		<b>CO080 Burradon Recreation Ground Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
		CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements						
		Section 106	2	0	0	0	0	2
		<b>CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancement</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
		CO082 Sport and Leisure Facility Improvements						
		Contribution from Reserves (Leisure)	18	0	0	0	0	18
		<b>CO082 Sport and Leisure Facility Improvements Total</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>
		CO083 Whitley Bay Crematoria						
		Council Contribution	613	0	0	0	0	613
		<b>CO083 Whitley Bay Crematoria Total</b>	<b>613</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>613</b>
		CO085 Northumberland Park Labyrinth						
		Section 106	5	0	0	0	0	5
		<b>CO085 Northumberland Park Labyrinth Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
		CO086 North West Library Improvements						
		Section 106	129	0	0	0	0	129
		<b>CO086 North West Library Improvements Total</b>	<b>129</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>129</b>
		CO087 Contours Gym Improvements						
		Section 106	84	0	0	0	0	84
		Contribution from Reserves (Leisure)	93	0	0	0	0	93
		<b>CO087 Contours Gym Improvements Total</b>	<b>177</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>177</b>
		CO088 Gateways to the Boroughs						
		Council Contribution	100	0	0	0	0	100
		<b>CO088 Gateways to the Boroughs Total</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
		CO089 S106 Raleigh Drive Allotment Extension						
		Section 106	30	0	0	0	0	30
		<b>CO089 S106 Raleigh Drive Allotment Extension Total</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
		CO090 Wallsend Park Machinery						
		Contribution From Reserves (HLF acc 128)	95	0	0	0	0	95
		<b>CO090 Wallsend Park Machinery Total</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>95</b>
		CO091 Neighbourhood Parks						
		Section 106	65	75	90	100	0	330
		<b>CO091 Neighbourhood Parks Total</b>	<b>65</b>	<b>75</b>	<b>90</b>	<b>100</b>	<b>0</b>	<b>330</b>

Fu nd	Proj ect	Financing Type	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>General Fund</b>								
		CO092 Wallsend Park Bothy Toilet						
		Revenue Contribution (HLF Reserve 9841 128)	60	0	0	0	0	60
		CO092 Wallsend Park Bothy Toilet Total	60	0	0	0	0	60
		CO093 Rising Sun Country Park S106 Ecology						
		Section 106	0	13	0	0	0	13
		CO093 Rising Sun Country Park S106 Ecology Total	0	13	0	0	0	13
		DV064 Council Property Investment						
		Council Contribution	559	300	0	0	0	859
		North of Tyne Combined Authority - Brownfield Housing Fund	338	0	0	0	0	338
		DV064 Council Property Investment Total	897	300	0	0	0	1,197
		DV066 Investment in North Tyneside Trading Co						
		Council Contribution	500	1,459	0	0	0	1,959
		Section 106	1,980	0	0	0	0	1,980
		DV066 Investment in North Tyneside Trading Co Total	2,480	1,459	0	0	0	3,939
		DV067 Northern Promenade						
		Council Contribution	124	0	0	0	0	124
		Dept for Transport Active Travel Fund Tranche 3	269	0	0	0	0	269
		DV067 Northern Promenade Total	393	0	0	0	0	393
		DV071 Section 106 Contributions to Set Up Health Facilities						
		Section 106	249	13	0	0	0	262
		DV071 Section 106 Contributions to Set Up Health Facilities Total	249	13	0	0	0	262
		DV073 Ambition for North Tyneside						
		Council Contribution	254	1,225	2,000	0	0	3,479
		Capital Receipts	317	0	0	0	0	317
		Historic England - Heritage Action Zone	0	0	0	0	0	0
		Revenue Contribution (08252)	576	444	0	0	0	1,020
		DV073 Ambition for North Tyneside Total	1,147	1,669	2,000	0	0	4,816
		DV074 North Shields Heritage Action Zone (Ambition)						
		Council Contribution	423	87	0	0	0	510
		Historic England - Heritage Action Zone	0	86	0	0	0	86
		DV074 North Shields Heritage Action Zone (Ambition) Total	423	173	0	0	0	596
		DV076 Getting Building Fund (North Shields Public Realm)						
		NELEP - Getting Building Fund	882	0	0	0	0	882
		DV076 Getting Building Fund (North Shields Public Realm) Total	882	0	0	0	0	882
		DV077 Tyne Brand Development Site						
		North of Tyne Combined Authority - Brownfield Housing Fund	1,399	2,650	190	0	0	4,239
		DV077 Tyne Brand Development Site Total	1,399	2,650	190	0	0	4,239
		DV078 Bedford Street / Saville Street						
		Council Contribution	73	0	0	0	0	73
		DV078 Bedford Street / Saville Street Total	73	0	0	0	0	73
		DV079 Howard Street The Exchange						
		Council Contribution	139	0	0	0	0	139
		Historic England - Heritage Action Zone	187	0	0	0	0	187
		Notca Cultural & Creative Zone Funding	231	0	0	0	0	231
		DV079 Howard Street The Exchange Total	557	0	0	0	0	557
		DV080 Segedunum Roman Museum MEND						
		Council Contribution	0	150	0	0	0	150
		Revenue Contribution (08252)	0	106	0	0	0	106
		Arts Council Grant (MEND)	75	424	0	0	0	499
		DV080 Segedunum Roman Museum MEND Total	75	680	0	0	0	755
		DV081 North Shields Cultural Quarter						
		Revenue Contribution (08252)	120	0	0	0	0	120
		Notca Cultural & Creative Zone Funding	119	450	0	0	0	569
		DV081 North Shields Cultural Quarter Total	239	450	0	0	0	689
		DV082 Wallsend Town & High Street Programme						
		Wallsend Town & High Street Fund (Notca)	130	1,360	0	0	0	1,490
		DV082 Wallsend Town & High Street Programme Total	130	1,360	0	0	0	1,490
		ED075 Devolved Formula Capital						
		Education Funding Agency (Devolved)	873	1,110	610	610	610	3,813
		ED075 Devolved Formula Capital Total	873	1,110	610	610	610	3,813
		ED120 Basic Need						
		Education Funding Agency (Basic Need)	237	2,000	0	0	0	2,237
		ED120 Basic Need Total	237	2,000	0	0	0	2,237
		ED132 School Capital Allocation						
		Section 106	83	166	0	0	0	249
		Education Funding Agency (SCA)	5,148	3,868	3,868	3,868	3,868	20,620
		ED132 School Capital Allocation Total	5,231	4,034	3,868	3,868	3,868	20,869

		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Fu	Proj						
nd	ect						
	Financing Type						
Ge	ED190 High Needs Provision Capital Allocation						
	Education Funding Agency (High Needs)	2,360	2,060	0	0	0	4,420
	ED190 High Needs Provision Capital Allocation Total	2,360	2,060	0	0	0	4,420
	EV034 Local Transport Plan						
	Dept for Transport LTP ITA	719	958	958	958	958	4,551
	Dept for Transport LTP Maint	1,532	1,566	1,566	2,000	2,000	8,664
	Section 106	487	0	0	0	0	487
	Public Transport Funding	28	28	28	28	28	140
	Department for Transport Traffic Signal Income	150	0	0	0	0	150
	Dft Pothole Funding	306	0	0	0	0	306
	EV034 Local Transport Plan Total	3,222	2,552	2,552	2,986	2,986	14,298
	EV055 Surface Water Improvements						
	Environment Agency Grant	723	0	0	0	0	723
	EV055 Surface Water Improvements Total	723	0	0	0	0	723
	EV056 Additional Highways Maintenance						
	Council Contribution	2,195	2,000	2,000	2,000	2,000	10,195
	DFT National Productivity Fund	58	0	0	0	0	58
	Dft Pothole Funding	1,382	1,253	1,253	0	0	3,888
	EV056 Additional Highways Maintenance Total	3,635	3,253	3,253	2,000	2,000	14,141
	EV069 Vehicle Replacement						
	Council Contribution	779	1,248	1,676	1,123	3,000	7,826
	EV069 Vehicle Replacement Total	779	1,248	1,676	1,123	3,000	7,826
	EV076 Operational Depot Accommodation Review						
	Council Contribution	1,214	0	0	0	0	1,214
	ERDF	1,040	225	0	0	0	1,265
	EV076 Operational Depot Accommodation Review Total	2,254	225	0	0	0	2,479
	EV083 Street Lighting LED						
	Council Contribution	2,969	1,386	0	0	0	4,355
	EV083 Street Lighting LED Total	2,969	1,386	0	0	0	4,355
	EV084 A189 Improvements Haddricks Mill to West Moor						
	DFT National Productivity Fund	0	0	0	0	0	0
	EV084 A189 Improvements Haddricks Mill to West Moor Total	0	0	0	0	0	0
	EV091 Other Initiatives Climate Change						
	Council Contribution	274	1,000	1,000	1,000	1,000	4,274
	EV091 Other Initiatives Climate Change Total	274	1,000	1,000	1,000	1,000	4,274
	EV094 Transforming Cities Fund - NT02 North Shields Transport Hub						
	Council Contribution	0	550	826	0	0	1,376
	Transforming Cities Fund	9,250	8,560	0	0	0	17,810
	EV094 Transforming Cities Fund - NT02 North Shields Transport Hub Total	9,250	9,110	826	0	0	19,186
	EV095 Active Travel Fund 1 & 2 Rake Lane						
	Dept for Transport Active Travel Fund Tranche2	962	0	0	0	0	962
	EV095 Active Travel Fund 1 & 2 Rake Lane Total	962	0	0	0	0	962
	EV096 Highway Maintenance Challenge Fund - Tanners Bank						
	Dept for Transport LTP Maint	103	0	0	0	0	103
	Dept for Transport - Highway Maintenance Challenge Fund	522	300	0	0	0	822
	EV096 Highway Maintenance Challenge Fund - Tanners Bank Total	625	300	0	0	0	925
	EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway Homes)						
	Section 106	3,250	0	0	0	0	3,250
	EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bel	3,250	0	0	0	0	3,250
	EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority						
	Transforming Cities Fund	1,893	1,190	0	0	0	3,083
	EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority Total	1,893	1,190	0	0	0	3,083
	EV099 Transforming Cities Fund - NT10 Links to Metro						
	Dept for Transport LTP ITA	234	157	0	0	0	391
	Transforming Cities Fund	514	3,261	0	0	0	3,775
	EV099 Transforming Cities Fund - NT10 Links to Metro Total	748	3,418	0	0	0	4,166
	EV100 Active Travel 3 - Permanant Seafront Scheme						
	Dept for Transport Active Travel Fund Tranche 3	0	3,231	0	0	0	3,231
	EV100 Active Travel 3 - Permanant Seafront Scheme Total	0	3,231	0	0	0	3,231
	EV101 Transforming Cities Fund – Intelligent Transport Systems						
	Transforming Cities Fund	179	0	0	0	0	179
	EV101 Transforming Cities Fund – Intelligent Transport Systems Total	179	0	0	0	0	179
	GEN03 Contingencies						
	Council Contribution	1,000	3,810	1,900	900	900	8,510
	GEN03 Contingencies Total	1,000	3,810	1,900	900	900	8,510
	GEN12 Local Infrastructure						
	Council Contribution	127	100	100	100	100	527
	GEN12 Local Infrastructure Total	127	100	100	100	100	527

			2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Fund	Project	Financing Type						
<b>General Fund</b>								
GEN13 Project Management								
Council Contribution			75	100	100	100	100	475
GEN13 Project Management Total			75	100	100	100	100	475
HS004 Disabled Facilities Grant								
Better Care Fund			2,578	1,869	0	0	0	4,447
HS004 Disabled Facilities Grant Total			2,578	1,869	0	0	0	4,447
HS051 Private Sector Empty Homes								
Council Contribution			159	205	205	206	0	775
Homes & Communities Grant			111	0	0	0	0	111
HS051 Private Sector Empty Homes Total			270	205	205	206	0	886
HS053 Green Homes Local Authority Delivery								
Green Homes Grant (LAD1b) - Dept for BEIS			950	0	0	0	0	950
Green Homes Grant (LAD2) - Dept for BEIS			776	0	0	0	0	776
Green Homes Grant (LAD3) - Dept for BEIS			3,700	0	0	0	0	3,700
HS053 Green Homes Local Authority Delivery Total			5,426	0	0	0	0	5,426
IT020 ICT Strategy								
Council Contribution			1,747	1,000	1,000	1,000	1,000	5,747
Revenue Contribution (Security Grant Reserve 9841 107)			150	0	0	0	0	150
IT020 ICT Strategy Total			1,897	1,000	1,000	1,000	1,000	5,897
NEW LTA Tennis								
LTA Grant Funding			94	0	0	0	0	94
NEW LTA Tennis Total			94	0	0	0	0	94
<b>General Fund Total</b>			<b>66,119</b>	<b>54,034</b>	<b>21,370</b>	<b>15,993</b>	<b>17,564</b>	<b>175,080</b>
<b>HRA</b>								
HS015 Refurbishment / Decent Homes Improvements								
See HRA Financing			22,954	25,365	24,123	25,404	26,485	124,331
HS015 Refurbishment / Decent Homes Improvements Total			22,954	25,365	24,123	25,404	26,485	124,331
HS017 Disabled Adaptations								
See HRA Financing			1,220	1,583	1,599	1,315	1,328	7,045
HS017 Disabled Adaptations Total			1,220	1,583	1,599	1,315	1,328	7,045
HS039 ICT Infrastructure Works								
See HRA Financing			444	761	210	112	113	1,640
HS039 ICT Infrastructure Works Total			444	761	210	112	113	1,640
HS044 HRA New Build								
See HRA Financing			1,996	5,787	4,533	5,093	5,080	22,489
HS044 HRA New Build Total			1,996	5,787	4,533	5,093	5,080	22,489
HS054 HRA Vehicle Replacement Programme								
See HRA Financing			0	0	0	0	1,800	1,800
HS054 HRA Vehicle Replacement Programme Total			0	0	0	0	1,800	1,800
<b>HRA Total</b>			<b>26,614</b>	<b>33,496</b>	<b>30,465</b>	<b>31,924</b>	<b>34,806</b>	<b>157,305</b>
<b>Total £000</b>			<b>92,733</b>	<b>87,530</b>	<b>51,835</b>	<b>47,917</b>	<b>52,370</b>	<b>332,385</b>

		Year		Period of Change			Total
		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	£000
Fund	Category						
<b>General Fund</b>							
Council Contribution		16,417	16,520	12,807	8,429	10,100	64,273
Council Contribution - Capital Receipts		317	0	0	0	0	317
Grants & Contributions		47,501	36,964	8,563	7,564	7,464	108,056
Revenue Contribution		696	550	0	0	0	1,246
Contribution from Reserves		1,188	0	0	0	0	1,188
<b>General Fund Total</b>		<b>66,119</b>	<b>54,034</b>	<b>21,370</b>	<b>15,993</b>	<b>17,564</b>	<b>175,080</b>
<b>HRA Financing</b>							
HRA Capital Receipts		1,104	3,280	2,170	2,653	1,060	10,267
HRA Revenue Contribution		10,281	10,472	12,447	12,959	15,050	61,209
HRA MRR		13,940	19,329	15,718	16,232	16,766	81,985
HRA Grants & Contributions		919	0	0	0	0	919
HRA Contribution from Reserves		370	415	130	80	1,930	2,925
<b>HRA Financing Total</b>		<b>26,614</b>	<b>33,496</b>	<b>30,465</b>	<b>31,924</b>	<b>34,806</b>	<b>157,305</b>
<b>Total£000</b>		<b>92,733</b>	<b>87,530</b>	<b>51,835</b>	<b>47,917</b>	<b>52,370</b>	<b>332,385</b>

## North Tyneside Council Report to Cabinet Date: 23 January 2023

**Title: Calculation of the 2023/24 Council Tax Base for North Tyneside Council**

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<b>Portfolios: Finance &amp; Resources</b>	<b>Cabinet Member: Councillor Martin Rankin</b>
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**Report from Service Area: Finance**

**Responsible Officer: Jon Ritchie, Director for Resources (Chief Finance Officer) (Tel: 643 5701)**

**Wards affected: All**

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### **1.1 Executive Summary:**

The Council Tax Base is an annual statutory calculation, used to determine the level of Council Tax to be paid for individual properties in the borough. The Tax Base represents the number of properties that will be subject to Council Tax and is expressed in terms of the number of Band D equivalent properties, after allowing for the effect of discounts, exemptions and reliefs.

The agreed Tax Base for North Tyneside Council for 2023/24 will be used in the 2023/24 Budget and Council Tax calculation. The Tax Base is also used as the basis for the major precepting authorities (Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority) to determine their precept requirements.

The 2023/24 Council Tax Base calculation and recommendations includes a proposed assumed long term collection rate of 98.50% and takes account of one minor proposed change to the Council Tax Support Scheme, (subject to approval of full Council). The proposed change to the Scheme is for the use of details of new

Universal Credit claimants provided directly to the Authority by the Department for Work and Pensions (DWP) to be used to process a new claim for Council Tax Support.. This approach will assist some residents in the borough to claim the applicable support without them having to apply directly to the Authority. This proposed change will have minimal financial impact to the Authority.

Council Tax Support for working age claimants is still calculated on 85.0% of the Council Tax liability. Pensionable age claimants still receive Council Tax Support based on 100% of their Council Tax liability.

## **1.2 Recommendation(s):**

It is recommended that Cabinet:

- (1) approves this report on the calculation of North Tyneside's Council Tax Base for 2023/24; and
- (2) agrees that the assumed Council Tax collection rate for 2023/24 is set at 98.50% and therefore the amount calculated by North Tyneside Council as its Council Tax Base for 2023/24 will be 62,692 Band D equivalent properties, pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

## **1.3 Forward plan:**

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 14 October 2022.

## **1.4 Council plan and policy framework:**

- 1.4.1 This Tax Base calculation is a key element of the Budget Setting process and therefore is a key strand of the Budget and Policy Framework.

## **1.5 Information - Explanation of the Council Tax Base Calculation**

- 1.5.1 The Council Tax Base is an annual statutory calculation, used to determine the level of Council Tax for individual properties.
- 1.5.2 The Welfare Reform Act 2012 abolished Council Tax Benefit from 31 March 2013 and required local authorities to create a localised Council Tax Support Scheme with effect from 1 April 2013. Therefore, in the calculation of the 2023/24 Council Tax Base, Council Tax Support takes the form of a reduction in the charge rather than the payment of a benefit.
- 1.5.3 The calculation of the 2023/24 Council Tax Base has been prepared in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.



- 1.5.4 The Local Government Finance Act 2012, set out changes to Council Tax legislation and provided the statutory framework under which the decisions on local discounts and second homes may be made.
- 1.5.5 The 2023/24 Council Tax Base set out within this report is based on one change to the North Tyneside Council Tax Support Scheme, subject to approval of full Council. The proposed change is primarily administrative and relates to using data for new Universal Credit claims provided directly from the Department for Work and Pensions as a new claim for Council Tax Support as appropriate. This will make it easier for eligible residents to claim applicable financial support.

#### Tax Base Calculation for 2023/24

- 1.5.6 The detailed Council Tax Base calculation for North Tyneside for 2023/24 is attached as Appendix A to this report, together with an explanation of the specific elements that form part of this calculation. Within this calculation, adjustments have been made to reflect the effect of exempt properties, disabled relief, discounts, and premiums. Specifically, these adjustments include:
- The estimated number of dwellings to be demolished during 2023/24;
  - Assumed growth from anticipated new build properties during 2023/24 based on current estimates from the Planning Department;
  - The estimated number of dwellings where the liable person qualifies for a disabled reduction;
  - The estimated number of exempt dwellings during 2023/24;
  - The Council Tax Support scheme in 2023/24; and
  - The estimated number of premiums which apply to long term empty properties in 2023/24.
- 1.5.7 Applying the factors listed in paragraph 1.5.6 adjusts the total number of properties to a common base for each band, in terms of full year equivalents.
- 1.5.8 The Council Tax Base Regulations ensure that the Council Tax Base for an area takes into account the effect of disability reductions in respect of dwellings which fall within Band A. The Regulations introduced an additional 'alternative valuation band' to allow Band A properties to qualify for a disabled reduction. Previously, properties adapted to meet the needs of a disabled person were charged at a rate equal to the next lowest valuation band, so for example a qualifying Band D property would be charged at a Band C rate respectively, but this did not apply to Band A properties. Instead of paying the normal Band A charge (six-ninths of the Band D) a qualifying Band A property is now charged five-ninths of the Band D charge. For the purpose of the Council Tax Base calculation, it is now necessary to show Band A properties which qualify for a disabled reduction as if it were an additional valuation band. Deductions are then made for exempt dwellings and the estimated impact of the Council Tax Support scheme for 2023/24, as set out earlier within this report.
- 1.5.9 The Council Tax Base calculation for 2023/24 converts the number of dwellings within each of the Council Tax Bands into a Band D equivalent, using

the appropriate proportions shown in Table 1 below. For 2023/24, prior to an allowance for non-collection and contributions in lieu of, is a Band D of 63,596 properties.

Table 1: Council Tax Band Proportions

<b>Council Tax Band</b>	<b>Proportion of Band D</b>
Band A Entitled to Disabled Relief Reduction	5/9 (55.6%)
Band A	6/9 (66.7%)
Band B	7/9 (77.8%)
Band C	8/9 (88.9%)
Band D	9/9 (100.0%)
Band E	11/9 (122.2%)
Band F	13/9 (144.4%)
Band G	15/9 (166.7%)
Band H	18/9 (200.0%)

#### Assumed Council Tax Collection Rate

- 1.5.10 The next stage of the Council Tax Base calculation involves a deduction for the non-collection of Council Tax. This non-collection element of the calculation is made in respect of the amounts that are legally due, but which, for varying reasons, may not be collected. The assumed Council Tax collection rates for North Tyneside have improved significantly since 1993/94, when the assumed collection rate was 95%. The assumed North Tyneside Council Tax collection rates for each year from when Council Tax was introduced in 1993/94 are illustrated in Table 2 below:

Table 2: Assumed North Tyneside Council Tax Collection Rates Since 1993/94

<b>Year</b>	<b>Assumed North Tyneside Council Tax Collection Rate</b>
1993/94	95.00%
1994/95	96.00%
1995/96	96.50%
1996/97	96.625%
1997/98	96.75%
1998/99	97.00%
1999/00	98.00%
2000/01	98.125%
2001/02	98.25%
2002/03	98.60%
2003/04	98.75%
2004/05	98.875%
2005/06 – 2007/08	99.00%
2008/09 – 2010/11	99.10%
2011/12 – 2012/13	99.20%
2013/14 – 2020/21	98.50%
2021/22 – 2022/23	98%
2022/23	98.50%

- 1.5.11 A fundamental issue for the Council Tax Base calculation is the assumed percentage Council Tax collection rate to apply. As can be seen in Table 2 above, the Authority's performance on Council Tax collection was improving for many years, reaching a peak of 99.20% in setting the Council Tax Base for 2012/13. However, since 2013/14, a lower collection rate of 98.50% was proposed and agreed to reflect the estimated impact of the Council Tax Support Scheme, the estimated impact of other Welfare Reform changes and changes to Exemptions and Discounts applied. This assumed collection rate continued, but in 2021/22 for one year, a lower rate of 98% was agreed to reflect the impact of Covid 19.
- 1.5.12 Council Tax in year collection has been challenging in recent years due to the impact of Covid-19, and it is likely that 2023/24 will continue to see in year collection being difficult due to the rising cost of living and the impact this is having on residents incomes. As at the end of November 2022 the in-year collection for 2022/23 is 0.10% ahead of 2021/22 at the same point, which was an improvement against the 2020/21 figure. However, the Authority is still behind by 0.40% against the collection rate at the same point in 2019/20. The collection rate at this point is only an approximate indicator of the assumed Council Tax collection performance, given the significant time lag effect between in year and ultimate/long-term Council Tax collection performance. Whilst the Authority did see an increase in residents claiming Local Council Tax Support during 2020/21, the number claiming is now reducing.

1.5.13 Various factors have been taken into account when considering the collection rate for 2023/24, including:

- Current Council Tax collection rates;
- The estimated longer-term financial impact of Covid-19;
- The Council Tax Support Scheme;
- Additional cost of living support put in place by the Authority;
- The impact of previous changes to Exemptions and Discounts and Empty Property Premiums; and
- Potential changes to Council Tax rate in 2023/24.

It is proposed that an assumed Council Tax Collection Rate of 98.50% is set as part of the 2023/24 Council Tax Base calculation, which is the same assumed collection rate that was in place when setting the 2022/23 budget and is still considered to be achievable long term. In-year collection has improved against 2021/22 at the same point, recovery of Council Tax debt is ongoing, and the number of Council Tax Support claims are reducing. We are still mindful that, since 2020/21, working age Council Tax Support claimants have been further assisted with up to £150.00 additional support against their Council Tax, and this will continue in 2023/24.

1.5.14 The final stage of the Council Tax Base calculation involves adding an estimated amount in respect of contributions in lieu of Council Tax to be made to the Authority, which is expressed in terms of the number of Band D equivalent properties. For 2023/24 this figure for the Authority, which relates to Ministry of Defence properties, is 50 Band D equivalent properties.

Resulting Council Tax Base Calculation for 2023/24

1.5.15 The 2023/24 Council Tax Base for the whole of North Tyneside after the allowance for non-collection and payments in lieu is 62,692 Band D equivalent properties. This equates to an increase of 463 Band D equivalent properties compared to the 2022/23 figure.

## 1.6 Decision options:

The following decision options are available for consideration by Cabinet:

### Option 1

Cabinet:

Sets the 2023/24 Council Tax Base for North Tyneside Council using an assumed Council Tax collection rate of 98.50%;

### Option 2

Cabinet does not agree the proposed Council Tax Base calculation and asks officers to undertake further work on the proposal.

- 1.6.1 An increase in the collection rate increases the Council Tax Base and a reduction in the collection rate reduces the Council Tax Base. The impact of different Council Tax collection rates is shown in Table 3 below. There are no increases shown beyond 98.5% as this is not felt viable in the current economic situation.

**Table 3: Illustrative Example - Impact of Changing the Council Tax Collection Rate**

<b>Council Tax Collection Rate</b>	<b>Revised Council Tax Base for 2023/24</b>
98.00%	62,374
98.10%	62,437
98.20%	62,501
98.30%	62,565
98.40%	62,628
<b>98.50% Proposed</b>	62,692 (current collection rate in 2022/23)

## **1.7 Reasons for recommended option:**

- 1.7.1 Option 1 is recommended for the following reasons:

### Council Tax Collection Rate

The proposed 98.50% assumed Council Tax collection rate, is felt to be achievable for the reasons set out in paragraph 1.5.13 of this report.

The risk of setting a Council Tax collection rate too high is that this can result in a deficit position for the Council Tax element of the Collection Fund, which in turn will have to be funded by the Authority's General Fund.

This collection rate is reviewed as part of the annual Council Tax Base calculation, and the 98.50% collection rate will be reviewed in determining the Council Tax Base for 2024/25.

## **1.8 Appendices:**

Appendix A: Detailed Council Tax Base calculation for North Tyneside Council for 2023/24.

## **1.9 Contact officers:**

David Dunford, Senior Business Partner, Finance Service.  
Tel (0191) 643 7027

Tracy Hunter, Client Manager Revenues and Benefits, Finance Service.  
Tel (0191) 643 7228

### **1.10 Background information:**

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

- 1) Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. <https://www.legislation.gov.uk/ukSI/2012/2914/contents/made>
- 2) [Local Government Finance Act 1992 \(as amended\)](#)
- 3) [The North Tyneside Council Tax Support Scheme 2023/24](#)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

This report details the 2023/24 Council Tax Base calculation which has been undertaken in compliance with the Local Government Finance Act 1992 (as amended), and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. This annual calculation is a key component of the Council Tax and Budget Setting Process. The Council Tax Base is used as a denominator within the annual Council Tax and Budget calculation to determine the exact level of Council Tax to be charged for each valuation band for a given year. The charge for each Council Tax Band (A-H) for 2023/24 is calculated by dividing the amount of Council Tax income required by the agreed 2023/24 Council Tax Base for North Tyneside. It is also used as the basis for the major precepting authorities (Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority) to determine their precept requirements.

As noted previously, the change to the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 produced a fundamental change to the Council Tax Base calculation. As with 2022/23, for the purposes of the 2023/24 Council Tax Base, Council Tax Support takes the form of reductions.

These regulations result in the proposed Council Tax Base calculation for 2023/24 of 62,692 representing an increase of 463 Band D equivalents compared with 2022/23. The items noted in paragraph 1.5.13 of this report have all been considered in determining the proposed assumed Council Tax collection rate for 2023/24 of 98.50%. The 2023/24 Council Tax Base figure included within this report will be built into the 2023/24 final Council Tax Requirement and Budget proposals.

### **2.2 Legal**

Under the Local Government Finance Act 1992 the Authority is required to determine the Council Tax Base and to notify this figure to major precepting authorities, namely, the Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority during the period from 1 December to 31

January. Once the Tax Base for 2023/24 has been set, it cannot be altered after 31 January 2023.

The determination of the Council Tax Base is the responsibility of Cabinet in accordance with Section 67(2A) (za) of the Local Government Finance Act 1992 as amended.

### **2.3 Consultation/community engagement**

#### Internal engagement:

Consultation on this report has taken place with the Cabinet Member for Finance and Resources and the Senior Leadership Team.

#### External engagement

The proposals with regards to the administrative change to Council Tax Support for working age claimants is to be considered as part of budget consultation with the public.

### **2.4 Human rights**

The proposals within this report do not themselves have direct implications in respect of Human Rights.

### **2.5 Equalities and diversity**

The proposals within this report do not themselves have direct implications in respect of equalities and diversity.

### **2.6 Risk management**

Appropriate risks have been considered in determining the proposed Council Tax collection rate, as noted within the report, which forms part of the overall Council Tax Base calculation for 2023/24.

### **2.7 Crime and disorder**

The proposals within this report do not themselves have direct implications for crime and disorder.

### **2.8 Environment and sustainability**

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

**PART 3 - SIGN OFF**

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



NORTH TYNESIDE COUNCIL

APPENDIX A

COUNCIL TAX BASE CALCULATION 2023/2024

Row		BAND A Entitled To Disabled Relief Reduction	BAND A Value Range up to £40,000 (See Note 1)	BAND B Value Range £40,001 to £52,000	BAND C Value Range £52,001 to £68,000	BAND D Value Range £68,001 to £88,000	BAND E Value Range £88,001 to £120,000	BAND F Value Range £120,001 to £160,000	BAND G Value Range £160,001 to £320,000	BAND H Value Range Over £320,000	TOTAL
1	Properties as per List 30/11/2022	0	50,498	15,983	19,839	8,331	4,374	1,529	366	36	100,956
2	Demolished Dwellings	0	0	0	0	0	0	0	0	0	0
3	Assumed Growth on New Build Properties	0	0	0	0	250	0	0	0	0	250
4	Disabled Relief	166	-91	26	-49	-28	-8	-4	9	-21	0
5	Exempt Dwellings or 100% discount.	0	-1,023	-281	-327	-90	-35	-13	-4	-2	-1,775
6	Impact of Council Tax Support Scheme	-49	-9980	-1133	-603	-114	-36	-5	-2	0	-11,922
		<b>117</b>	<b>39,404</b>	<b>14,595</b>	<b>18,860</b>	<b>8,349</b>	<b>4,295</b>	<b>1,507</b>	<b>369</b>	<b>12</b>	<b>87,509</b>
7	Less: Discounts at 25%	-15	-6,485	-1,564	-1,359	-437	-167	-57	-27	-3	-10,114
8	Add in Council Tax Premium Charge 100%	0	133	22	17	6	2	2	1	0	183
9	Add in Council Tax Premium Charge 200%	0	70	10	6	2	4	0	2	2	96
9a	Add in Council Tax Premium Charge 300%	0	60	9	3	3	0	0	0	0	75
		102	33,182	13,072	17,527	7,923	4,134	1,452	345	11	77,749
10	Proportion of Band D Equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
11	Band D Equivalents	57	22,122	10,167	15,580	7,923	5,053	2,097	576	22	63,596
12	Total Number of 25% Discounts	56	25,902	6,243	5,417	1,739	661	216	64	4	40,302
13	Total Number of 50% Discounts	2	19	7	10	4	4	6	21	3	76

-50.3753 -10009.9 -1133.75 -610.365 -114.31 -36.4276 -5.92375 -1.6449 -0.3937 -11963.1  
 -50.2478 -9983.8 -1131.54 -609.416 -114.141 -36.373 -5.91281 -1.641 -0.39198 -11933.5  
 -29.6551

63174  
63194

Tax Base Calculation	BAND D EQUIVALENTS	COLLECTION RATE	COUNCIL TAXBASE
Tax Base Calculation	63,596	98.50%	62,642
Add Payments in Lieu			50
<b>2023/24 Council Tax Base</b>			<b>62,692</b>

Note 1

The Property Values for each Band are based on the open market capital value of the dwelling on 1 April 1991.

Council Tax Base Calculation - Explanation

Row (1) shows the number of chargeable dwellings in the Valuation List at 30 November 2022, as compiled by the District Valuer.

Row (2) shows the estimated number of dwellings which will be demolished during the year 2023/24.

Row (3) shows the assumed growth on new build properties during 2023/24. This is based on planning records and the valuation bandings that have been attributed to new properties in the last 12 months.

Row (4) shows the number of dwellings which have been dropped into the next lower Band because of having facilities for the disabled. Properties with certain facilities for meeting the needs of a disabled person may qualify for a disabled reduction. The effect of this is a drop into the next lower Band. This row adjusts for the resulting increase in the number of properties shown in the next lower band and the resulting decrease from the actual band. Qualifying properties in Band A, enjoy a reduction in council tax equivalent to 1/9 of a Band D charge.

Row (5) shows the estimated number of dwellings, which will be exempt during the year 2023/24. Various categories of exemption exist including: property occupied entirely by students, property occupied by persons under 18 etc. This estimate is based on figures produced from the Valuation List at 30 November 2022 and from information currently held in the council tax system.

Row (6) shows the estimated impact of the Council Tax Support Scheme on the 2023/24 Council Tax Base.

Row (7) shows the estimated number discounts equated to a full charge (i.e. four discounts @ 25% = one full charge). This is an estimate of discounts for single people and discounts for other categories such as for care workers, hospital patients, the severely mentally impaired etc.

Row (8) shows the number of empty properties that have been empty greater than 2 years which will be subject to a 100% premium.

Row (9) shows double the number of empty properties that have been empty longer than 5 years which will be subject to a 200% charge.

Row (9a) shows triple the number of empty properties that have been empty longer than 10 years or more which will be subject to a 300% charge.

Row (10) shows the appropriate multiplier for the Band in question.

Row (11) shows the number of properties within each Council Tax Band A - H which have been converted to their Band D equivalents using the appropriate multiplier shown in Row 8.

Row (12) shows the total number of 25% discounts which are referred to in Row 7.

Row (13) shows the total number of 50% discounts which are referred to in Row 7.

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## North Tyneside Council Report to Cabinet Date: 23 January 2023

### Title: North Tyneside Air Quality Strategy

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<b>Portfolio:</b> Environment	<b>Cabinet Member:</b> Councillor Sandra Graham
<b>Report from Service Area:</b> Public Protection	
<b>Responsible Officers:</b> Wendy Burke, Director of Public Health	<b>Tel:</b> (0191) 643 2104
<b>Wards affected:</b> All	

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#### **PART 1**

##### **1.1 Executive Summary:**

This report seeks Cabinet's approval to consult on the draft North Tyneside Air Quality Strategy which is attached to this report at Appendix 1. A further report will be presented to Cabinet at the end of the consultation period seeking approval for the adoption of the Strategy.

North Tyneside is considered to have good air quality and monitoring has consistently shown that it meets the UK air quality objectives. Previously areas that failed to meet these objectives were required to implement an action plan. The introduction of the Local Air Quality Management policy guidance 2022 now requires all local authorities to introduce a Strategy that will identify aims and actions that regulate or encourage reductions in air pollution.

##### **1.2 Recommendation:**

It is recommended that Cabinet:

- (1) authorise the Director of Public Health to commence public consultation on the draft North Tyneside Air Quality Strategy attached at Appendix 1 to this report; and
- (2) agree that a further report be received by Cabinet at the conclusion of the public consultation process when Cabinet having regard to any consultation responses will be asked to agree to the adoption of the Air Quality Strategy.
- (3) authorise the Director for Director of Public Health in consultation with the Cabinet member for Environment to approve and publish an Annual Status Report on Air Quality and to submit the report to the Secretary of State on behalf of the Authority.

### **1.3 Forward Plan:**

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 18 November 2022.

### **1.4 Council Plan and policy framework:**

This report relates to the following priorities in the 2021 – 2025 Our North Tyneside Plan:

A caring North Tyneside:

- We will work to reduce inequality, eliminate discrimination and ensure the social rights of the people of North Tyneside are key to council decision making.

A secure North Tyneside:

- We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty.

A green North Tyneside

- We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast
- We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside carbon net-zero by 2030.

### **1.5 Information:**

#### **1.5.1 Background**

Air quality has an effect on the environment, human health and global warming. The National Clean Air Strategy indicates that air pollution is the top environmental risk to human health in the UK, and the fourth greatest threat to public health after cancer, heart disease and obesity. According to the latest data published in the Public Health Outcomes Framework (PHOF) 5% of deaths in England are attributable to long-term exposure to particulate air pollution.

Poor air quality shortens lives and contributes towards chronic illness as long-term exposure to air pollution can cause chronic conditions such as cardiovascular and respiratory diseases as well as lung cancer, leading to reduced life expectancy.

In recognition of the impacts of air quality on health, the Local Air Quality Management (LAQM) policy guidance 2022 ('the guidance') published by the Department for Environment Food and Rural Affairs requires local authorities that have not had to designate an area an 'Air Quality Management Area' and thereafter been required to produce an 'Air Quality Action Plan' to now produce a local Air Quality Strategy for addressing air pollution in their area from 2023. This Strategy is intended to bring together all existing policies and strategies into one comprehensive focused document.

As the Authority has not had to declare an Air Quality Management Area and produce a resulting Air Quality Action Plan, it is one of the local authorities required to produce a local Air Quality Strategy. There is no set format for the Air Quality Strategy and in developing the Strategy the Authority has been able to draw on the content in the last Annual Status Report on Air Quality and other plans such as the Authority's Transport Strategy.

### 1.5.2 North Tyneside Air Quality Strategy

The guidance encourages local authorities to take early preventative action to improve local air quality, avoid exceedances of the air quality objectives set out in The Air Quality (England) Regulations 2000 and reduce the long-term health impacts associated with air pollution. It is anticipated that this approach will enable local authorities to adopt measures that reduce the need for costly health interventions at a later date.

The Air Quality Strategy is intended to set out the aims of the Authority to maintain and improve air quality and show how collectively the Authority will work to improve air quality. The aims include how to encourage change to achieve good air quality.

As well as setting out actions to reduce pollutants which will improve health, the Air Quality Strategy will set out the actions which will be taken to help to reduce global warming associated from gases such as carbon dioxide, nitrogen dioxide and particulates. The Air Quality Strategy will provide greater focus on how small improvements in air quality will impact public health outcomes.

The Air Quality Strategy links into existing policies including planning, transport and the Carbon Net Zero 2030 policies adopted by the Authority aimed at improving air quality across the Borough. All policies adopted by the Authority must consider the impact on the environment and the Authority recognises the need to reduce its own carbon footprint, and to consider measures that will promote and support a reduction in greenhouse gases. The policies and teams will assist as follows:

- Transport Strategy - aims to reduce congestion and promote cleaner transport.
- Planning Policy - seeks to maintain and improve air quality with the expectation that developers will assess the impact of any development on air quality and the environment and to provide mitigation measures.
- Environmental Health will act as the consultees on reviewing such air quality assessments.
- Public Health will provide an important role in demonstrating how pollutants impact on health and ensure adequate focus given to health inequalities.

Development of the draft Strategy involved the establishment of a steering group made up of officers from different areas of the Authority who are currently involved with actions that contribute towards the improvement of air quality of the Borough. This includes officers from Environmental Health, Public Health, Transport, Planning and Sustainability. The aim of the group was to identify aims and actions that regulate or encourage reductions in air pollution and ensure appropriate mitigation measures are in place to reduce emissions and air quality exposure.

Progress on the Strategy will be reported annually through the Annual Air Quality Status Report which it is proposed will be produced and published by the Director of Public Health.

The draft Air Quality Strategy is attached at Appendix 1. The aims of the strategy are:

- To maintain and improve air quality and health
- To reduce transport related emissions
- To review air quality in planning policy, development and land use
- Reviewing and promoting reductions in emission from industrial processes
- Promoting public health and improving health outcomes linked to air quality
- Encouraging public participation and Informed choices on air quality and health
- To review and promote benefits of carbon Net Zero Action Plan on air quality
- To ensure the Authority works collaboratively.

The Annual Status Report in addition to providing a review of the air quality in the borough, will provide a progress report on the actions set out in the local Air Quality Strategy. The Annual Status Report will consider new or changing sources of emissions and monitoring will be focused on any polluting areas.

The Strategy will be reviewed at least every 5 years.

#### Annual Status Report

Currently, local authorities have a duty under the Environment Act 1995 to monitor and review air quality against short and long-term exposure objectives and to publish an Annual Status Report that is submitted each year to the Secretary of State. This report has consistently established that the pollutants of main concern in the Borough are fine particulates and nitrogen dioxide that arise from the burning of fossil fuels. Traffic is the predominant source of pollution in the Borough. The monitoring of air quality in North Tyneside between 2017 to 2021 has shown that North Tyneside had no exceedances in the UK air quality objectives set out in the Regulations referred to above.

The Environment Act 1995 requires local authorities to declare an Air Quality Management Area if exceedances in the air quality objectives are found in their area and to produce an Air Quality Action Plan. Although the Authority has not needed to declare an Air Quality Management Area within the Borough, it continues to actively monitor air quality through 29 indicative monitoring sites located in the Borough. The locations are chosen based on potential exposure to high levels of pollutants and are predominantly sites located in residential areas adjacent to roads that have a high traffic flow.

#### 1.5.3 Consultation and public engagement

An engagement period of six weeks from 30 January 2023 to 6 March 2023 will enable responses to be received from those wishing to comment on the draft Strategy.

External engagement will involve consultation with the members of the public, businesses and interest groups with responses reported back to Cabinet at the conclusion of the consultation exercise.

## 1.6 Decision Options:

The following decision options are available for consideration by Cabinet:

### Option 1

Cabinet approve the recommendations at paragraph 1.2 of this report.

### Option 2

Cabinet does not approve the recommendations at paragraph 1.2 of this report.

### Option 3

To instruct officers to make amendments to the Strategy and to bring a further report to Cabinet for it to consider those amendments before consultation commences.

Option 1 is the recommended option.

## 1.7 Reasons for Recommended option:

Option 1 is recommended to allow engagement to be commenced which will enable the Authority to have a considered and approved Strategy in place. This will ensure that the Authority meets the requirements set out in the Local Air Quality Management Policy guidance and that the subject of air quality is promoted and remains high on local agendas.

## 1.8 Appendices:

Appendix 1: Draft North Tyneside Air Quality Strategy 2023- 2028

## 1.9 Contact Officers:

Joanne Lee, Head of Public Protection, (0191) 643 6901  
Frances McClen, Environmental Health Group Leader, (0191) 643 6640  
Claire Wilson, Senior Environmental Health Officer Tel. (0191) 6436645  
David Dunford, Senior Business Partner, (0191) 643 7027  
John Barton, Lawyer, (0191) 643 5354

## 1.10 Background Information:

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

- 1 Environment Act 1995 as amended by Environment Act 2021  
[Environment Act 1995 \(legislation.gov.uk\)](https://legislation.gov.uk)
- 2 Local Air Quality Management Policy Guidance (PG22)  
<https://laqm.defra.gov.uk/wp-content/uploads/2022/08/LAQM-Policy-Guidance-2022.pdf>
- 3 The Air Quality Strategy for England, Scotland, Wales and Northern Ireland  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69336/pb12654-air-quality-strategy-vol1-070712.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69336/pb12654-air-quality-strategy-vol1-070712.pdf)

- 4 [UK Clean Air Strategy 2019](#)
- 5 The Air Quality (England) Regulations 2000
- 6 [Equality Impact Assessment](#)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and Other Resources:**

There are no financial implications directly arising from the report. The costs of preparing the Air Quality Strategy and the associated consultation arrangements can be met from existing revenue budgets.

### **2.2 Legal:**

The Environment Act 1995 places a legal obligation on the Authority to check air quality in the Borough against objectives for seven air pollutants set out in The Air Quality (England) Regulations 2000. Through the Local Air Quality management (LAQM) system the Authority is also required to assess air quality in the Borough. The Environmental Act 2021 sets out environmental targets for fine particulates, referred to as PM2.5 with an anticipated targets to be met.

The Local Air Quality Management Policy Guidance referred to in the report is not law. However, it is statutory guidance and therefore the Authority must have regard to it. If the Authority does not follow the Guidance it will have to give detailed and cogent reasons for not having done so.

### **2.3 Consultation/Community Engagement:**

#### **2.3.1 Internal Consultation**

Internal consultation will take place with Cabinet Members, Members and service areas.

#### **2.3.2 External Consultation**

As outlined in section 1.5.3 of the report, an engagement process will commence to allow comments on the draft Air Quality Strategy to be received. An online response form will be available for respondees to make consultation responses as well as written responses via Customer First Contact Centres.

### **2.4 Human Rights:**

There are no human rights implications directly arising from this Strategy.

### **2.5 Equalities and Diversity:**

The Strategy has been drafted having regard to the Authority's Public Sector Equality Duty. An Equality Impact Assessment has been undertaken in relation to the formulation of this Strategy and to inform the consultation process. The Assessment has assessed the potential impact of the Strategy. The consultation process will be undertaken to



ensure that all persons, groups and organisations will have an opportunity to participate, including those with protected characteristics.

## 2.6 Risk Management:

There are no risk management implications directly arising from this report. Risks associated with delivery of the Authority's Public Protection function are monitored via the Public Health risk arrangements.

## 2.7 Crime and Disorder:

The Strategy aims to protect air quality in the Borough and identifies legislation that may be utilised to allow financial penalties to be introduced as an alternative to prosecution when dealing with polluters linked to the Clean Air Act. There is the intention to implement this new enforcement option to enable a quicker resolution to pollution issues.

## 2.8 Environment and Sustainability:

The implementation of an Air Quality Strategy referred to in this report directly supports the goals of the Carbon Net-Zero Action Plan, which itself highlights the reduction in local air pollution as a co-benefit of many interventions aimed at decarbonising different sectors. The proposals set out within the Air Quality Strategy tackle the sources of both local air pollution and climate pollution..

### PART 3 – SIGN OFF

- Chief Executive
- Director of Service
- Mayor/Cabinet Member
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive

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# North Tyneside Council Air Quality Strategy 2023-28



December 2022



## Foreword

Air pollution is the top environmental risk to human health in the UK, and the fourth greatest threat to public health after cancer, heart disease and obesity. That is why North Tyneside Council is implementing this Air Quality Strategy so that steps are taken to further improve our air quality.

It is estimated that in the UK there are between 28,000 and 36,000 deaths a year that has been attributed to long-term exposure<sup>1</sup>, where their lives will have been cut short through being exposed to harmful air pollutants. Air pollution has a significant impact on public health with both short and long term exposure increasing health risk.

In North Tyneside the principal pollutants of concerns are particulates and nitrogen dioxide (NO<sub>2</sub>) and arise predominantly from traffic emissions. Our North Tyneside's Plan, 2021 – 2025, sets out our bold ambitions for making North Tyneside an even greater place to live, work and visit by 2025. One of the key five themes is for a green North Tyneside and as a council we will increase opportunities for safe walking and cycling, and implement the North Tyneside carbon net-zero by 2030.

Air quality monitoring in North Tyneside meets the UK air quality objectives and is considered to have good air quality. Air quality objectives are based on expert opinions on how concentrations impact on health. The World Health Organisation however consider that there is no safe limit for particulates. This Strategy seeks to promote reductions in particulates and identifies actions to improve public health from pollution. North Tyneside will work collectively to improve air quality. Work already completed includes the joint transport initiative between Newcastle Gateshead and North Tyneside which enabled the successful bid and execution to retrofit buses to reduce nitrogen dioxide emissions in the Coast Road corridor.

This Air Quality Strategy specifies how we will strive to improve air quality across the borough and how we will monitor the effectiveness of the actions and measures being taken to reduce the pollutant levels.

The actions demonstrate the need for integrated working by everyone to reduce air emissions including local authorities, businesses, industry, and local residents. In 2019 the Council declared a climate emergency and in response published a climate emergency action plan in 2020, delivering strategic actions to drive down carbon emissions. The Council's action plan is to seek to make North Tyneside carbon net zero by 2030. The Air Quality Strategy integrates with the existing measures being taken to reduce carbon emissions. It also complements objectives in the North Tyneside Transport Strategy to encourage a shift to more sustainable modes of transport, including cycling and walking, in preference to car or van use.

North Tyneside Council takes air quality seriously and strives to mitigate impacts through good planning design and improved transport infrastructure. The Air Quality Strategy sets out the council's aims and actions to further improve air quality, public health and the environment to meet the councils theme "A Green North Tyneside".

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## i Introduction

The Air Quality Strategy sets out the impact air quality has on health and actions we are taking to ensure good air quality is maintained or improved in the borough. It outlines the policies and legislation currently implemented by the authority which impacts on air quality.

Air Pollution is the top environmental risk to human health in the UK, and the fourth greatest threat to public health after cancer, heart disease and obesity.

Air pollution can have a serious effect on people's health. Poor air quality shortens lives and contributes towards chronic illness as long-term exposure to air pollution can cause chronic conditions such as cardiovascular and respiratory diseases as well as lung cancer, leading to reduced life expectancy.

Air pollution has a significant impact upon public health, with both short- and long-term exposure increasing health risks relating to conditions including cardiovascular and respiratory diseases, as well as the risk of death.

Reducing air pollution could have several co-benefits e.g., increasing workers productivity increasing active travel and consequently physical activity, and helping tackle health inequalities experienced by children, elderly and our more deprived communities and those with chronic conditions such as asthma and other respiratory diseases,

This strategy identifies future actions to reduce air pollution and improve public health by a multi-disciplinary approach across local authority functions involving spatial and transport planners, environmental and public health teams, local political and community leaders and the public.

The Air Quality Strategy's' aims, and actions are set out within the report in bold and are collated within appendix A. These actions will be reviewed each year in the annual air quality progress report and the Strategy reviewed every 5 years to assess progress and benefits on air quality. The aim is to strive for continuous improvements in exposure to pollutants in line with the National Air Quality Strategy.

The Environment Act 1995 places a duty on Local Authorities to monitor air quality within their areas and where the air quality objectives are not being met to declare air quality management areas and implement action plans to target the air quality improvements. The objectives are policies on short- and long-term exposure concentrations of pollutants are set against pollutant standards. The standards are based on assessment of the effects of each pollutant on human health including the effects on sensitive subgroups or on ecosystems.

The Local Air Quality Management Technical Guidance 2022 places an obligation on all Councils to produce an air quality strategy even if there are no exceedances in air quality objectives. This requirement is in recognition that there are no safe limits for fine particulates. In 2019, Defra produced England's Clean Air Strategy (CAS) identifying initiatives in England to reduce air pollution. The final CAS sets out proposals to halve the

population living in areas with concentration of fine particulate matter above Who guideline levels(10µg/m<sup>3</sup>) by 2025.

North Tyneside has already shown collative working to improve air quality. Joint transport initiative between Newcastle Gateshead and North Tyneside enabled a successful bid to retrofit buses to reduce nitrogen dioxide emissions about the coast road.

The aims of the strategy are:

- **To maintain and improve air quality and health:**  
North Tyneside will strive to continue to meet the UK Air Quality Objectives and reduce pollution and improve health by promoting benefits of air quality, regulating and enforcement of polluters.
- **To reduce transport related emissions:** Traffic pollution is the dominant source of pollution in the borough and measures to promote sustainable modes of transport will improve air quality and health. National and local transport initiatives will promote use of electric vehicles and travel plans which will result in improved air quality
- **To review air quality in planning policy, development and land use:** Air Quality and health is considered within strategic planning, development control, transport planning, public health, and environmental protection policies and guidance and is critical for addressing air quality and public health inequalities.
- **Reviewing and promoting reductions in emission from fixed sources:** The regulation of polluting industrial processes will be regulated and reviewed, and advice given.
- **Promoting public health and improving health outcomes linked to air quality:** Improve public awareness and understanding of air quality by showing the links between air quality and health and well-being. To encourage changes in lifestyle choices such as changing to ultra-low emission vehicles, increasing the uptake of public transport, use of cycle and pedestrian routes, that will bring about air quality benefits.
- **Encouraging public participation and Informed choices on air quality and health:** The publishing of the Air Quality Strategy will raise the profile of air quality and improve awareness of impact air quality has on public health and the environment.
- **To review and promote benefits of carbon Net Zero Action Plan on air quality:** The plan will promote energy efficient measures and tackle carbon reductions at source with the collaboration and support of businesses
- **To ensure the Council work collaboratively:**  
To work in partnership with other Council Departments across a range of policy areas for the achievement of improved local air quality.



## 1.0 Maintaining and Improving Air Quality

### 1.1 Background

Air pollution is associated with a number of adverse health impacts. It is recognised as a contributing factor in the onset of heart disease and cancer. There is often a strong correlation with inequalities issues, because areas with poor air quality are also often the less affluent areas. The annual health cost to society of impacts of particulate matter alone in the UK is estimated to be around £16 billion. Air pollution is estimated to reduce the life expectancy of every person in the UK by an average of 7-8 months.

Particulates and Nitrogen Dioxide (NO<sub>2</sub>) are the main pollutants monitored in North Tyneside. The main concern with respect to NO<sub>2</sub> on health is impact from long term exposure of greater than 1 year on lung function, especially in young children as well as its association to global warming.

Long term effects of exposure to particulate matter are strongly correlated to mortality. The UK Health Security Agency estimate particulate air pollution has 'an effect' equivalent to 25,000 deaths. Particulates are considered to affect the lung function. The smaller fraction of particulates less than 2.5 µg in size can enter the respiratory system and reach the deepest part causing irritation and decreased function. Health effects range from alveolar inflammation in the lungs and respiratory tract infections to acute cardiovascular disorders.

Many air pollutants have some impact upon climate change, by either causing warming or cooling of the atmosphere. Particulate matter can cause both cooling and warming as black particles (soot) absorbs radiation whilst other particles reflect radiation. Some scientists argue that the high levels of Sulphur Dioxide (SO<sub>2</sub>) and other aerosols emitted have acted to slow warming by reflecting solar radiation and that as levels are reduced, warming will accelerate. Many of the causes of global climate change are intricately linked to local air quality issues. The use of fossil fuels results in the release of carbon dioxide, a key greenhouse gas, and also oxides of nitrogen, particulates and ground level ozone, which impact on local air quality. Greenhouse gas is any gas that has the property of absorbing infrared radiation (net heat energy) emitted from Earth's surface and reradiating it back to Earth's surface.

Many policies to reduce greenhouse gas emissions will also improve air quality. For example, the greater use of public transport will not only reduce carbon emissions but also associated pollutants of transport Nitrogen oxides (NO<sub>x</sub>) and particulates (PM<sub>10</sub>). The relationship between greenhouse gas and emissions of air pollution is however complicated by the fact that some measures to reduce carbon emissions can increase air pollution. For example, biomass is considered to be low carbon resource and will reduce carbon emissions if used to replace boilers that use fossil fuels. The Department for Business, Energy & Industrial Strategy Biomass Policy Statement states that the government are "committed to using only sustainable biomass, whether derived from international or domestic sources. The UK has stringent sustainability criteria in place for the power, heat and transport sectors, and supports the use of biomass only where it is demonstrated to be sustainable and deliver genuine greenhouse gas (GHG) savings compared to fossil materials". However, emissions of NO<sub>x</sub> and PM<sub>10</sub> from biomass boilers are often much greater than for gas boilers and can result in a decrease in air quality.

Similarly, small diesel vehicles are more efficient than petrol vehicles of comparable size but emit more NO<sub>x</sub> and PM<sub>10</sub>.

## 1.2 Sources of Pollution

The air quality within the Borough of North Tyneside is influenced by a number of sources of pollutants. The main pollutants of concern are nitrogen dioxide and particulates and are predominantly from road traffic.

Nitrogen dioxide contributions from road transport have decreased annually in the UK and Europe. This reduction in nitrogen dioxide emission is attributed to the stricter emission standards required of new cars which are replacing the older more polluting vehicles with time. There has also been a reduction in use of coal at power generation stations as they are replaced with cleaner systems of power generation including renewable energy. The average annual mean concentration of NO<sub>2</sub> at UK urban background sites has decreased over the time to 15.8 µg/m<sup>3</sup> in 2021. Figure 1 at page 7 provides details of the annual mean concentrations from the long term NO<sub>2</sub> diffusion tube sites located about North Tyneside. The graph shows that nitrogen dioxide concentrations have decreased between 2017 to 2022. All NO<sub>2</sub> sites are below the annual UK mean objective and standard when health is impacted by the pollutant.

Particulates of concern are the small particulates that can enter into your lung. The Environment Act 1995 have set targets for particulates of less than 10 microns known as PM<sub>10</sub> and particulates of less than 2.5 microns (PM<sub>2.5</sub>). There are many sources of PM<sub>10</sub> within North Tyneside. These generally derive from natural sources, for instance, dust blown in from the Sahara Desert and sea-salt. Man-made sources comprising emission from diesel engines, bonfires and biomass boilers are generally below 2.5 microns (PM<sub>2.5</sub>). The finer particulates can penetrate further into the lungs and therefore are more harmful to health. Larger particles are generated by industrial processes such as concrete batching processes and from demolition and construction activities. Particles that have settled can be re-suspended and decrease air quality. Recent research has identified that brake and tyre wear is a significant source of PM<sub>10</sub>.

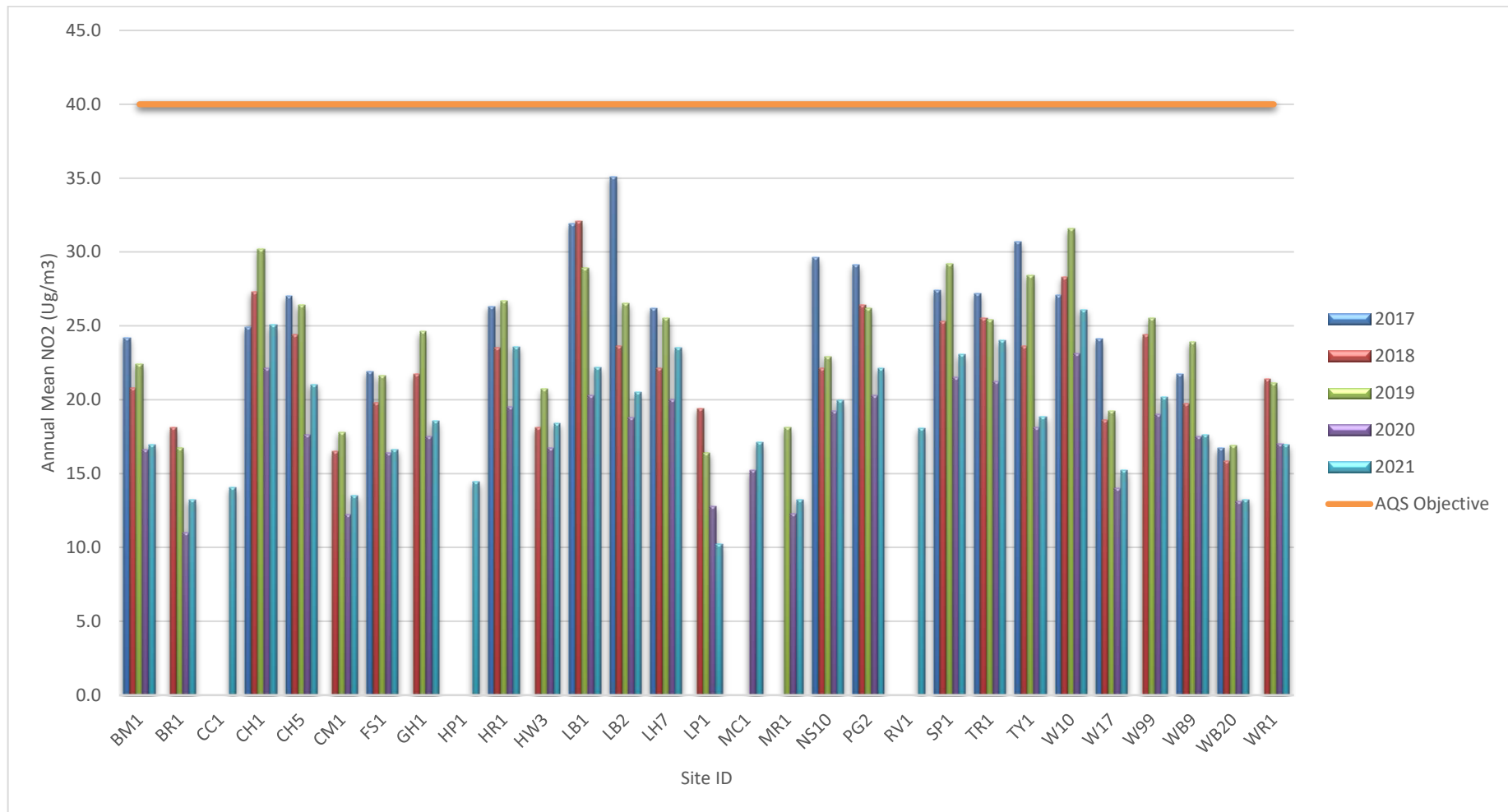
## 1.3 Monitoring of Air Pollutants

Air quality monitoring carried out in the borough has indicated good air quality when compared with the air quality objectives. The objectives are levels set to consider impact on public health and environment against social economic factors. Monitoring has been carried out for more than 20 years at a variety of locations throughout the area. Historically three real time stations were used to assess air quality in Wideopen, Howdon and Wallsend to obtain background, industrial and roadside emission data respectively. The real time station at Wide Open was decommissioned in 2016 the Wallsend and Howdon site were decommissioned in 2018 but they demonstrated good air quality during their operation. There is one existing real time monitoring station located in 2018 at a roadside location on the Coast Road A1058, owned by the Urban Observatory. This site monitors for traffic related pollutants of most concern, PM<sub>10</sub>, PM<sub>2.5</sub> and NO<sub>2</sub>. The location of the real time monitoring stations is shown in Figure B1 in Appendix B. Annual monitoring data indicated that the levels had remained steady year on year, until 2020 when levels reduced by more than 25% due to low traffic levels during the Covid 19 pandemic. Pollutant levels have continued to remain lower than pre-2020 levels

In 2021, passive diffusion tube monitoring was carried out at 29 sites as indicated in location plan in Figure B.2 in Appendix B. The annual mean values derived from the passive diffusion tube monitoring shows no exceedance of the annual mean objectives. Figure 1 shows Nitrogen Dioxide Levels between 2017 and 2021. The chart shows a general reduction in nitrogen dioxide as a result of decreased vehicle usage, improvements in car manufacturer emissions and road traffic improvement to reduce congestion.

Particulate (PM<sub>10</sub>) real time monitoring at the roadside A1058 coast road location indicates no exceedance of objective, although there were a few poor air quality incidents leading to exceedance of the 24 hour mean standard of 50 mgm<sup>3</sup>. The objective permits up to 35 occasions per year for an exceedance of the 24 hour mean. The annual mean emissions for PM<sub>2.5</sub> for 2021 was 8.06µg/m<sup>3</sup> which is well below the annual mean target value of 25µg/m<sup>3</sup>. The monitoring over the last 3 years at this location have shown very low particulate levels with emissions less than half the annual mean. The WHO indicate that there is no safe limit for particulates on health so the authority will continue to promote and encourage actions to reduce emissions.

Figure 1 : Trends in Annual Mean NO<sub>2</sub> Concentrations



## **1.4 Regulations & Smoke Control**

The Government have created legislation and guidance on air emissions from industrial, domestic properties and traffic.

Public Protection are responsible for the monitoring and enforcement of polluting industries, reviewing air quality on major planning applications, domestic properties burning fossil fuels and the North Tyneside Hackney Carriage and Private Hire Licensing Policy. The Licensing Policy has set requirements regarding the age of vehicles and the introduction of Zero and Ultra Low Emission Vehicles (ULEVs).

Emissions from industrial processes are controlled under the Environmental Permitting Regulations 2016 (as amended)(EPR). The EPR places controls on industries to reduce the impacts on the environment and human health from emissions. Controls include limits on emissions, reduction schemes and environmental management systems. The level of control is dependent on the activity and throughput with some industrial processes only restricted on air emission known as Part B processes, while larger installations have controls on water and land emissions. The Regulations were derived from EU (European Union) Emission Directives. The purpose of the Regulations to ensure that national and European environmental targets are met through the application of best practice.

Major pollution sources and large housing development will require air quality assessments. The planning process will consider air quality and its impact on human health when determining the facility's suitability. The permit application process will consider the appropriateness of any air quality abatement to ensure the facility can meet emission limits and controls that will be applied to the permit. The emission limits and controls are set to ensure air quality will not be detrimentally impacted on health.

The Clean Air Act allows the control of air emission from stacks from industrial, commercial, and domestic premises. North Tyneside Council created 61 Smoke Control Orders in the Borough to prohibit smoke from chimneys using non-exempt appliances or unauthorized fuels. This legislation also prohibits dark smoke emissions from commercial premises.

The use of Smoke Control Areas help to prevent localised air quality issues from particulates in a residential area. This legislation has been amended to allow councils to issue financial penalties for breaches to the Act and Environmental Health will be creating a financial penalty policy to enable fines to be issued and carrying out targeted inspections.

### **Aim 1: To Maintain and Improve Air Quality and health:**

#### **Actions:**

- 1.1 North Tyneside Council will monitor air pollutants to assess compliance with the UK air quality standards to ensure the objective levels are not breached.**
- 1.2 An Annual Air Quality Status Report will be submitted for approval by Public**

**Health and DEFRA, and published on the Councils' website.**

- 1.3 North Tyneside Council will carry out risk-based inspection programme of all Local Authority regulated permitted processes under the Environmental Permitting Regulations 2016 (as amended).**
- 1.4 The smoke control orders will be fully promoted and enforced. The importance of the smoke control areas will be publicised on the Councils website and in local publications to highlight the importance of compliance with the Orders.**
- 1.5 North Tyneside will introduce a policy for the enforcement of financial penalties and initiate targeted inspection based on air quality and public health.**
- 1.6 The North Tyneside Hackney Carriage and Private Hire Licensing Policy will be promoted with regard to the vehicle age policy and reduction in car emissions to accelerate Zero and Ultra Low Emission Vehicles (ULEVs) uptake.**

## 2.0 Reducing Transport Related Emissions

### 2.1 Transport Strategy

Good transport is vital for everyone who lives, works or runs a business in North Tyneside. Recognising this, the Authority has adopted the North Tyneside Transport Strategy, updated in 2021, which sets out its vision and principles for the period 2017 to 2032. With a vision of “Moving to a green, healthy, dynamic and thriving North Tyneside”, the Strategy sets out the Authority’s overall vision for transport for residents, businesses and other stakeholders, as well as shaping future decisions and supporting future funding bids for transport-related projects or initiatives.

The Transport Strategy notes that to reduce carbon emissions from transport, the Authority will implement the actions set out in our Climate Emergency Action Plan to decarbonise transport and work towards carbon net-zero 2030; support a change in culture which prompts people to adapt their travel behaviour to use more sustainable forms of transport other than car travel; and support the substantial shift to zero-emission vehicles (ZEVs), in place of petrol or diesel vehicles, which is necessary to meet national and local climate targets. It includes a further aim to monitor local air quality and seek opportunities to deliver air quality improvements.

This Air Quality Strategy cannot sit in isolation as air quality problems cannot be tackled without considering the transport network management and the scope for modal shift to less polluting modes of transport. This Strategy, therefore, has strong links to the Transport Strategy.

The Transport Strategy also has regard to the priorities of the Our North Tyneside Council Plan 2021 to 2025; the Authority’s declaration of a climate emergency; and the regional North East Transport Plan. Effective partnership working with stakeholders, including neighbouring local authorities, Nexus, Transport North East and service providers such as bus operators, is important in seeking to improve transport links and thereby achieve improvements in air quality in the region.

### 2.2 Freight and delivery management

The North Tyneside Carbon Net-Zero 2030 Action Plan includes an objective to carry out a review of the Authority’s fleet and replace all small diesel vehicles (and some medium-sized vehicles) with electric, where options are available and where this can be supported financially. In addition, it notes that the Authority will monitor technology and fuel developments that will support the transition to low carbon HGV’s (potentially including electric models and/or hydrogen); and as part of a longer-term plan, seek to replace HGV’s, e.g. refuse collection vehicles, as technology develops and where it is financially viable to do so.

The Authority is involved with the work of the regional North East Freight Partnership, which engages with the commercial freight sector and raises awareness of new technologies, including those which can assist in minimising air pollution from freight operations.

## **2.3 Promotion of public transport measures**

The North Tyneside Local Plan and the Transport and Highways Supplementary Planning Document (SPD) provides guidance for developers on the standards which the Authority will seek to apply. The expected housing and business growth in North Tyneside over the next decade, where the Borough's population, is estimated to reach 219,500 by 2032, as set out in the Local Plan, is likely to be accompanied by increased demand for travel.

Improving the attractiveness of alternatives to the private car or van as a first preference and encouraging the use of zero-emission vehicles (ZEVs) in preference to petrol or diesel vehicles, can both as well as contributing to improved air quality.

New developments over certain thresholds, as set out in the SPD, are required to put in place a Travel Plan, which sets targets for the use of more sustainable modes of transport, puts in place measures to achieve these and monitors the outcomes.

Some major business park sites in the Borough also have their own transport programmes which promote more sustainable and healthy travel through offers and initiatives.

## **2.4 Promotion of alternative transport measures.**

Encouraging people to replace car trips with cycling, walking or wheeling, or with public transport trips which generally involve some walking, offers substantial health benefits as well as involving lower carbon emissions and supporting local air quality. Through the implementation of the North Tyneside Transport Strategy and the Carbon Net Zero Plan, the Authority will seek to support the greater use of more sustainable modes of transport in preference to motorised journeys.

The Authority continues to expand provision of School Streets schemes in the borough, supporting children and their families to get to school by walking, cycling or 'park and stride'. The Authority also continues to develop its 'Go Smarter' offer for schools, including road safety education and Bikeability cycling training, while the annual Summer of Cycling campaign has seen a rise in popularity and attendance.

North Tyneside Home to School/College Transport Policy gives details of the Authority's approach to travel to school and college, including support for travel provision where necessary.

The North Tyneside Cycling Strategy explains how the local authority will promote cycling and improve cycle paths and networks to support this.

### **Aim 2: Reducing Transport Related Emissions**

#### **Actions:**

**2.1 North Tyneside will support the greater use of more sustainable modes of transport in preference to motorised journeys, through the implementation of the North Tyneside Transport Strategy and the Carbon Net Zero Plan.**

**2.2 Through 'Go Smarter in North Tyneside' and related initiatives, work with schools and other local stakeholders to encourage modal shift and travel**



**behaviour change for regular journeys**

- 2.3 Engage with bus operators to progress the objectives of the North East Bus Service Improvement Plan (e.g. targeted improvements to bus priority and traffic signal technology to support bus reliability).**

### 3.0 Air Quality, New Developments & Land Use

Spatial planning is important for improving air quality in the long term and North Tyneside Council has been taking a range of actions through planning policies and in dealing with planning proposals to reduce the impact of new developments on local air quality.

#### 3.1 Planning Policy

The North Tyneside Local Plan, adopted in July 2017, manages developments to be sustainable and therefore considers air quality. There are several aims and policies to seek the maintenance of and improvements to air quality. Following the adoption of the Local Plan, an assessment was made in 2022 that considers the amendments to the National Planning Policy Framework in 2021. The Local Plan remains appropriate and robust in consideration to development and air quality.

The Local Plan opens with a series of objectives for the Borough, two of which touch upon air quality, climate change and/or pollution.

Objective 1: Ensure a sustainable future for North Tyneside with communities and infrastructure that are well placed to mitigate climate change.

North Tyneside will develop and promote approaches to reduce greenhouse gas emissions and to adapt to, and mitigate the impact of, climate change including flood risk; promoting the renewable energy sector and developments which seek to minimise energy and resource consumption, whilst improving the Borough's resilience to the effects of climate change.

Objective 3: Give all residents the opportunity to live free from crime and enjoy a healthy lifestyle, achieving their potential in work and education.

Plans will support improvements to the quality of education provision in the Borough and cultural wellbeing for all. New health and cultural facilities, provision of open space and all aspects of developments will promote and recognise residents need for a safe environment and an active lifestyle, reducing the risks of crime, disease and poor health and enhancing residents' quality of life.

The objectives of the Local Plan are delivered by a suite of planning policies to encourage the right kind of sustainable development.

#### Policy S1.2 Spatial Strategy

This strategy for Health and Well-being seeks to maintain and improve the health and wellbeing of communities by requiring development to prevent negative impacts from air quality.

This is supported by more detail development management policy DM5.19 Pollution which restricts development where pollution levels are unacceptable unless appropriate mitigation can be introduced. The policy reads:

## DM5.19 Pollution

Development proposals that may cause pollution either individually or cumulatively of water, air or soil through noise, smell, smoke, fumes, gases, steam, dust, vibration, light, and other pollutants will be required to incorporate measures to prevent or reduce their pollution so as not to cause nuisance or unacceptable impacts on the environment, to people and to biodiversity.

Development proposed where pollution levels are unacceptable will not be permitted unless it is possible for mitigation measures to be introduced to secure a satisfactory living or working environment.

Development that may be sensitive (such as housing, schools and hospitals) to existing or potentially polluting sources will not be sited in proximity to such sources. Potentially polluting developments will not be sited near to sensitive areas unless satisfactory mitigation measures can be demonstrated.

Proposals for development should have regard to the noise impacts arising from the Newcastle International Airport flight path as indicated on the Policies Map.

This Policy aims to protect human health and the environment from possible negative effects on air quality caused as a direct result of development. In addition to the direct link with air quality emissions, the Local Plan also contains policies relating to energy efficiency, renewable energy and transport.

Other policies within the North Tyneside Local Plan such as Policy DM5.9 and DM7.4 have indirect benefits for air quality. DM5.9 encourages developers to incorporate landscape and planting schemes as a condition of creating a new development. Landscaping and planting can help to absorb some pollutants and help to screen pollution away from new residential and commercial developments. DM7.4 encourages higher density developments in close proximity to public transport links and encourages new developments to have an attractive transport choice including public transport, footways and cycle routes. By encouraging residents to use alternative modes of transportation than a car can help improve traffic and improve air quality.

The National Planning Policy Framework sets out the requirements for sustainable development. Air Quality is a material planning consideration in the Development Management process. The National Planning Policy Framework sets out in section 186: *Planning policies and decisions should sustain and contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and Clean Air Zones, and the cumulative impacts from individual sites in local areas.*

*Opportunities to improve air quality or mitigate impacts should be identified, such as through traffic and travel management, and green infrastructure provision and enhancement. So far as possible these opportunities should be considered at the plan-making stage, to ensure a strategic approach and limit the need for issues to be reconsidered when determining individual applications. Planning decisions should ensure that any new development in Air Quality Management Areas and Clean Air Zones is consistent with the local air quality action plan.*

*Planning decisions should ensure that any new development in Air Quality Management Areas and Clean Air Zones is consistent with the local air quality action plan.*

New developments may result in an increase in the emission of pollutants that are harmful to human health and impact on the quality of life. In contrast, well designed developments can actively help to enhance air quality, manage exposure and reduce overall emissions. The development should consider the impact on the natural environment, ensuring that the development does not have a negative impact on the air quality within the Borough and should sustain compliance with the national air quality objective levels.

North Tyneside Council will actively ensure that developers consider the impact their proposal have on existing air quality. Whilst emissions from both industrial and domestic premises cannot be overlooked, emissions from road traffic are now a major source of local air pollution. Development proposals should preserve or improve the existing levels of air quality, as appropriate in line with North Tyneside's Local Plan.

### **3.2 Planning Applications**

Environmental Health is a consultee to the Local Planning Authority when planning applications are received. Consultation includes requests for air quality assessments for large developments and recommending conditions to mitigate against air quality during the construction phase and the operational phase of a development.

Pre-application discussions are encouraged by planning. This enables a developer to acquire clear, impartial professional advice, at an early stage, regarding any key issues that should be addressed prior to submitting a formal development proposal.

North Tyneside Council will use, where appropriate, legal agreements in the form of Section 106 agreements to allow mitigation measures and is often applied to obtain contributions for road improvements or travel improvements or air quality monitoring. These are made between the local authority and the developer and are linked to a development. Section 106 agreements are drawn up when it is thought that negative impacts cannot be dealt with through planning conditions alone or where the local authority feels that planning conditions may have a negative impact on the progress of the development. Measures to improve or offset the negative air quality impacts of a development may also be specified if the planning application is to be given consent that may include for use of travel plans or the provision of electric vehicle charging points.

North Tyneside Council adopted its Community Infrastructure Levy (CIL) in 2018 and it came into effect in January 2019. At this time the Council has not identified the use of CIL funds to mitigate for air quality. However Projects linked to reducing congestion or promoting cleaner transport will have a direct benefit on air quality. Air quality promotion or monitoring for development of the area will be kept under review and considered for inclusion within the Council's infrastructure list.

### 3.3 Construction and Demolition

Emissions and dust from the demolition and construction phase of a development can have a significant impact on local air quality, especially for large developments that may take years to complete. Planning conditions will be utilised to ensure that all large developments that are expected to take a year or more to provide an air quality impact assessment for dust and its contribution to PM<sub>10</sub> levels. An impact assessment shall also be undertaken for mineral extraction and waste disposal and recycling sites.

North Tyneside Council will refer developers to the following guidance relevant documents that address construction dusts:

- The control of dust and emissions from construction and demolition, Best Practice Guidance, Produced in Partnership by the Greater London Authority and London Councils; July 2014
- Minerals Policy Statement 2: Controlling and mitigating the environmental effects of Minerals Extraction in England, Annex 1 Dust, Office of the Deputy Prime Minister (ODPM). Expands on National Planning Policy Framework, Section 186.
- Guidance on Air Quality Monitoring in the Vicinity of Demolition and Construction Sites, Steve Moorcroft, IAQM, 2018
- Guidance on the Assessment of the Impacts of Construction on Air Quality and the Determination of their Significance, IAQM, 2012.

#### **Aim 3: To Review Air Quality in Planning Policy, Development and Land Use**

##### **Action:**

- 3.1 To encourage pre-planning application discussions between the developer and North Tyneside Council where air quality is indicated as a potential concern.**
- 3.2 Environmental Health will act as consultee on air quality assessment requirements and format dependant on developments and underlying air quality. Environmental Health will review air quality reports in technical and non-technical format in timely manner to the Planning department.**
- 3.3 Environmental Health will ensure website has signposting to good practice guidance for assessment or mitigation of air quality issues particularly with regard to construction phase of the site.**
- 3.4 To ensure effective implementation of policies that effect air quality within the Local Plan provide improvements.**

## 4.0 Reducing Emissions from Fixed Sources

### 4.1 Industrial Emissions

Emissions from industry are regulated through the Environmental Permitting Regulations 2016 (as amended). Some forms of pollution can be controlled through the regulation of specific industrial processes by the issue of Permits. Local authority Integrated Pollution Prevention and Control (LA-IPPC) covers installations known as A2 installations, which are regulated by local authorities; and, Local authority Pollution Prevention and Control (LAPPC), installations known as Part B installations, also regulated by local authorities. A1 installations are regulated by the Environment Agency. Part B and A2 installations located within North Tyneside are required to be permitted. Once an operator has submitted a permit application, the regulator then decides whether to issue a permit. If one is issued, it will include conditions aimed at reducing and preventing pollution to acceptable levels. A1 installations are generally perceived to have a greater potential to pollute the environment than an A2 installation, and Part B installations would have the least potential to pollute.

There are currently 42 Part B installations within the Borough regulated by North Tyneside.

### 4.2 Council Managed Buildings

North Tyneside Council has a commitment to reduce emissions from all Council managed buildings as part of the Carbon Net Zero 2030 Action Plan. Energy saving measures are reviewed to determine what energy efficiencies can be made. Making the Council buildings more energy efficient is vital for reducing the carbon footprint of the Council. As energy consumption falls the pollution burden associated with fossil fuel combustion also falls, both at the local level due to emissions from the buildings and the regional level from power station emissions. The Air Quality Strategy therefore has links to the Local Authorities Carbon Net Zero 2030 Plan referred to in Section 7.

North Tyneside Council recognise that managing air quality is a cross cutting issue and every opportunity should be exploited to assist an improving situation.

The impacts of energy consumption and associated emissions are well understood by the Authority and as such the Authority has a positive track record of managing its assets and influencing its staff and stakeholders in a coordinated approach to reduce its carbon footprint. Integral to this approach are the associated direct and indirect environmental impacts on air quality.

Additionally the Authority has statutory environmental sustainability reporting requirements to Central Government in the form of:

- Home Energy Conservation Act Reporting
- Green House Gas Protocol Reporting.

In conjunction with the points above, the Authority is a key stakeholder in the development of a range of regional net zero activity including the Net Zero North East partnership as well as supporting the North of Tyne Combined Authority. Whilst all of this work is

predicated on emissions reduction, improvement of air quality aspects is an inherent co-benefit.

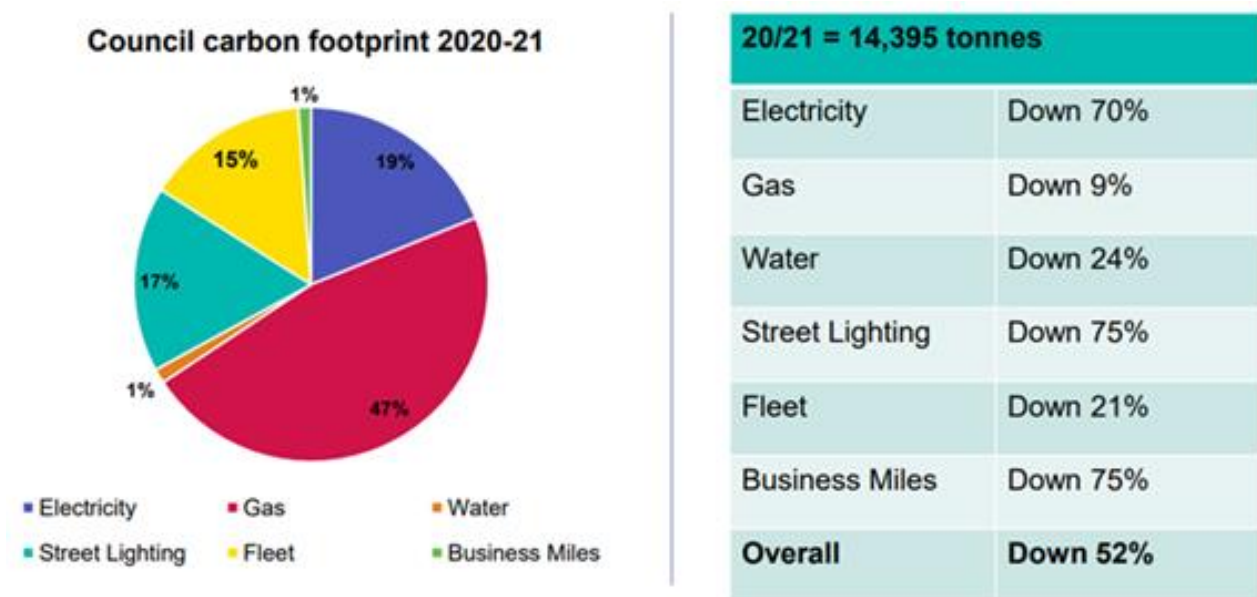
The Authority transition to a low carbon energy future and improved aspects of air quality will require a series of steps to plan and implement better and new solutions. This requires strategic management and a phased approach to practical implementation. The Authority has a number of means to undertake this as outlined above.

**Performance**

In terms of emissions reduction, overall, North Tyneside Council’s absolute CO2 emissions have decreased by 53% between 2010/11 and 2021/22.

The Council continues to deliver a programme of carbon emission reduction, following the hierarchy of energy reduction, energy efficiency and implementing low carbon/zero carbon technology.

Figure 3. Council carbon footprint 2020-2021



**Aim 4.0: Reviewing and Promoting Reductions in Emissions from Fixed Sources**

**Actions**

**4.1 To review Local Authority EPR permits on a eight yearly cycle from the date of their issue.**

**4.2 Implementation of the Carbon Net Zero 2030 Action Plan and monitoring its outputs annually.**

**4.3 Reporting of greenhouse gas emissions.**

**4.4 Work with the Combined Authority on a Business Decarbonisation Support Programme.**



## 5.0 Air Quality & Improving Public Health

The Health and Social Care Act 2012 places a statutory duty on local authority to improve the health and wellbeing of the population in their area, reduce health inequalities and provide assurance that the local health protection system is delivering effective protection for the population from health treats including poor air quality.

### 5.1 Air Pollution and Health

When air pollutants enter the body, they can have effects on various organs and systems, not just the respiratory system.

This includes:

- the eyes, nose and throat
- the lungs and respiratory system
- the heart – heart and blood vessel diseases, including strokes and hardening of the arteries, are one of the main effects of air pollution
- Emerging evidence suggests that air pollution may also affect the brain and is possibly linked to dementia and cognitive decline. There is also emerging evidence associating air pollution with early life effects such as low birth weight.

The three main conditions associated with air pollution are:

- respiratory conditions (such as asthma),
- cardiovascular disease (CVD), and
- lung cancer.

These conditions significantly reduce quality of life. They also mean that people are less able to work and need more medical care and social care.

### 5.2 Air pollution throughout the life course

Air pollution has an impact at each stage of our lives.

Pregnancy – low birth weight

Children – asthma, slower development of lung function, development problems, more wheezing and coughs

Adults – asthma, coronary heart disease, stroke, lung cancer, COPD, diabetes

Elderly – asthma, lung cancer, diabetes, dementia, heart attack, heart failure and strokes

### 5.3 Health inequalities

Although air pollution can be harmful to everyone, some people are more affected because they live in a polluted area, are exposed to higher levels of air pollution in their

day-to-day lives, or are more susceptible to health problems caused by air pollution (i.e. if you already suffer from lung and heart conditions).

The most vulnerable in our communities' face all of these disadvantages.

Groups that are more affected by air pollution include:

- older people
- children
- individuals with existing CVD or respiratory disease
- pregnant women
- communities in areas of higher pollution, such as close to busy roads
- low-income communities.

There is clear evidence that people with a low income are affected by air pollution in a number of different ways. This is because they are more likely to:

- have existing medical conditions
- live in areas with poorer outdoor and indoor environments, including the quality of air (for example, near to industry or busy roads)
- have less access to jobs, healthy food, decent housing and green spaces, which all contribute to poorer health.

## 5.4 Health Impacts from pollutants

Air quality is the largest environmental health risk in the UK. It shortens lives and contributes to chronic illness. Health can be affected both by short-term, high-pollution episodes and by long-term exposure to lower levels of pollution. The table below presents the current evidence base regarding the impact on long-term exposure to PM<sub>2.5</sub> and NO<sub>2</sub>.

**Table 1: Harms to health and long-term exposure to PM<sub>2.5</sub> and NO<sub>2</sub><sup>1</sup>**

	Long term exposure to PM <sub>2.5</sub>	Long term exposure to NO <sub>2</sub>
<b>Stronger</b> evidence of association	Coronary heart disease Stroke Lung Cancer Asthma (Children)	Asthma (Children)
Evidence <b>less certain</b> or the evidence is <b>emerging</b>	Chronic Obstructive Pulmonary disease (as chronic bronchitis) Diabetes Low Birth Weight	Asthma (Adults) Diabetes Lung Cancer Low Birth Weight Dementia

Short term exposure to high levels of air pollution can cause a range of adverse effects: exacerbation of asthma, effect on lung function, an increase in hospital admissions for respiratory and cardio-vascular conditions and increases in mortality.

Long-term exposure to air pollution increases mortality risk. The relative risks associated with long-term exposure are higher than short term exposure. Public Health England (PHE) has stated that exposure to PM<sub>2.5</sub> is a significant cause of disease in England, and at least as important as road accidents, communicable disease, liver disease and suicide.

It is important to highlight that there is no safe limit to PM<sub>2.5</sub> exposure and that the EU Air Quality Directive and WHO - annual mean objective for both PM<sub>2.5</sub> and NO<sub>2</sub> is higher than the PHE annual mean exposure threshold at which there is an observed impact on harm to health. These are outlined in the table below.

**Table 2: Air Quality Annual Mean Exposure Thresholds<sup>i</sup>**

	<b>EU Air Quality Directive - annual mean objective</b>	<b>WHO - annual mean objective</b>
<b>PM<sub>2.5</sub></b>	<b>&gt;25µg/m-3</b>	<b>&gt;10µg/m-3</b>
<b>NO<sub>2</sub></b>	<b>&gt;40µg/m-3</b>	<b>&gt;40µg/m-3</b>

PHE has allocated statistics to each local authority area to demonstrate the impact of long term exposure to PM<sub>2.5</sub> on the health of the population. The data shows that 101 of deaths in North Tyneside in a year can be attributed to exposure to PM<sub>2.5</sub>, with a result of 998 life years lost in any given year <sup>ii</sup>.

The Public Health Outcomes Framework for England (published in 2012) recognises the burden of ill-health resulting from poor air quality as well as other public health concerns. This Framework sets out 60 health outcome indicators for England, and includes the following indicator:

- The fraction of annual all-cause adult mortality attributable to long-term exposure to current levels of anthropogenic particulate air pollution (measured as fine particulate matter, PM<sub>2.5</sub>)<sup>iii</sup>.

This indicator is intended to enable Directors of Public Health to appropriately prioritise action on air quality in their local area. The indicator is calculated for each local authority in England based on modelled concentrations of fine particulate air pollution (PM<sub>2.5</sub>). Estimates of the percentage of mortality attributable to long term exposure to particulate air pollution in North Tyneside is lower than the England average at 3.7% compared to 5.1% (2017)<sup>iv</sup>.

There is no ~~completely~~ safe lower threshold for particulates where there are no adverse impacts. Therefore, further effort to reduce PM<sub>2.5</sub> levels, for example by reducing vehicle traffic source particulate emissions, would bring additional benefits in reducing the added burden on ill health and mortality in North Tyneside.

The national clean air strategy highlighted that:

*When all diseases are included, air pollution is expected to cause 2.4 million new cases of disease in England between now and 2035. PM<sub>2.5</sub> alone could be responsible for around 350,000 cases of coronary heart disease and 44,000 cases of lung cancer in England over that time.*

*Even small changes can make a big difference, just a 1µg/m<sup>3</sup> reduction in PM<sub>2.5</sub> concentrations this year could prevent 50,000 new cases of coronary heart disease and 9,000 new cases of asthma by 2035.*

Public Health will provide support by the Health and Well-being Board in ensuring impact on health on pollutants are considered to reduce inequalities. Public Health will promote

information on air quality which ensure the public are aware of air quality particular for at risk individuals. This can be provided by Defra's daily Air Quality Index (DAQI) which gives recommended actions and health advice based on pollutant levels.

Health and Social care professionals can play a key role in discussing with their patients the impact of air pollution. They act as a trusted voice to highlight that air pollution affects everyone, and their own behaviour can both reduce some of their exposure to air pollution and their own contribution to air pollution.

The UK Health Forum and Imperial College London, in collaboration with and funded by Public Health England (PHE), developed a modelling framework and estimated that a 1 µg/m<sup>3</sup> reduction in fine particulate air pollution in England could prevent around 50,900 cases of coronary heart disease, 16,500 strokes, 9,300 cases of asthma and 4,200 lung cancers over an 18 year period.

Particulate matter (PM) and nitrogen dioxide (NO<sub>2</sub>) are both major components of urban air pollution. Currently, there is no clear evidence of a safe level of exposure below which there is no risk of adverse health effects. Therefore, further reduction of PM or NO<sub>2</sub> concentrations below air quality standards is likely to bring additional health benefits.

### **Aim 5.0 Promoting and Improving Health Outcomes Linked to Air Quality**

#### **Actions:**

- 5.1 Analyse and publish data on air quality and PM<sub>2.5</sub> levels routinely in Joint Strategic Needs Assessments and Health and Wellbeing Strategies.**
- 5.2 Promote key public health campaigns e.g. National Clean Air Day.**
- 5.3 Work with Public Health to allow actions to be measured against health outcomes.**
- 5.4 Ensure that messages regarding poor air quality days are distributed to key stakeholders and the public.**

<sup>i</sup> <https://www.gov.uk/government/publications/air-pollution-a-tool-to-estimate-healthcare-costs>

<sup>ii</sup> Estimating local mortality burdens associated with particulate pollution, Public health England 2014

<sup>iii</sup> <http://fingertipsreports.phe.org.uk/public-health-outcomes-framework/e08000022.pdf>

<sup>iv</sup> <https://fingertips.phe.org.uk/search/air%20quality#page/4/gid/1/pat/6/par/E12000001/ati/102/are/E08000022/iid/30101/age/230/sex/4>

<sup>v</sup> Wilkie et al – Presentation NE Regional Directors Workshop on Air Quality (2018)

## 6.0 Air Quality & Public Consultation

### 6.1 Public Liaison

Effective risk communication is important to ensure information is relayed in a clear and concise manner. The Council will ensure all information is provided openly and transparently when communicating air quality issues to the public.

Air quality is a complex issue due to the varying factors that affect releases of emission and plume dispersion. There will always exist a difficulty in explaining health, social and environmental impacts of poor air quality. ~~to the layperson.~~

There is great scope for members of the public, businesses, voluntary organisations and neighbouring authorities to play an important role in dealing with air quality issues within the Borough. The Council will encourage participation in the process of improving local air quality, recognising the valuable contribution of these sectors. A collaborative approach to dealing with air quality issues will be developed in partnership with other relevant departments within the Local Authority including Public Health, Strategic Planning, Transport Planners and the Environmental Sustainability Team.

Careful consideration needs to be given to those groups or individuals who are most at risk from the hazards posed by poor local air quality, such as the elderly, the very young and those who already suffer from respiratory ailments, for example, asthma. In addition, with many people, it is assumed that air quality relates primarily to climate change. Whilst this is a major issue that we must tackle, it is also critical to relay the potential impacts on human health and quality of life when dealing with local air quality. The Council will treat any concerns raised by a member of the public seriously and with respect, recognising the importance of the issue to that group or individual.

### 6.2 Reviewing the Strategy

The Air Quality Strategy will be subject to periodic review as the Strategy is relevant for a 5 year period, 2023 to 2028. Any review of the strategy will take into account the following:

- Changes to relevant air quality legislation, regulations, Local Air Quality Management guidance or the National Air Quality Strategy,
- Introduction of new legislation or Regulations,
- Changes in local circumstances, such as the introduction of any Air Quality Management Areas or health inequalities,
- Introduction of new sources of industrial emissions ,
- Updates or changes to existing Council policy or guidance impacting upon air quality.

### [Aim 6: Encouraging Public Participation And Air Quality and Informed Choices on Air Quality and Health Consequences](#)

#### Actions:

- 6.1 The Air Quality Strategy is to be implemented and promoted to ensure it is fully effective in meeting its objectives.**

- 6.2 We will investigate ways to improve awareness of air quality within the North Tyneside Borough.**
- 6.3 We will investigate ways to engage with local schools to promote air quality.**
- 6.4 We will promote collective working with the Public Health Team to increase awareness of air pollution and promote messages.**

## 7.0 The Net Zero 2030 Plan (2022)

In July 2019 North Tyneside Council declared a Climate Emergency. The Our North Tyneside Council Plan 2021-25 has the stated ambition that:

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

North Tyneside Council recognises that the climate emergency challenge must be tackled at a number of different levels, with the combined effort of government, businesses, stakeholders and individuals. As an organisation, the Council’s carbon footprint is less than 2% of the Borough, so it is essential to develop a collaborative approach to the challenge. In August, Cabinet approved the Carbon Net-Zero 2030 Action Plan.

The Authority’s NetZero 2030 Plan will assist the development of energy supply options; help achieve efficiencies; reduce costs and help to meet carbon reduction targets.

The Low Carbon Plan builds on the Authority’s success in reducing carbon dioxide emissions and places an increased focus on exploring a number of emerging opportunities associated with energy generation and energy services under its direct control. However, to maintain and improve on recent carbon reduction, the Low Carbon Plan also recognises that the energy reduction and energy efficiency stages of the energy hierarchy are essential building blocks and includes actions to further develop these areas.

North Tyneside Council recognises the significant role it can play in helping to accelerate the national transition towards a low carbon economy. The broad themes of this action plan aims to address as part of this transition include the following: -

- **Energy efficiency**  
The authority is clear that to reduce the demand for power and heat in buildings across all sectors, the energy efficiency of existing buildings must continue to improve.
- **Decarbonising / generating heat and power**  
Within the borough, the authority is clear that opportunities may exist to enable the generation of heat and power to support its own demands as well as those of businesses and households.
- **Decarbonising travel**  
Travel contributes to 37% of the borough’s carbon footprint. Reducing vehicle emissions and usage by encouraging modal shift and accelerating the transition to low carbon transport is integral to decarbonisation and improving air quality. Decarbonising road transport is a national ambition, with the Government having stated its intention to end the sale of new conventional petrol and diesel cars and vans by 2030 and hybrid cars and vans by 2035.

- **Waste and recycling**

The Authority has a statutory duty to collect and dispose of household waste arising within the borough. To achieve this, it directly provides a kerbside collection service and contract arrangements are in place to dispose of residual waste and reprocess recyclable material.

- **Food**

The authority recognises that the potential impact of more sustainable food policies can be a significant factor in carbon emissions reduction.

- **Climate Adaptation**

The authority is clear that to meet its climate ambitions, adaptation to climate change must also be an inherent and core part of the Action Plan.

- **Insetting Carbon Emissions**

The authority has identified a range of carbon reduction projects which will impact on reducing its own direct emissions and emissions from the borough. There is however recognition that there are some emissions which will not be addressed by physical technology interventions or cultural behaviour. It is these emissions which the authority will focus its approach on in terms of identifying insetting options.

- **Economy and skills**

The authority's ambition for a low carbon and clean growth economy means that we will continue to nurture a broad range of low carbon industries, including some sectors which have world leading positions; this success to date is built upon wider strengths in the borough in support for innovation and excellence.

- **Behaviour change**

The authority has a long history of promoting messages to households to make small and easy changes to reduce the impacts of lifestyle on the environment.

In order to assess the impact of the actions, the Authority has assessed carbon savings and additionally has considered a range of co-benefits that the actions will deliver. The main co-benefits used in this overall assessment are:

- Improved air quality
- Health and well being
- Biodiversity
- Local or regional economic benefits
- Skills development and training opportunities
- Climate adaptation and resilience,
- Just transition

## **Governance of the Carbon Net-Zero 2030 Action Plan**

The overall governance of the Climate Emergency is split between the authority's Carbon Net zero 2030 Board (Internal) and the borough wide Climate Emergency Board (External). The authority has a role in managing the continuity between the two Boards and this extends to the reporting of progress. Insofar as monitoring and updating the Climate Emergency Action Plan, this will be done on an annual basis by the authority with

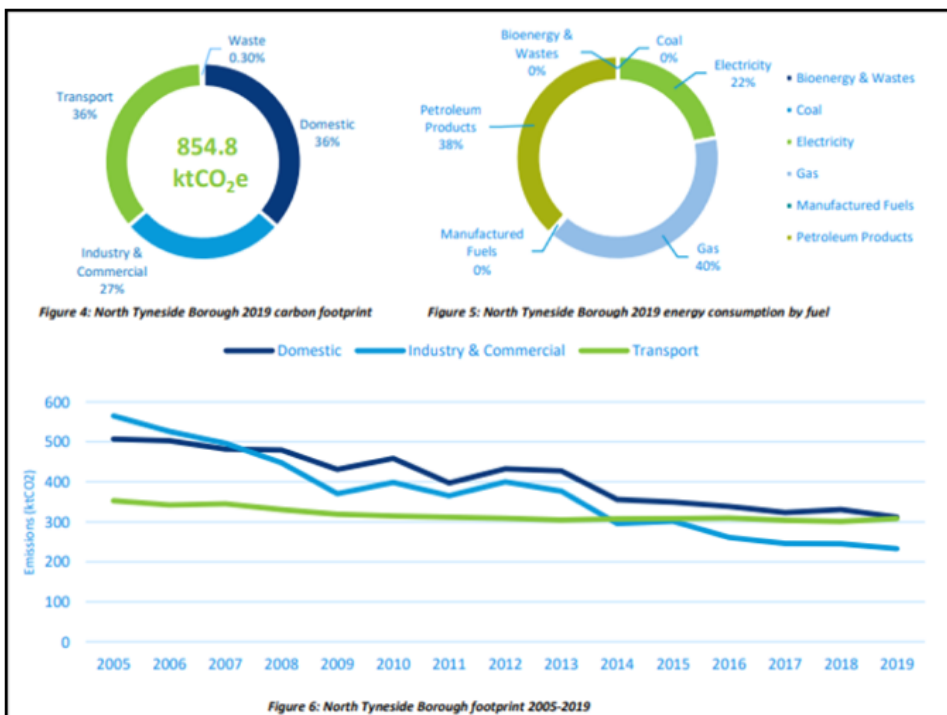


the support of the stakeholders who have been a central supporting factor in its development.

Nationally, a number of greenhouse gases and energy datasets are produced under the National Atmospheric Emissions Inventory (NAEI), which is used by Local Authorities and public users interested in their local areas. These datasets include Local and Regional CO<sub>2</sub> emissions; Road transport fuel consumption and non-gas, non-electricity and non-road transport fuel consumption. The statistics are produced approximately 1.5 years in arrears.

- The statistics are used by North Tyneside Council and other organisations as an important body of information to help identify high emitting sources of CO<sub>2</sub> and energy intensive sectors, to monitor changes in CO<sub>2</sub> emissions over time, and to help design carbon reduction strategies. The Borough’s carbon footprint is reducing and can be seen in the Figure 6 below.
- North Tyneside’s carbon footprint in 2019 was 854.8 ktCO<sub>2</sub>e. This is split across 36% domestic, 36% transport and 27% industry & commercial sectors, with waste emissions only a minor portion (0.3%). The emissions of the Borough since 2005 have been also assessed, showing how this proportional split in emissions total has changed over time.

Figure 4, 5, 6 Borough of North Tyneside Carbon Emissions 2005 – 2019



**Aim 7: To review and promote benefits of carbon Net Zero Action Plan on Air Quality.**

**Actions:**

- 7.1. The Carbon Net Zero 2030 Plan will continue to be implemented to tackle energy and carbon reductions at source.**
- 7.2. North Tyneside Council will continue to review and promote energy efficiency measures.**
- 7.3. Promote the integration and connection of large industry within the borough to promote retrofitting and deliver decarbonisation through industrial clustering.**
- 7.4. North Tyneside Council will continue to influence and promote the installation of low carbon solutions within private sector homeowners.**
- 7.5. North Tyneside Council will assess options for the development of a borough-wide heat and energy plan.**

## 8.0 Improving Collaborative Working

The Council are committed to improving the Borough's air quality by working closely with all relevant parties internally and externally. Air quality requires commitment from the public, industry and the council. This will require ensuring information on air quality and its benefits on health and environment are promoted. This Strategy will provide the impetus for driving forward the aims and actions highlighted by setting up a regular steering group meetings to review. The annual Air Quality Status Report will report on progress and will be overviewed by Public Health to emphasis the link to health.

It is also important that information on air quality is provided to the public in a clear and accessible way by the Council. The Council web site <http://www.northtyneside.gov.uk> provides details on air quality within the Borough and Local Air Quality Management Review and Assessment Reports are available for viewing. The Strategy will similarly be made accessible via the website and through Council offices and local libraries.

### Aim 8: Improving Collaborative Working

#### **Actions:**

- 8.1 North Tyneside Council will collate air quality aims and actions and carry out review on a regular basis via a steering group.**
- 8.2 All air quality information will be available on the website to promote air quality and encourage public to make informed choices.**
- 8.3 We will ensure good links with public health to enhance the understanding of the health implications associated with poor air quality and the extent to which air quality threatens the health of North Tyneside's communities.**

## Appendices

**Appendix A - Table of Air Quality Actions:**

<b>Ref.</b>	<b>Action</b>	<b>Responsible</b>	<b>Timescale</b>
<b>Aim 1: Maintain and Improve Air Quality and Health</b>			
1.1	North Tyneside Council will monitor air pollutants to assess compliance with the UK air quality standards to ensure the objective levels are not breached.	Environmental Health	Ongoing
1.2	An Annual Air Quality Status Report will be submitted for approval by Public Health and DEFRA, and published on the Councils' website.	Environmental Health	Ongoing
1.3	North Tyneside Council will carry out risk-based inspection programme of all Local Authority regulated permitted processes under the Environmental Permitting Regulations 2016 (as amended).	Environmental Health	Ongoing
1.4	The smoke control orders will be fully promoted and enforced. The importance of the smoke control areas will be publicised on the Councils website and in local publications to highlight the importance of compliance with the Orders.	Environmental Health	Ongoing
1.5	North Tyneside will introduce a policy for the enforcement of financial penalties and initiate targeted inspection based on air quality and public health.	Environmental Health	April 2024
1.6	The Taxi policy will be promoted with regard to the vehicle age policy and reduction in car emissions to accelerate Zero and Ultra Low Emission Vehicles (ULEVs) uptake.	Taxi Licensing	2024
<b>Aim 2: Reducing Transport Related Emissions</b>			
2.1	North Tyneside will support the greater use of more sustainable modes of transport in preference	Transport Planners	Ongoing

<b>Ref.</b>	<b>Action</b>	<b>Responsible</b>	<b>Timescale</b>
	to motorised journeys, through the implementation of the North Tyneside Transport Strategy and the Carbon Net Zero Plan.		
2.2	Through 'Go Smarter in North Tyneside' and related initiatives, work with schools and other local stakeholders to encourage modal shift and travel behaviour change for regular journeys	Strategic Transport	
2.3	Engage with bus operators to progress the objectives of the North East Bus Service Improvement Plan (e.g. targeted improvements to bus priority and traffic signal technology to support bus reliability).	Strategic Transport	2024
<b>Aim 3: To Review Air Quality in Planning Policy, Development and Land Use</b>			
3.1	To encourage pre-planning application discussions between the developer and North Tyneside Council where air quality is indicated as a potential concern.	Development Control	Ongoing
3.2	Environmental health will act as consultee on air quality assessment requirements and format dependant on developments and underlying air quality. Environmental health will review air quality reports in technical and non-technical format in timely manner to the Planning department. .	Development Control	Ongoing
3.3	Environmental Health will ensure website has signposting to good practice guidance for assessment or mitigation of air quality issues particularly with regard to construction phase of the site.	Environmental Health	Ongoing
3.4	To ensure effective implementation of policies that effect air quality within the Local Plan.	Planning	

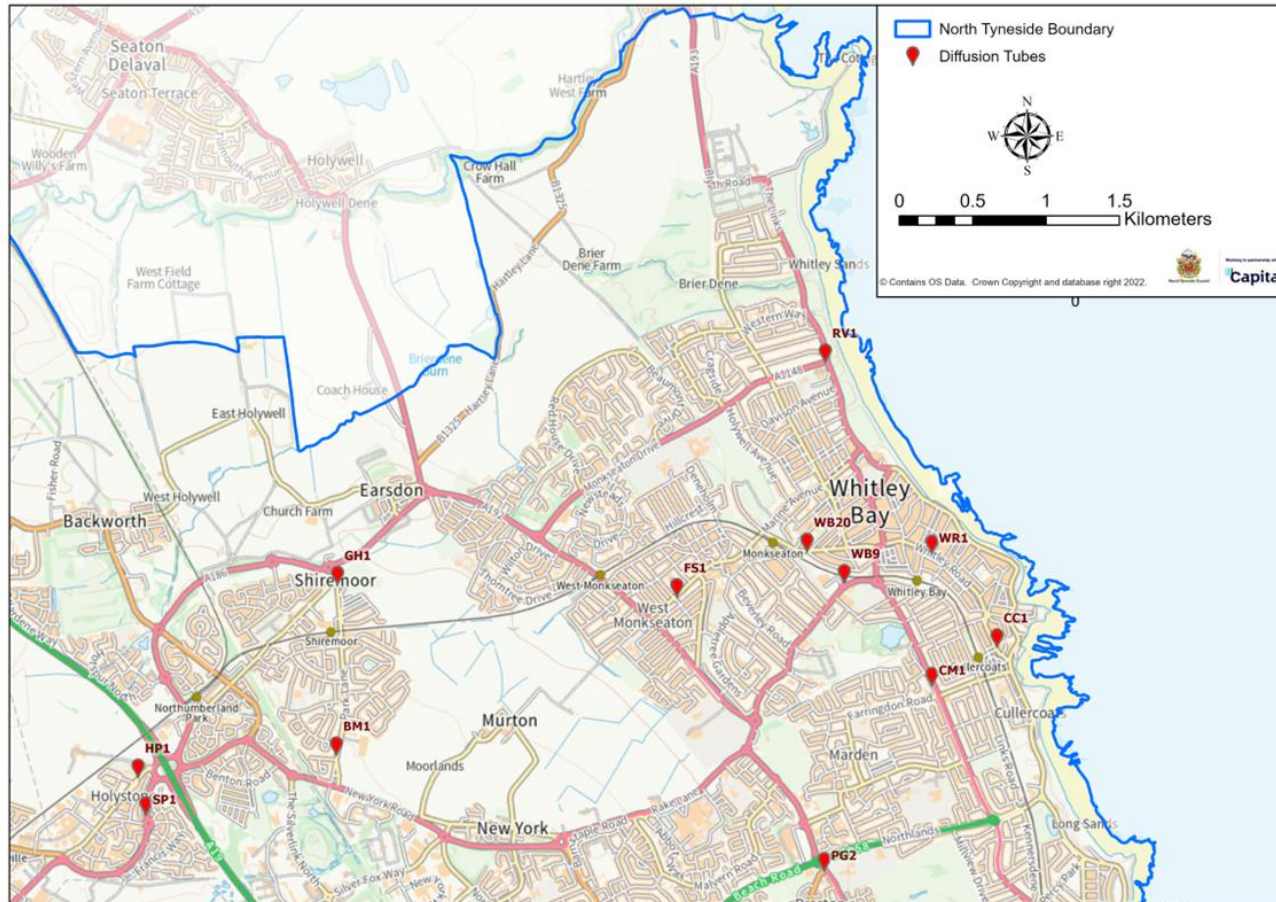
Ref.	Action	Responsible	Timescale
<b>Aim 4: Reviewing and Promoting Reductions in Emissions from Fixed Sources</b>			
4.1	To review Local Authority EPR permits on a eight yearly cycle from the date of their issue.	Environmental Health	
4.2	Implementation of the Carbon Net Zero 2030 Action Plan and monitoring its outputs annually	Sustainability	Annually
4.3	Reporting of greenhouse gas emissions	Sustainability	Ongoing
4.4	Work with the North of Tyne Combined Authority on a Business Decarbonisation Support Programme	Sustainability	2024
<b>Aim 5: Air Quality &amp; Improving Public Health</b>			
5.1	Analyse and publish data on air quality and PM <sub>2.5</sub> levels routinely in Joint Strategic Needs Assessments and Health and Wellbeing Strategies	Environmental Health	Ongoing
5.2	Promote key public health campaigns e.g. National Clean Air Day	Environmental Health/Public Health	Ongoing
5.3	Public Health to allow actions to be measured against health outcomes.	Public Health	Ongoing
5.4	Ensure that messages regarding poor air quality days are distributed to key stakeholders and the public.	Environmental Health	Ongoing
<b>Aim 6: Encouraging Public Participation and Air Quality and Informed Choices on Air Quality and Health Consequences</b>			
6.1	The Air Quality Strategy is to be implemented and promoted to ensure it is fully effective in meeting its objectives.	All- Steering Group	Ongoing
6.2	We will investigate ways to improve awareness of air quality within the North Tyneside Borough	All-Steering Group	Ongoing
6.3	We will investigate ways to engage with local schools to promote air quality.	Environmental Health	December 2024

<b>Ref.</b>	<b>Action</b>	<b>Responsible</b>	<b>Timescale</b>
6.4	We will promote collective working with the Public Health Team to increase awareness of air pollution and promote messages.	Public Health	Ongoing
<b>Aim 7: To review and promote benefits of carbon Net Zero Action Plan on Air Quality.</b>			
7.1	The Carbon Net Zero 2030 Plan will continue to be implemented to tackle energy and carbon reductions at source.	Sustainability	Ongoing
7.2	North Tyneside Council will continue to review and promote energy efficiency measures.	Sustainability	Ongoing
7.3	Promote the integration and connection of large industry within the borough to promote retrofitting and delivery decarbonisation through industrial clustering.	Sustainability	Ongoing
7.4	North Tyneside Council will continue to influence and promote the installation of low carbon solutions within private sector homeowners.	Housing Strategy	Ongoing
7.5	North Tyneside Council will assess options for the development of a borough-wide heat and energy plan	Housing	Ongoing
<b>Aim 8: Improving Collaborative Working</b>			
8.1	North Tyneside Council will collate air quality aims and actions and carry out review on a regular basis via a steering group.	Environmental Health	Ongoing
8.2	All air quality information will be available on the website to promote air quality and encourage public to make informed choices.	Environmental Health	Ongoing
8.3	We will ensure good links with public health to enhance the understanding of the health implications associated with poor air quality and the extent to which air quality threatens the health of North Tyneside's communities.	Public Health	Ongoing



## Appendix B – Air Pollutant Monitoring Sites

### Figure B.1 – Map of Non-Automatic Monitoring Sites (North East)



**Figure B.2 – Map of Non-Automatic Monitoring Site (North West)**

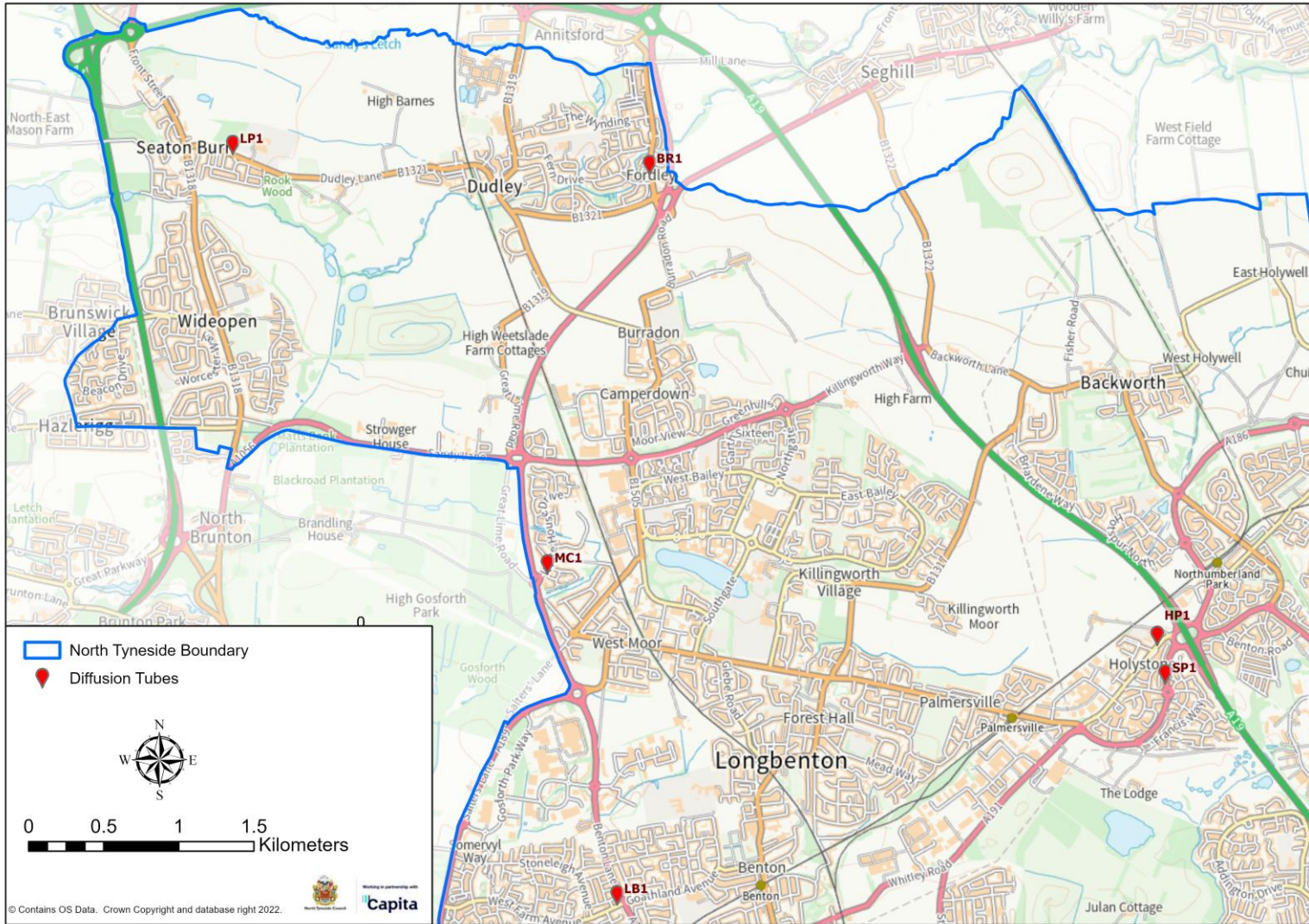




Figure B.3 – Map of Non-Automatic Monitoring Site (South East)

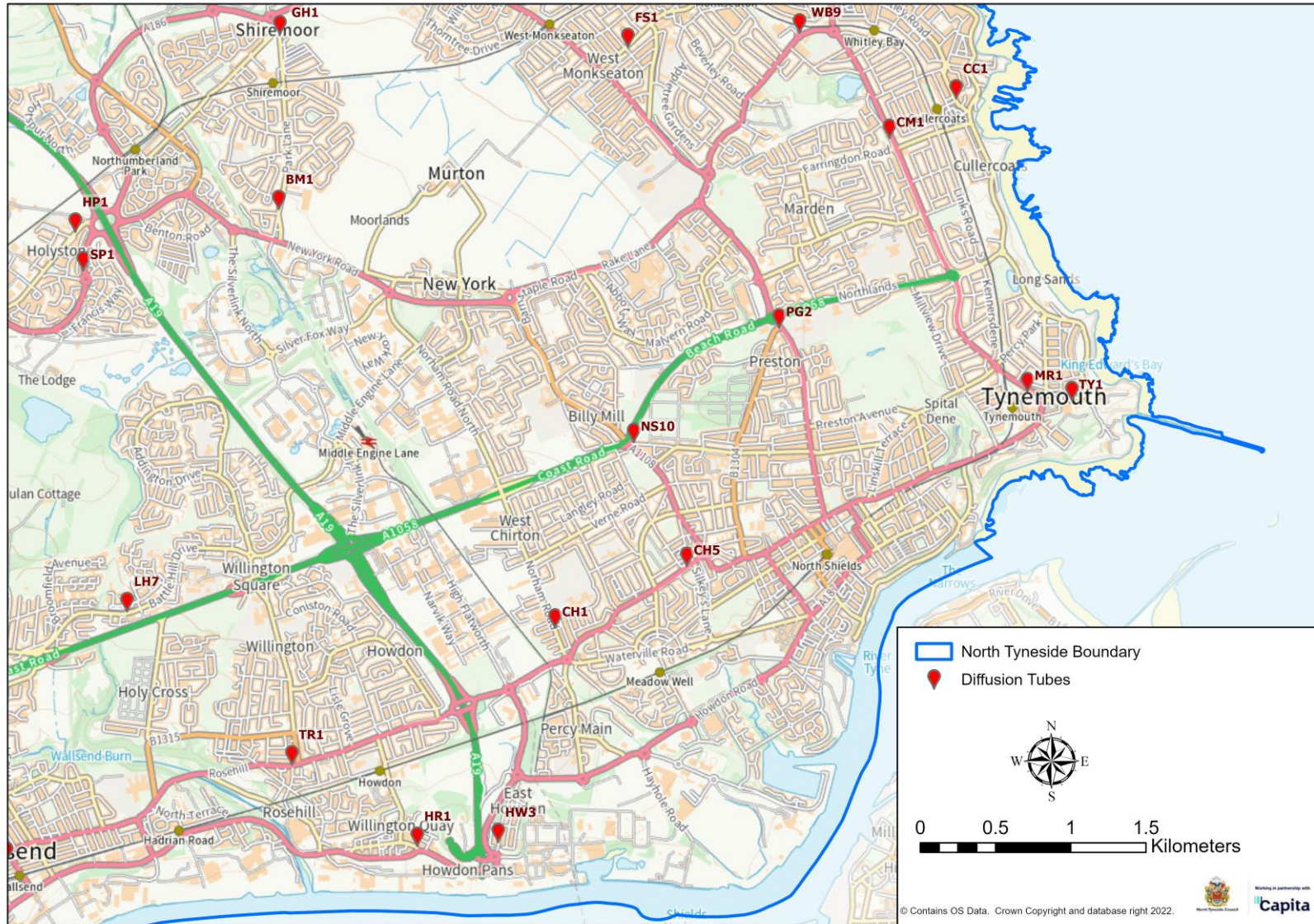
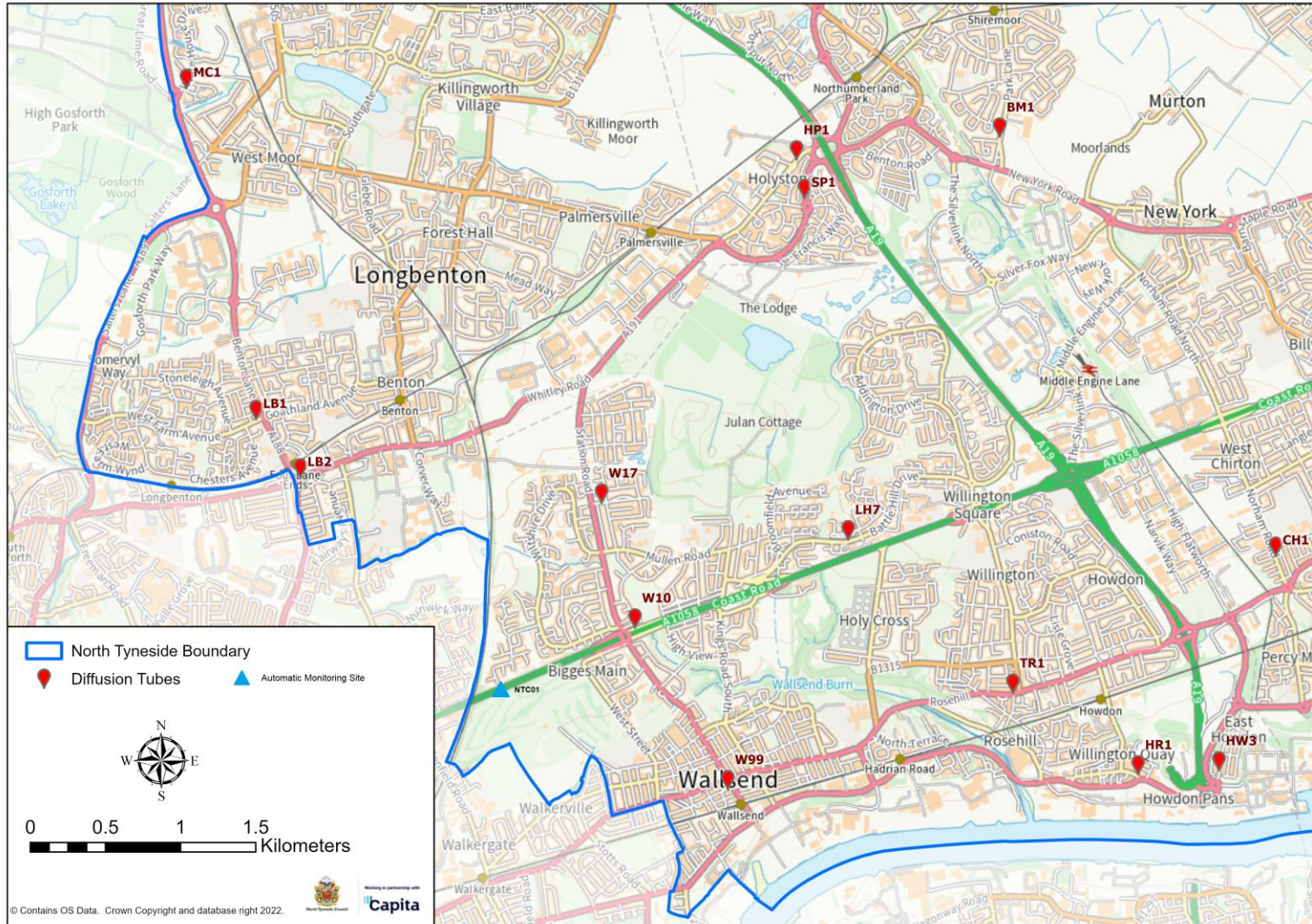




Figure B.4 – Map of Automatic and Non-Automatic Monitoring Site (South West)



## References

1. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/938623/Review\\_of\\_interventions\\_to\\_improve\\_air\\_quality\\_March-2019-2018572.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938623/Review_of_interventions_to_improve_air_quality_March-2019-2018572.pdf)
2. Biomass Policy Statement, The Department for Business, Energy & Industrial Strategy, November 2021
3. Local Air Quality Management Technical Guidance 2022, Department of Environment, Food & Rural Affairs, August 2022

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## North Tyneside Council Report to Cabinet Date: 23 January 2023

**Title: Cabinet Response to Storm Arwen Task & Finish Study Group Report from Overview, Scrutiny and Policy Development Committee**

<b>Portfolio:</b>	<b>Community Safety &amp; Public Protection</b>	<b>Cabinet Member:</b>	<b>Cllr Carole Burdis</b>
<b>Report from Service Area:</b>	<b>Public Health</b>		
<b>Responsible Officer:</b>	<b>Wendy Burke, Director of Public Health</b>		<b>Tel: (0191) 643 2104</b>
<b>Wards affected:</b>	<b>All</b>		

### **PART 1**

#### **1.1 Executive Summary:**

The Authority has a responsibility to respond and recover from emergency events that occur in the borough. The majority of these are minor but significant incidents can, and do, occur that test the arrangements in place and the resources available.

Emergency preparedness is a key priority for the Authority. Plans are in place, key people are trained, and regular exercising takes place, most often on a multi-agency basis locally, regionally and nationally. This has enabled the Authority to respond strongly to what the borough has faced. In addition to the series of storms last winter, significant events in recent times requiring an emergency response have included 'Thunder Thursday' in 2012 and the global coronavirus pandemic in 2020.

Last winter the borough experienced the impact of six named storms over a period of eleven weeks. Storm Arwen was the most significant. A rare 'Red' weather warning was issued and the impact for the borough and the wider Northumbria area was the worst since 1953.

The handling of the emergency response was debated by full Council in January 2022 leading to the Storm Arwen Task & Finish Study Group being established by Overview, Scrutiny and Policy Development Committee ('the Committee') to undertake a review.

The Committee reported its finding to Cabinet in November 2022 and this report provides Cabinet's proposed response to the recommendations made.

## **1.2 Recommendations:**

It is recommended that Cabinet:

- (1) Agrees the proposed responses to the recommendations from the Overview, Scrutiny and Policy Development Committee in relation to its study into Storm Arwen, as set out in the Appendix to this report; and
- (2) Delegates authority to the Director of Public Health to deliver the proposed actions set out in the Appendix through the Emergency Planning Leadership Group, as set out in paragraph 1.5.6 of this report.

## **1.3 Forward Plan:**

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 9 December 2022.

## **1.4 Council Plan and Policy Framework**

This report relates to all themes within the 2021-2025 Our North Tyneside Plan.

## **1.5 Information:**

### **1.5.1 Background**

Last winter the Met Office named seven storms over a period of eleven weeks. Six of those affected the borough. Starting with Storm Arwen, which impacted on 26 November 2021, this was followed by Storms Barra, Malik, Corrie, Dudley and ended with Storm Franklin which impacted on 20 February 2022.

The forecast impacts of Storm Arwen led the Met Office to issue a rare 'Red' weather warning relating to the likely impact of strong winds. That prediction turned out to be highly accurate and the storm was one of the most damaging ever recorded, evidenced by the data, including:

- Wind gusts of 85 Knots (97.8mph) plus with the highest wind gust recorded in the Northumbria area, 89 Knots (102mph) at Lynemouth, since January 1984 which is exceptional for the north-east of England
- In terms of impact, the last storm of comparable magnitude and similarity occurred nearly 70 years ago, in January 1953.

At its meeting on 20 January 2022 full Council debated a Motion in relation to the handling of Storm Arwen by the Authority. As a result, at the request of the Elected Mayor, the Overview, Scrutiny and Policy Development Committee established a Storm Arwen Task & Finish Study Group ("the Group") to undertake a review.



### 1.5.2 National Context

Local authorities have a statutory duty under the Civil Contingencies Act 2004 ('the Act') to respond to emergency events relating to human welfare, the environment or threats to security. The Act specifies that local authorities are 'Category 1' responders. This places them on the same footing as the emergency services and the NHS and all work in partnership to prepare for events and have the capability to respond.

To plan and prepare for localised incidents and emergencies, a network of Local Resilience Forums (LRFs) has been established across the United Kingdom. LRFs are multi-agency partnerships made up of representatives from local public services, including the emergency services, local authorities, the NHS, the Environment Agency and others. LRFs also link with government to enable national co-ordination.

### 1.5.3 Local Context

The Authority has well practised plans in place to meet its statutory responsibilities under the Act, where it is required to:

- Assess the risk of emergencies occurring and use this to inform contingency planning,
- Have in place emergency plans,
- Have in place Business Continuity Management arrangements,
- Have in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency,
- Share information with other local responders to enhance co-ordination,
- Co-operate with other local responders to enhance co-ordination and efficiency, and
- Provide advice and assistance to businesses and voluntary organisations about business continuity management.

This work is shaped by the Authority's work regionally in collaboration with partners forming the Northumbria LRF, which mirrors the Northumbria Police footprint. The work also reflects the local identified needs of the borough and its communities.

The Authority has worked with the Northumbria LRF which has produced the Northumbria Community Risk Register 2021-2023. This identifies and gives priority to likely event scenarios, including responding to adverse weather.

### 1.5.4 Responding to events

The Authority has considerable experience in responding to emergency events. Although the majority of these are minor, there have been several significant incidents that have tested the arrangements in place.

As a direct result of the priority given to emergency preparedness, including regular training and exercising, the Authority has been able to respond strongly to what the

borough has faced. In addition to the recent series of winter storms, examples of significant events include:

- In June 2012 the borough experienced 'Thunder Thursday', a pluvial flooding incident,
- In March 2020 it began to experience the global coronavirus pandemic and the start of government restrictions, and
- Although not an emergency, in September 2022 it responded to the death of Her Majesty Queen Elizabeth II by implementing the local element of the national response plan, known as 'Operation London Bridge'.

#### 1.5.5 Scrutiny of the emergency response to Storm Arwen

The Committee presented the findings of the Group in its report to Cabinet on 28 November 2022.

It is noted that the Group:

- Recognised the comprehensive information on the Authority's emergency planning obligations in relation to weather events that exists,
- Recognised the extent of the storms and how the Authority prepared, communicated, co-ordinated response activity for each storm, which included identified good practice and what lessons had been learned,
- Understood the primary priority in any emergency event should, and will always be, to ensure the safety of life,
- Established there was a clear understanding that the Authority would carry out its statutory duty to carry out all recovery works.

In addition, the Group concluded that:

- The Authority was able to rapidly mobilise staff with the necessary specialist technical skillset to support the range of requirements needed to keep residents and property safe,
- This activation and effective mobilisation reduced possible further impacts to residents and business within the borough, and
- By its very nature, resilience and emergency planning practice constantly evolves through experience.

The Storm Arwen Task & Finish Group identified four recommendations. These are outlined in the Appendix to this report along with officer commentary and responses for Cabinet to consider.

### 1.5.6 Next steps

Every service area within the Authority has their own business continuity plan and, where appropriate, emergency response plan(s) in preparedness for providing a resilient response to disruption events.

The Director of Public Health has corporate responsibility for the coordination of this and the Authority's overall approach to emergency planning and resilience. An Emergency Planning Leadership Group (EPLG) has been established to provide appropriate governance arrangements and assurance that the statutory responsibilities contained within the Act are being met and supports the themes of the Our North Tyneside Plan.

It is proposed that Cabinet delegate authority to the Director of Public Health to address the recommendations made by the Storm Arwen Task & Finish Study Group via the EPLG.

### 1.6 **Decision options:**

The following decision options are available for consideration by Cabinet.

#### Option 1

Cabinet accepts the recommendation set out in paragraph 1.2 above

#### Option 2

Cabinet does not accept the recommendation set out in paragraph 1.2 above

Option 1 is the recommended option.

### 1.7 **Reasons for recommended option:**

Option 1 is recommended to support the recommendations made by the Storm Arwen Task & Finish Study Group established by the Overview, Scrutiny and Policy Development Committee. This will provide confidence that the Authority continues, in a healthy way, to learn from emergency events and to ensure it complies with its statutory duties under the Civil Contingencies Act 2004.

### 1.8 **Appendices:**

Appendix: Cabinet Response to Storm Arwen Task & Finish Study Group Report from Overview, Scrutiny and Policy Development Committee

### 1.9 **Contact officers:**

Colin MacDonald, Head of Technical & Regulatory Services, tel. (0191) 643 6620  
John Barton, Principal Lawyer, tel. (0191) 643 5354  
David Dunford, Senior Business Partner, tel. (0191) 643 7027

## **1.10 Background information:**

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

- (1) [Civil Contingencies Act 2004](#)
- (2) [Northumbria Community Risk Register 2021-2023](#)
- (3) [Storm Arwen Task & Finish Group report to Cabinet, 28 November 2022](#)
- (4) [Storm Arwen Task & Finish Group report to Council, 21 July 2022](#)
- (5) [Motion to Council relating to Storm Arwen, 20 January 2022](#)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

It is expected that all actions contained within this report can be delivered within existing budgets. Any elements that cannot be contained within existing budgets or have further financial implications will be brought to Cabinet or Council, whatever is appropriate, for a decision prior to any expenditure being incurred or committed.

### **2.2 Legal**

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.

The report recommends the actions Cabinet should take which addresses the statutory requirement.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

The Director of Public Health, who has overall responsibility for emergency planning and resilience matters has considered the findings of the Storm Arwen Task & Finish Study Group and has consulted with the Emergency Planning Leadership Group and the responsible portfolio holder, the Cabinet Member for Community Safety and Public Protection.

#### **2.3.2 External Consultation/Engagement**

No external consultation/engagement has taken place. The responses to the recommendations will be shaped in consultation with the Northumbria Local Resilience Forum and, where appropriate, with elected members, residents and businesses.

## 2.4 Human rights

There are no issues relating to human rights directly arising from this report.

## 2.5 Equalities and diversity

There are no equality and diversity issues arising directly from this report. Equality Impact Assessments will be produced or updated, whatever is appropriate, as the responses to the recommendations contained in this report are shaped and implemented.

## 2.6 Risk management

There are no risk management implications directly arising from this report. Risks associated with emergency response, preparedness and business continuity are included and are monitored within the established corporate risk management arrangements.

## 2.7 Crime and disorder

There are no crime and disorder issues directly arising from this report. Prevention of crime and disorder forms part of emergency response considerations, and to meet with the statutory duty to warn, inform and advise the public in the event of an emergency.

## 2.8 Environment and sustainability

There are no environment and sustainability issues directly arising from this report. The effect of climate change impacts on the magnitude of emergency events involving adverse weather is understood. The Authority's climate emergency board has established a workstream to assess how the borough adapts its infrastructure and its services to ensure future resilience. The board is engaging with the Emergency Planning Leadership Group in that work.

## PART 3 - SIGN OFF

- Chief Executive
- Director of Service
- Mayor/Cabinet Member
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive

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**Cabinet Response to Overview and Scrutiny Recommendations  
Completed Action Plan**

**Storm Arwen Task & Finish Study Group Response**

In accordance with Section 9FE of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview and Scrutiny Committee within 2 months. In providing this response Cabinet are 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.

<b>Overview and Scrutiny Recommendation</b>	<b>Officer Commentary</b>	<b>Cabinet Decision (Accept or reject)</b>	<b>Action to be taken (if any) and timescale for completion</b>
<p><b>Recommendation 1</b> <u>Reporting incidents online/telephone etc -</u> To have consideration to undertake to establish a streamlined mechanism to receive and collate information.</p>	<p>Improvements were introduced to more effectively handle subsequent storms during last winter, informed by lessons learned from Storm Arwen.</p> <p>A Customer First Office has been established which provides a new mechanism to receive and collate information. Developing the use of that during an emergency response is being explored.</p>	<p align="center">Accept</p>	<p>The Emergency Planning Leadership Group (EPLG) to review the overall effectiveness of the authority's approach with a view to building-in additional resilience.</p> <p>The timescale for completion of this review is by May 2023.</p>

<b>Overview and Scrutiny Recommendation</b>	<b>Officer Commentary</b>	<b>Cabinet Decision (Accept or reject)</b>	<b>Action to be taken (if any) and timescale for completion</b>
<p><b>Recommendation 2A</b> <u>Communication</u> - That consideration be given to review and promote comprehensively the best ways the Authority can receive the reporting of incident/issues, with the generation of a reference number where possible that would provide the customer reassurance that their concern has been logged and is traceable.</p>	<p>This issue is inextricably linked to Recommendation 1 (above) and will be most effectively addressed as part of the proposed action to be taken in response to that.</p> <p>In addition, work is underway to develop a Customer Relationship Management (CRM) system. It will generate a unique reference number with enhanced functionality compared to existing incident reporting mechanisms.</p>	Accept	<p>The EPLG to review the overall effectiveness of the Authority's approach with a view to building-in additional resilience.</p> <p>The timescale for completion of this review is by May 2023.</p>
<p><b>Recommendation 2B</b> <u>Communication</u> - Consideration should be given to explore alternative methods to communicate with elected members, with the proposal to look at using one secure channel to disseminate information to Members.</p>	<p>A new communications strategy has been approved by EPLG</p> <p>An improvement programme is underway which seeks to make wider use of secure channel that are available.</p>	Accept	<p>The EPLG to oversee and monitor progress with implementation of the improvement programme.</p> <p>The timescale for completion of this is by May 2023.</p>



Overview and Scrutiny Recommendation	Officer Commentary	Cabinet Decision (Accept or reject)	Action to be taken (if any) and timescale for completion
<p><b>Recommendation 3</b>  <u>Future Planning</u> -            That consideration be given to explore the development of future policies or enhancing existing policies to deal with the projected increase in events of this nature.</p>	<p>In keeping with good practice, the Authority's emergency plans are refreshed on a periodic basis with the primary aim being to keep them up-to-date and fit for purpose. The Climate Emergency Board has established a workstream to assess how the borough adapts its infrastructure and services to adapt and ensure future resilience.</p>	<p>Accept</p>	<p>The EPLG to ensure the impacts of climate change are embedded in refreshed or in the development of new plans.</p> <p>The Climate Emergency Board to work with the EPLG</p> <p>Both actions will be ongoing as part of the authority's continuous improvement and response to events.</p>

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## North Tyneside Council Report to Cabinet Date: 23 January 2023

### Title: Highway Asset Management Plan Annual Information Report 2022/23

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<b>Portfolios:</b> Environment	<b>Cabinet Member:</b> Councillor Sandra Graham
<b>Report from Service Areas:</b> Regeneration and Economic Development	
<b>Responsible Officer:</b> John Sparkes, Director of Regeneration and Economic Development	Tel: (0191) 643 6091
<b>Wards affected:</b> All	

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#### **PART 1**

##### **1.1 Executive Summary:**

The purpose of this report is to introduce the Highway Asset Management Plan (HAMP) Annual Information Report for 2022. This fulfils the commitment to provide Cabinet with an annual information report outlining the highway and infrastructure work undertaken over the last 12 months. It includes future planned work activities as well as other items of relevant interest. The annual information report attached to this report is the sixth annual report presented since adoption of the HAMP.

##### **1.2 Recommendation:**

It is recommended that Cabinet note the content of the HAMP Annual Information Report 2022, attached as Appendix 1.

##### **1.3 Forward Plan:**

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 19<sup>th</sup> August 2022.

##### **1.4 Council Plan and Policy Framework**

The proposals in this report relate to a number of themes in Our North Tyneside, the Council Plan 2021 to 2025, in particular:

- A secure North Tyneside
  - We will continue to invest £2m per year on fixing our roads and pavements
- A green North Tyneside
  - We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast
- A thriving North Tyneside
  - We will review how the council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability

## 1.5 Information:

### Background

- 1.5.1 In September 2017, Cabinet adopted an updated Highway Asset Management Plan 2017 - 2032 (HAMP). This sets out the Authority's approach to maintaining the highways for which the Authority is responsible over a 15-year period and responds to the Elected Mayor and Cabinet's policy direction which included providing a greater emphasis on footways to help support walking and other means of active travel. It also responds to feedback from residents which has consistently told the Authority that the maintenance of roads and footpaths is a top priority. This is reflected in the Our North Tyneside Plan including a commitment to invest additional capital funding in repairing roads and pavements. A well-maintained highway network is vital for supporting the local economy and general wellbeing of the Borough.
- 1.5.2 The HAMP includes a commitment to provide Cabinet with an annual information report outlining progress and key issues associated with the maintenance of the Authority's public highway network which includes 900km of roads and over 2000km of footpaths together with more than 200 bridges, subways and other structures. The report has a particular emphasis around the condition of the network and the resources required to maintain it effectively.
- 1.5.3 Much has been achieved over the lifetime of the HAMP and around £90m has been invested in maintenance and improvement works. Investment in specialist ICT highway asset management systems has enabled the gathering of very accurate inventory and condition data which allows resources to be targeted in the most effective way. Other innovation includes systems to identify the best treatment options to maximise the life of the asset and get best value for money. The Authority has consistently achieved the highest banding in the Department for Transport (DfT) Highway Maintenance Incentive Fund which rewards highway authorities who can demonstrate excellent highway asset management practice. The following has been achieved over the lifetime of the HAMP:
- 160 km of road renewed and 90km of footways improved
  - 50 bridges repaired
  - 280 footway improvement schemes completed
  - 12 major highway projects delivered (e.g. A1058 Coast Road improvements)

1.5.5 Currently the highway maintenance capital improvements which are delivered through the HAMP are financed through the following funding streams.

- Government annual grants (Local Transport Plan Maintenance Block allocation). The 2022/23 allocation was £1.253m. This is used for planned maintenance such as road resurfacing and bridge refurbishments
- Government Highway Maintenance Incentive Fund. The 2022/23 allocation was £313k. This is allocated to Authorities that are able to demonstrate best practice in highway asset management. The funding is used to top up the maintenance block funding and associated work programmes
- Government Pothole Fund. The 2022/23 allocation was £1.253m. This is further funding allocated to local authorities for works to repair potholes or undertake works to prevent them forming in the first place
- Authority investment in additional highway maintenance. For a number of years now, £2m has been invested by the Authority to improve highways. The funding is spent on additional road resurfacing and footpath renewal work that could not otherwise be achieved through regular Government funding. The Authority's Investment Plan currently includes a commitment to continue with this additional investment.
- External grants. This is funding for specific projects acquired through bids to various external funders. The Authority has been highly successful in securing numerous capital grants for major highway improvement schemes totalling around £37million over the last 10 years. Grants have varied in value from £500k to £7m

1.5.6 Since the introduction of the HAMP, the Authority has been able to maintain the highway network to a good standard, mainly due to its commitment to provide additional investment. However, this has not been without its challenges, most notable of which is in adequate funding from Central Government coupled with increased costs of materials arising from inflation and other world events. Improvement of the network would not have been possible had the Authority been solely reliant on Government funding.

1.5.7 The requirement to operate within government funding restraints and the increased costs of highway maintenance due to recent world events are significant challenges. However, in response to these challenges, the HAMP provides a structured programme of targeted investment into the highway network with the objective of ensuring it is maintained in a serviceable condition to meet the needs of the travelling public and businesses.

1.5.8 The Authority has also seen a change in how it manages and invests in the highway network. In line with the Authority's commitment to increase active travel, the Authority has introduced schemes that have reallocated road space to cycling. This includes improvements to Rake Lane Roundabout together with the introduction of cycle lanes on Middle Engine Lane. These, together with other planned works will see a greater use of the highway by a broader mix of users.

1.5.9 The Authority has also secured around £5.5m funding for schemes through Active Travel England and Transport North East which has enabled delivery on the ground. This has ensured that active travel and the reallocation of highway space to

accommodate sustainable travel modes has been embedded in the Authority's regeneration plans for North Shields.

- 1.5.10 However, this opportunity to increase active travel and investment in the Authority's highway infrastructure will also bring increased maintenance liabilities that will need to be factored into the Authority's future financial planning. Based on current funding trends, there is a concern that it will be difficult to sustain the condition of the network in future years. In addition to limited Government funding for core maintenance works, the issue has been exacerbated by the sudden increase in construction costs due to the inflation crisis and the war in Ukraine. The cost of surfacing materials are now 22% higher than they were 12 months ago. This translates to around 10 less roads being resurfaced in 2022/23 compared to previous recent years. As such, as the Authority looks ahead, it will need to align its core maintenance funding with external investment and targeted interventions where they will have the maximum impact.
- 1.5.11 Over the last 12 months, a number of positive changes to the highway maintenance service have been made such as improvements to operational processes and initiatives that will assist the Authority in achieving its policy objectives around carbon reduction.
- 1.5.12 Cabinet is therefore invited to consider and note the contents of the HAMP Annual Information Report 2022, attached as Appendix 1. The report will be used to inform investment choices and address the current challenges of maintaining the highway network. The report is aimed at supporting those investment choices so that any decisions about changes in highway maintenance priorities and resources can be made in an informed manner having regard to the Authority's policy objectives.
- 1.5.13 Following the Cabinet meeting, all ward councillors will be invited to view the HAMP Annual Information Report via the members intranet. The report will also be published on the Authority's website so it can be viewed by the public.

#### Key Highlights of the HAMP Annual Information Report 2022

- 1.5.14 The following key highlights can be drawn from the annual report:
- The highway network is the most extensive and valuable asset in the Authority's ownership
  - The highway network is a strategically important asset and a well-maintained network is vital to support the local economy. Every day, thousands of residents are reliant on the highway network to travel to work and school. Visitors to the borough also use the network to access the Authority's various tourist attractions which further stimulates the local economy
  - The current total value of highway assets is **£1,840,000,000 (£1.84 billion)**
  - The successful implementation of the HAMP and the adoption of asset management principles by the Authority is demonstrating that, over the years, the condition of the road network is improving. However, the Authority is now at a point where if improvement is to continue on the current trajectory, further investment will be required.

- Due to continued additional Authority investment over the years, the highway network is currently in a serviceable state. However, the constraints around Government funding coupled with concerns around inflation and other recent world events will continue to have a serious impact on the cost of highway maintenance.
- The report suggests that consideration should be given to reviewing investment and maintenance priorities in light of the emerging funding and inflation issues. The report advises that highway officers will commence discussions with the Elected Mayor, the Cabinet Member for the Environment and the Senior Leadership Team around what options might be available for the future management of the network in the most effective way.
- With regard to reactive maintenance and core services, the Technical Services Partnership continues to largely achieve its Key Performance Indicator targets and through its Annual Service Plan is identifying innovative ways of working and service improvements which is evident in the report.
- Continued customer engagement is providing better intelligence concerning resident satisfaction and new initiatives are being developed to better understand customer priorities. Feedback received from customers on their investment priorities will be used to inform forward programmes of improvement work.
- The Authority has successfully delivered all programmed highway asset improvement schemes to date.

#### **1.6 Decision options:**

As this report is for Cabinet's information there are no decisions options.

#### **1.7 Reasons for recommended option:**

No alternative options have been outlined as no further direct decisions by Cabinet are sought in relation to the HAMP Annual Information Report 2022.

#### **1.8 Appendices:**

Appendix 1: Highway Asset Management Plan 2017 to 2032 Annual Information Report, January 2023

#### **1.9 Contact officers:**

Mark Newlands, Highways & Infrastructure Manager, 0191 643 6129  
 Nick Preston, Capita Operations Manager, 07594 522 116  
 Amar Hassan, Principal Accountant, 0191 643 5747

## **1.10 Background information:**

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

[North Tyneside Highway Asset Management Plan 2017 - 2032](#)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

There are no immediate financial and resource implications directly arising from this report. However, there are a number of issues contained in the HAMP Annual Information Report which do themselves have long term financial implications for the Authority. Maintaining the highway in a good condition continues to be challenging at current levels of government funding and consideration now needs to be given to future funding and priorities in order to maintain the network to a high standard. Therefore, investment and prioritisation options will need to be reviewed and considered as part of the medium-term financial planning process.

### **2.2 Legal**

Under section 41 of the Highways Act 1980 the Authority as a Highway Authority has a statutory duty to maintain highway maintainable at public expense, namely, roads, footways and cycle tracks.

### **2.3 Consultation/community engagement**

The Annual Information Report (at Section 10) describes the approach to customer engagement.

### **2.4 Human rights**

There are no human rights implications directly arising from this report.

### **2.5 Equalities and diversity**

There are no equality and diversity issues directly arising from this report.

### **2.6 Risk management**

The risks associated with matters in this report are managed in accordance with the risk protocols set out in the Highway Asset Management Plan 2017 to 2032.

### **2.7 Crime and disorder**

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

### **2.8 Environment and sustainability**



There are no environment and sustainability implications directly arising from this report. However, the information report informs Cabinet of the condition of the built environment with regards to the Authority's highway infrastructure. Wherever possible, the Highways Service seeks to utilise sustainable methods of construction in order to support the Authority's Carbon Net-Zero 2030 Action Plan. This includes the use of recycled materials, low temperature asphalt products and so on. The report also reflects on the improvement to infrastructure that supports active travel and works that support the borough's adaptation to climate change, including drainage works, which improve flood resilience.

**PART 3 - SIGN OFF**

- Chief Executive  X
- Director of Service  X
- Mayor/Cabinet Member  X
- Chief Finance Officer  X
- Monitoring Officer  X
- Assistant Chief Executive  X

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# Highway Asset Management Plan (HAMP) 2017 to 2032 Annual Information Report January 2023

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## 1. INTRODUCTION

In September 2017, Cabinet adopted an updated Highway Asset Management Plan 2017 - 2032 (HAMP). This sets out the Authority's approach to maintaining the highways for which the Authority is responsible over a 15 year period and responds to the Elected Mayor and Cabinet's policy direction which included providing a greater emphasis on footways to help support walking and other means of active travel. It also responds to feedback from residents which has consistently told the Authority that the maintenance of roads and footpaths is a top priority. This is reflected in the Our North Tyneside Plan including a commitment to invest additional capital funding in repairing roads and pavements. A well-maintained highway network is vital for supporting the local economy and general wellbeing of the Borough.

Much has been achieved over the lifetime of the HAMP and around £90m has been invested in maintenance and improvement works. Investment in specialist ICT highway asset management systems has enabled the gathering of very accurate inventory and condition data which allows resources to be targeted in the most effective way. Other innovation includes systems to identify the best treatment options to maximise the life of the asset and get best value for money. The Authority has consistently achieved the highest banding in the Department for Transport (DfT) Highway Maintenance Incentive Fund which rewards highway authorities who can demonstrate excellent highway asset management practice. The following has been achieved over the lifetime of the HAMP:

- 160 km of road renewed and 90km of footways improved
- 50 bridges repaired
- 280 footway improvement schemes completed
- 12 major highway projects delivered (e.g. A1058 Coast Road improvements)

This latest HAMP Annual Information report shows that within the last 12 months:

- The highway network is in a serviceable condition, but recent surveys have shown that future maintenance will be challenging.. This is due to a combination of factors which will be explained in the report
- The maintenance challenge has been exacerbated over the last 12 months by the sudden increase in construction costs due to the inflation crisis and the war in Ukraine. The cost of surfacing materials are now 22% higher than they were 12 months ago. This translates to around 10 less roads being resurfaced in 2022/23 compared to previous recent years. As such, as the Authority looks ahead, it will need to align its core maintenance funding with external investment and targeted interventions where they will have the maximum impact
- Performance in relation to day to day maintenance is generally good with regard to KPIs being met
- Highway asset work programmes have been completed successfully
- The Authority again achieved Band 3 in the latest Department for Transport (DfT) Self-Assessment to ensure that it received its full budget allocation under the DfT Highway Maintenance Incentive Fund

- A number of service improvements have been completed including the production of policies and procedures to satisfy the needs of the Incentive Fund and the Highways Infrastructure Code of Practice
- Over the last 12 months the Authority has completed extensive footway improvements in line with the Mayor's priorities. In addition to the Authority's regular footway improvement programme, £150K of housing footway improvements were undertaken in the last 12 months and a further £150k will be delivered by the end of this financial year
- The North Tyneside and Capita Technical Partnership has been supporting the Authority's carbon reduction efforts. New initiatives have included trials of warm-mix asphalt for road resurfacing which will result in considerable carbon savings
- A full inventory collection of road markings has been undertaken along with a condition assessment and the development of a renewal plan for delivery in 2022/23 and beyond
- An improved road marking testing regime has been introduced
- A number of improved procedures have been developed including a policy for better dealing with vegetation overhanging the public highway

## **2. THE IMPORTANCE OF HIGHWAY INFRASTRUCTURE**

The national highway network comprises the strategic network of motorways and trunk roads and both major and minor local roads. It totals some 235,000 miles and includes assets such as carriageways, footways, cycle-tracks, structures, highway lighting, street furniture, traffic management systems and similar highway infrastructure.

Almost every resident, worker and visitor within North Tyneside uses the highway network in some way on a daily basis, whether as a pedestrian; as a cyclist or motorcyclist, as a car, bus or commercial vehicle driver or passenger, or in other diverse ways such as mobility scooter users etc. The network is used by a range of people including, young and old, disabled persons and by groups such as cyclists and equestrian users. The highway network therefore needs to perform in different ways for different users and social groups each with their own needs and priorities.

A particular driver for the development of the HAMP is the Infrastructure Code of Practice and the Department for Transport (DfT) Incentive Fund which promotes the use of best asset management practices and the effective management of risk.

The local highway network is the responsibility of the Authority, which acts as the Highway Authority. It is the largest, most valuable and most visible infrastructure asset for which the Authority is responsible. Well maintained and accessible highway infrastructure is vital and fundamental to the economic, social and environmental wellbeing of the communities of North Tyneside. The aim to maintain a good highway network is important to delivering the 'Our North Tyneside' Council Plan and the Mayor and Cabinet's commitment to building a better North Tyneside.

The Authority’s highway network is 899.15km in length and comprises of:

- Principal Roads – 105.18km
- Classified B Roads – 37.75km
- Classified C Roads – 34.29km
- Unclassified Roads – 684.73km
- Back Lanes – 37.2km

Within the highway network the Authority is also responsible for the following major asset groups:

Drainage – 32,678 gullies

All highway and infrastructure services are currently delivered by Capita under the North Tyneside Technical Services Partnership.

The Authority is also responsible for a range of bridges and structures as shown below:

Bridges and other Structures	2021	2022
Road Bridges	46	46
Retaining Walls	73	73
Footbridges (inc PROW)	46	46
Bridleway Underbridge	1	1
Bridleway Overbridge	1	1
Culvert	41	41
Subway	25	25
Tunnel	1	1
Underpass	1	1
<b>Total</b>	<b>235</b>	<b>235</b>

Within the highway network there is also street lighting. However the Authority does not manage this as part of the HAMP and the lighting assets are managed separately through a Private Finance Initiative (PFI) contract. As such, street lighting information is not included in this report.

### 3. CURRENT MAINTENANCE PRIORITIES

#### 3.1. HIGHWAY MAINTENANCE

With regard to roads, around 10 years ago at the start of the first HAMP, the maintenance of the strategic road network (main classified roads) was given a high priority. These are the roads that carry the vast majority of local and through traffic. The prioritisation was based on the condition of the network at the time and feedback



received from residents via customer engagement. As a result, the condition of the main roads has improved allowing more resources to be targeted towards estate roads. More recently there has also been additional investment in footways after further customer feedback was received and the issue became a Mayoral priority. Whilst the strategic highway network remains important, ongoing additional Authority funding has gradually allowed more resources to be allocated to dealing with the condition of residential roads. This year, investment in the classified road network has been significantly less than in estate roads as a proportion of the total resurfacing budget with only 19% of the budget being spent compared to 81% on estate roads. The maintenance of residential roads will however become more challenging under current funding conditions. We will therefore continue to work with Central Government and funding bodies to attract and secure investment into the network.

In line with current Mayoral priorities, the Authority has also continued to focus on improving the condition of its footways and during the 2022/23 year it will have spent around £1.08 million on footways. A programme of improvement works has been implemented focusing on, key urban routes and residential areas where older flagged constructed footways, which are susceptible to damage, are replaced with lower maintenance bituminous construction.

### **3.2. BRIDGES AND INFRASTRUCTURE**

This area of work is undertaken mainly using Local Transport Plan (LTP) funding. Maintenance priorities for major work for the next 6 years are set out in a forward plan which is supported by a range of framework documents including Highway Structures – Risk-based Principal Inspections. At present the work can be accommodated provided future LTP allocations remain relatively constant. However, a number of structures have been identified which will require attention within the next 6 years. We will continue to monitor these and will work with partners to identify additional funding if this is available.

Day to day reactive repairs are undertaken using a revenue budget which is managed by Capita. The current programme is focussed and prioritised on locations and schemes which have been identified as requiring general maintenance work or have been identified as requiring work in the next 12 – 18 months following statutory general and principal condition inspections of the Authority's bridges and other infrastructure assets. These inspections are critical in ensuring that the Authority's bridge stock remains in a safe and usable condition.

## **4. SUMMARY OF WORK UNDERTAKEN DURING THE LAST 12 MONTHS**

During the last quarter of the previous 2021/22 financial year, the highway maintenance schemes for the current 2022/23 financial year were finalised in accordance with the Authority's works prioritisation procedures. The following is a summary of the work that has been done to date and what will be achieved by the end of the current financial year.



#### 4.1. CARRIAGEWAY IMPROVEMENT WORKS

In order to achieve better value for money the Authority has continued to use alternative maintenance products. These treatments are in the following treatment groups:

- Structural Maintenance – where renewal of the road is required because the underlying layers have failed and require replacement.
- Preventative Maintenance – where the surface of the road has started to show signs of age and requires this maintenance technique to prolong its life, return a safe running surface and prevent water ingress which is a major cause of deterioration.

By the end of this financial year the Authority will have completed the following works:

#### Road and Footpath Work Undertaken in North Tyneside in 2020/21 (and comparison with previous years)

<b>Treatment Group</b>	<b>Area Covered in 19/20</b>	<b>Area Covered in 20/21</b>	<b>Area Covered in 21/22</b>	<b>Area Covered in 22/23</b>
<b>Preventative Maintenance</b>	46,425m <sup>2</sup> (4.39 miles)	41,831m <sup>2</sup> (3.96 miles)	42,665m <sup>2</sup> (3.91 miles)	42,647m <sup>2</sup> (3.93 miles)
<b>Structural Maintenance</b>	94,320m <sup>2</sup> (7.94 miles)	62,154m <sup>2</sup> (5.25 miles)	68,141m <sup>2</sup> 6.24 miles	70,357m <sup>2</sup> 5.68 miles
<b>Patching Sites</b>	52 no.	47 no.	72 no.	67 no.
<b>Footway Improvement Schemes</b>	38 No.	50 No.	11 No.	13 no.

By the end of the financial year all structural, preventative and footway maintenance schemes will have been completed in accordance with the approved programme. The list of road resurfacing schemes for the 2022/23 year can be viewed at the following link:

<https://my.northtyneside.gov.uk/category/749/road-resurfacing>

#### 4.2. DRAINAGE WORKS

The Authority has two gully wagons, one 18 tonne and the other 26 tonnes, which operate across the borough carrying out gully maintenance and dealing with reported flooding problems on the highway. The Authority operates its gully services with the support of an ICT system called Gully Smart. This provides real time data on the level of silt in gullies and allows them to be cleaned on a 'need' basis.

All gullies on high-speed roads such as the A1058 Coast Road are routinely cleaned twice per year.

Each year a boroughwide programme of capital drainage improvements is developed based on information gathered during cleansing operations. This work typically involves CCTV surveys, localised drainage pipe repairs, jetting of drainage runs, replacing defective gully pots etc. During the current 2022/23 year, around £175k of this type of work will have been completed.

### 4.3. BRIDGES AND INFRASTRUCTURE

Below is a summary of the bridge/highway structures maintenance inspections for the 2022/23 year:

A total of 21 Principal Inspections will be carried out in 2022/23.

Structure Type	2021/22	2022/23
Footbridges	1	1
Underbridges	2	2
Overbridge	0	0
Culverts	3	3
Subways	8	8
Tunnels	0	0
Retaining Wall	7	7
<b>Total</b>	<b>21</b>	<b>21</b>

A total of 22 General Inspections will be carried out in 2022/23

Structure Type	2021/22	2022/23
Footbridges	2	1
Underbridges	10	2
Overbridge	1	0
Culverts	9	3
Subways	6	8
Tunnel	1	0
Retaining Wall	15	7
<b>Total</b>	<b>44</b>	<b>22</b>

The following bridges work has also been carried out in within the last 12 months.

- Weetslade Bridge Inspection, assessment and repairs option study
- Weetslade Bridge refurbishment scheme design
- Harrow Street (Shiremoor) pedestrian bridge repairs outline design

## 5. INVESTMENT IN THE HIGHWAY ASSET

The following table provides a summary of the budgets that have been allocated to highway and bridges in 22/23 and a comparison with the previous financial years:

Budget	Budget Type	Type of Work	2020/21	2021/22	2022/23
Service Budgets	Revenue	Day to day reactive minor repairs (e.g. potholes), gully cleansing, traffic management, sign repairs and road marking renewal	£1,114,000	£1,114,000	£1,114,000
Housing Revenue Account	Revenue	Housing footway improvement schemes	£250,000	£150,000	£150,000
Local Transport Plan Maintenance Block (including DfT Incentive Funding)	Capital Grant	Road resurfacing, planned footway schemes, drainage repairs, dropped kerb programme, bridges schemes, bridge design work	£2,195,000	£1,253,000	£1,253,000
Additional Highway Maintenance	Authority Capital	Additional road resurfacing and footway schemes	£2,000,000	£2,000,000	£2,000,000
DfT Highway Maintenance Incentive Fund	Capital Grant	Additional road resurfacing and footway schemes	£378,000	£313,000	£313,000
DfT Pothole Fund allocation	Capital Grant	Additional road resurfacing and work to prevent potholes forming in the future	-	£1,253,000	£1,253,000
		<b>Total Investment</b>	<b>£5,559,000</b>	<b>£6,083,000</b>	<b>6,083,000</b>

## 6. PERFORMANCE

As part of the Technical Services Partnership between the Authority and Capita, a suite of performance indicators is used, monitoring aspects of the Partner's performance in relation to the management and condition of the network. These indicators have been in place since November 2012 and are reviewed on an annual basis. The tables below outline recent data in accordance with the performance indicator methodology.

With reference to the condition of the main classified roads, independent condition surveys are undertaken, and the data is used to calculate a performance indicator figure (Road Condition Indicator (RCI)). The results for recent years are shown in the table below (note: a lower figure is better).

KPI/PI Reference	Performance Indicator	Target	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
ENG 1.4 (RCI)	Percentage of A class roads that should be considered for structural maintenance	<b>5%</b>	2%	2%	2%	2%	2%	3%
ENG 1.5 (RCI)	Percentage of B and C class roads that should be considered for structural maintenance	<b>5%</b>	3%	2%	2%	2%	2%	3%
Not an indicator	Percentage of unclassified (residential) roads that should be considered for structural maintenance	N/A	14%	6%	4%	4%	5%	6%

The above figures illustrate the percentage of structural maintenance required to improve the road network. It can be seen that, although still within target, there is still an ongoing need for sustained investment in the Highway Network. Generally, there is a high level of confidence that the network is being maintained in the most efficient way, however, this will require ongoing monitoring as:

- Levels of funding have not significantly changed over the years
- The amount of improvement work that can be done now is less each year due to inflation
- The number of highways assets increases each year as new estates are adopted
- Recent world events have had a sharp and adverse impact of the cost of construction work and it will take some time for prices to stabilise

The other performance indicators within the Highways Service relevant to this report are detailed in the following tables:

<b>CATEGORY 1 KPI's</b>				
<b>KPI/PI Reference</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Average performance over the last 12 months.</b>	
			<b>October 2020 – September 2021</b>	<b>October 2021 – September 2022</b>
ENG 1.2	Roads and Pavements – Permit scheme compliance of Capita workforce	90%	<b>93.1%</b>	<b>90.56%</b>
ENG 1.4	Roads and Pavements – Percentage of pothole and footpath enquiries inspected within 3 working days	80%	<b>94.29%</b>	<b>97.33%</b>

<b>CATEGORY 2 KPI's</b>				
<b>KPI/PI Reference</b>	<b>Performance Indicator</b>	<b>Target</b>	<b>Average performance over the last 12 months.</b>	
			<b>October 2020 – September 2021</b>	<b>October 2021 – September 2022</b>
ENG 2.1	Roads and Pavements – Percentage of routine street care safety inspections carried out on time	95%	<b>98.28%</b>	<b>99.86%</b>
ENG 2.2	Roads and pavements - Percentage of CAT 1 highway defects that were compliant within 24 hours	98%	<b>100%</b>	<b>100%</b>
ENG 2.3	Roads and Pavements - Percentage of CAT 2 highway defects that were made compliant within 10 working days	98%	<b>98.47%</b>	<b>98.69%</b>
ENG 2.5	Roads and pavements - Quality of maintenance repairs	93%	<b>97.15%</b>	<b>86.70%</b>

- 7. THE ABOVE FIGURES DEMONSTRATE THAT THE TECHNICAL SERVICES PARTNERSHIP IS GENERALLY ACHIEVING AND EXCEEDING, IN A NUMBER OF INSTANCES, ITS AGREED PRESCRIBED PERFORMANCE TARGETS WITH REGARD TO UNDERTAKING THE AUTHORITY'S STATUTORY MAINTENANCE DUTIES AND UNDERTAKING REPAIRS IN A SAFE AND TIMELY MANNER, REDUCING THE RISK OF ANY HARM OCCURRING TO USERS OF THE HIGHWAY NETWORK. VALUE OF THE HIGHWAY ASSET**

Under the Whole of Government Accounting (WGA) procedure, all local authorities are required to submit an annual detailed valuation of their highways and infrastructure

assets. Each year, independent condition surveys of roads, footways and structures are necessary to assess their condition. Depreciated Replacement Costs are used for measurement purposes and are disclosed as a separate class of asset on the Authority's Balance Sheet. For asset management, Gross Replacement Cost (GRC) and the Annual Depreciation are the key drivers.

Gross Replacement Cost (GRC) is the estimated cost of replacing an asset or property with the same quality of construction and operational utility. For carriageways it is replacement of the top 100mm. The most recent GRC values for North Tyneside area are shown in the table below:

Asset Type	2018/19 Valuation	2019/20 Valuation	2020/21 Valuation	2021/22 Valuation
Roads	£1,165 million	£1,205 million	£1,165 million	£1,165 million
Footways and Cycleways	£206 million	£221 million	£206 million	£206 million
Bridges	£461 million	£469 million	£469 million	£469 million

As of **September 2022**, the total value of highway assets equates to **£1,840,000,000**.

The previous GRC changes were due to changes in unit rates and inventory and does not reflect changes in condition, just the gross cost in replacing the asset. There is no change between 20/21 and 21/22 due to no changes in the assets recorded. However, the GRC is expected to increase substantially in the 22/23 valuation due to the expected increase in unit rates. The Authority will wait until The Chartered Institute of Public Finance and Accountancy make a recommendation regarding unit rates.

## 8. CONDITION OF HIGHWAY NETWORK

The Authority uses a specialist computer system, XA©, to model the condition of roads and footpaths under different funding scenarios.

The service standards developed for the Authority's infrastructure assets are 'good', 'early life', 'mid-life' and 'late life'.

- Good
  - These are roads and footpaths which are coloured **green** on the condition maps and reflects that the asset is in as new condition, no or very small amounts of minor defects have been identified in the annual condition surveys. These assets do not require any maintenance, but they are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.
- Early Life
  - These are roads and footpaths which are coloured **yellow** on the condition maps and reflects that the asset has minor defects in small quantities

which have been identified in the annual condition surveys. These assets do not require any planned maintenance, but they are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.

- Mid Life
  - These are roads and footpaths which are coloured **amber** on the condition maps and reflects that the asset has large quantities of minor defects and small quantities of major defects which have been identified in the annual condition surveys. These assets require planned preventative maintenance techniques to prolong the life and deliver acceptable service levels. They are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.
  
- Late Life
  - These are roads and footpaths which are coloured **red** on the condition maps and reflects that the asset has large quantities of major defects which have been identified in the annual condition surveys. These assets require planned structural (major) maintenance. They are monitored through safety inspections to ensure the Authority maintains its duty of care under section 41 of the Highways Act 1980.

Over the summer of 2022, the Authority commissioned the specialist partner, XAIS Asset Management Ltd, to undertake a comprehensive review to:

- assess the current state of the infrastructure on the highway network
- review highways documentation to check it meets the requirements of the DfT Incentive Fund and the infrastructure code of practice
- carry out an engineering assessment of all the roads within North Tyneside

XAIS have been heavily involved in pavement management since the early 1990s, were directly involved in the creation of specialist asset management systems and helped design the national framework which most systems are based upon in the UK. XAIS have been a specialist technical advisor to all the highway maintenance PFI contracts in the UK and several Design Build Finance and Operate (DBFO) companies, creating working models for the lenders and banks in litigation and bidding for major works throughout the UK and Europe. XAIS are therefore well placed to support the Authority in evaluating the current state of the highway network.

A major improvement this year is the use of 360-degree video surveys and artificial intelligence to help better understand the condition of the highway asset. Further details are given in Section 12.2 of this report.

The following section of the report sets out the findings of the condition assessment element of the XAIS review.



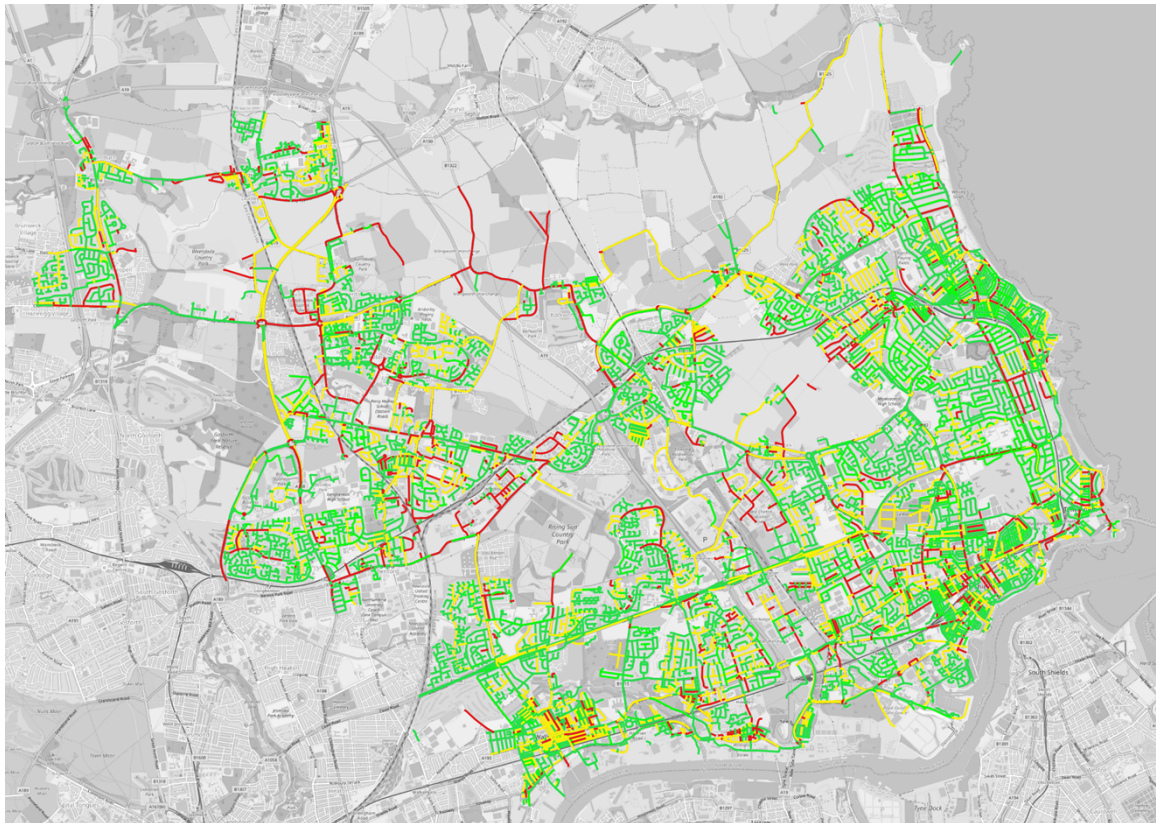
Working in partnership with



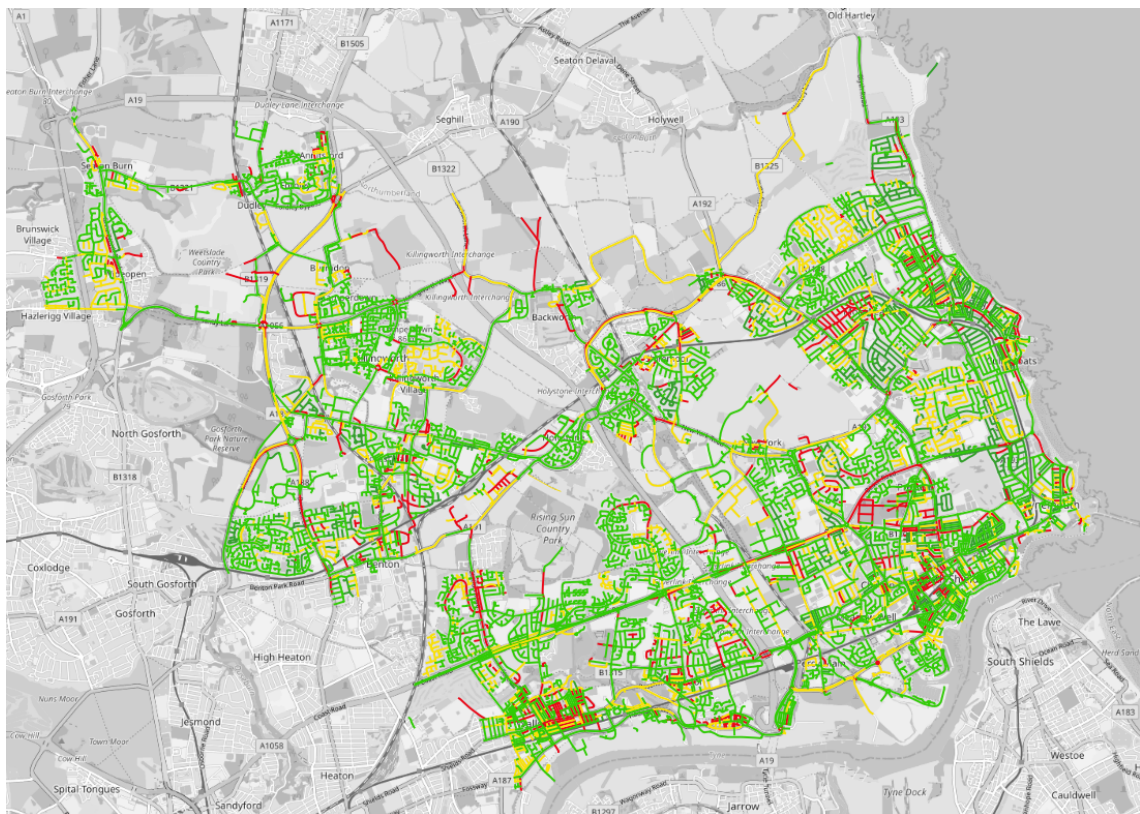
## **8.1. CURRENT CONDITION OF THE ROAD NETWORK**

The following plan illustrates the current condition of the whole of the road network compared to a year ago. As a result of the continued investment and the application of asset management principles, the percentage of red routes has remained relatively steady. The authorities additional £2m investment has made a significant contribution to maintaining the Network. Sustained investment, that reflects the ongoing challenges and pressures will now be required in order to maintain the current position.



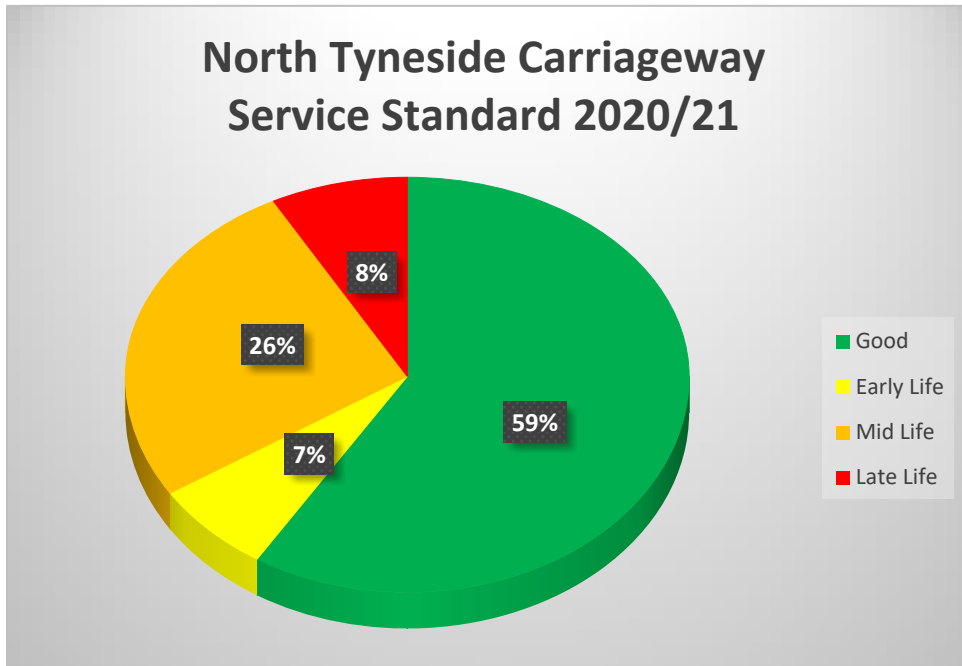


Plan showing condition of highway network – August 2021

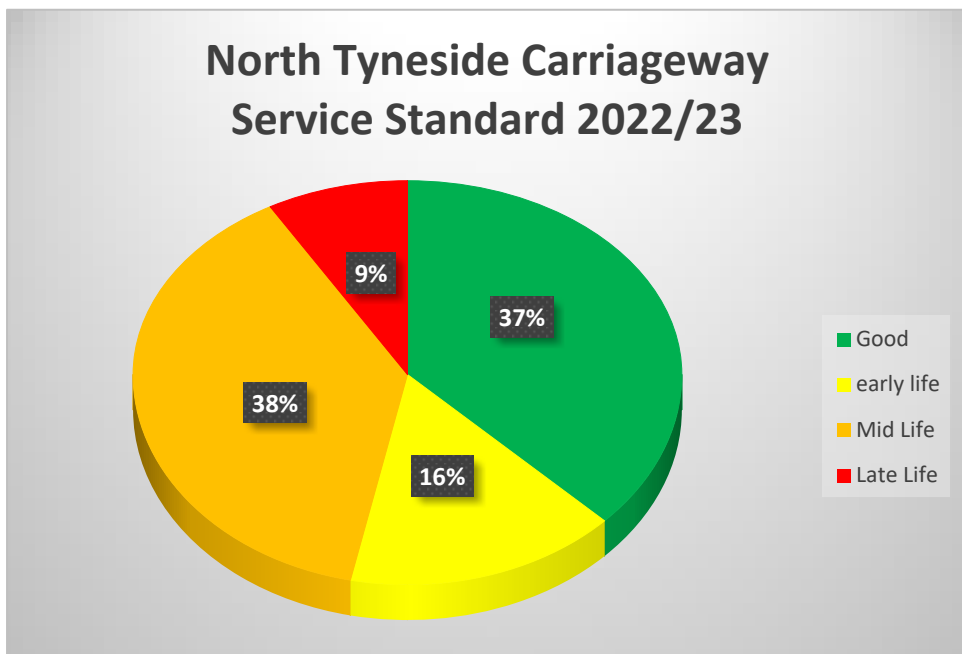


Plan showing condition of highway network – August 2022

The pie chart below demonstrates that under current funding arrangements, 37% of the road asset is good, with 59% of the network is in this condition band. However, 34% of the network requires some form of maintenance.



Service Standard – Carriageway 2020/21



Service Standard – Carriageway 2022/23

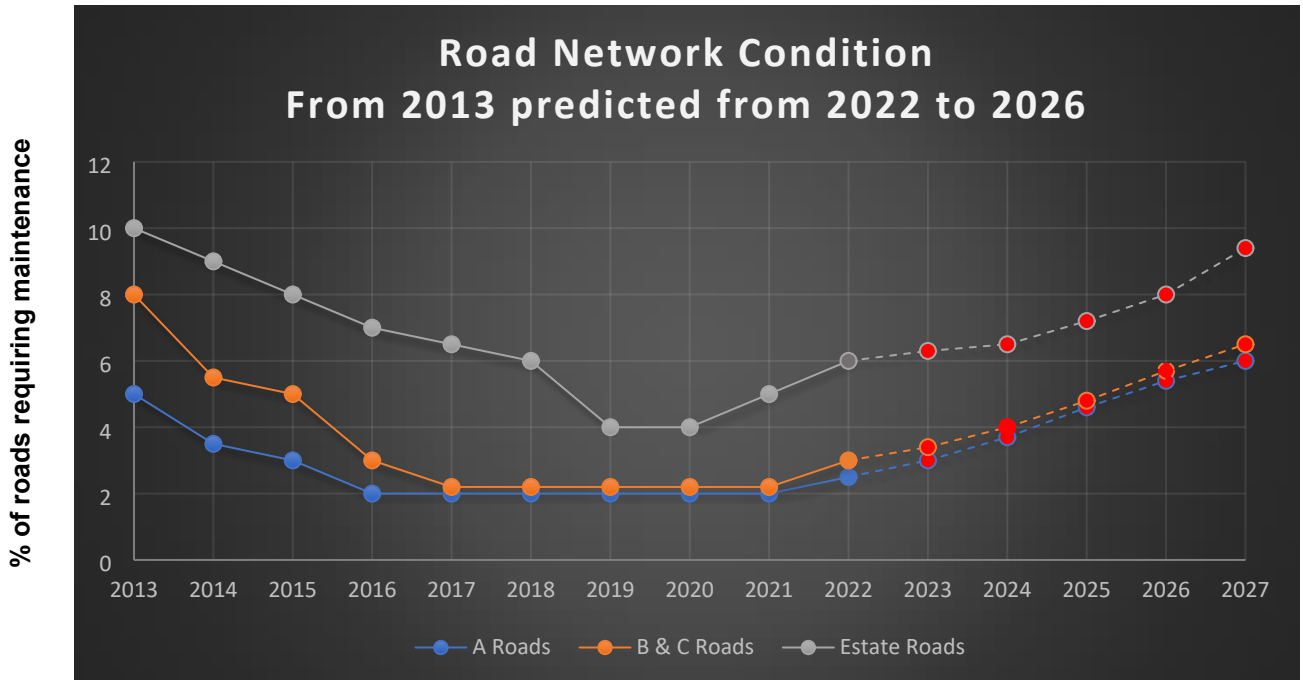
The key to achieving best use of resources to ensure that the majority of the road asset in good condition is to target early and mid-life roads with preventative maintenance treatments to prolong their life. By carrying out preventative cost-effective surface treatments the Authority will stop further deterioration and keep mid-life roads from moving into the red band at which point maintenance work is far more expensive. To ensure the Authority targets its early and mid-life roads it gathers annual condition survey data and inputs this into XA© system which allows the identification of the roads in early and mid-life state. It is this information which the Authority uses to inform its forward works programme for improvement works on the highway.

It can be seen from the charts above, whilst the proportion of red roads is staying similar, the number of amber roads is increasing considerably. The sections requiring immediate preventative maintenance has risen from 26% to 38% over a two year period.

As the above chart shows, 9% of the borough's roads are in late life condition where structural resurfacing should be considered. This has slightly increased from 8% last year.

## **8.2 FORECASTED CONDITION OF THE ROAD NETWORK**

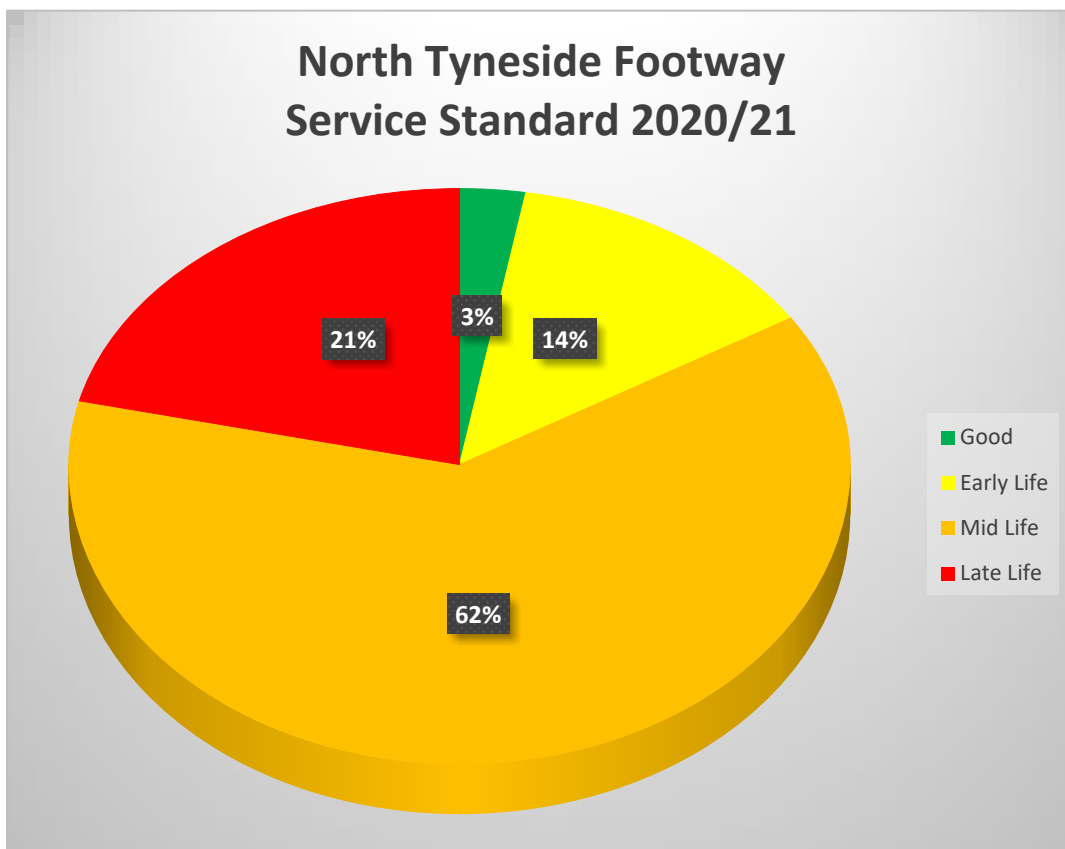
The XA© system can accurately predict future highway condition under different funding scenarios. Given the concerns around early indications that the network is facing challenges around funding, the Authority's specialist partner XAIS has undertaken a condition modelling exercise to determine how the network will look in 5 years time if current investment levels remain unchanged. The modelling assumes an ideal asset management system is being applied and does not factor in potential unexpected events such as abnormally severe winters. The graph below shows that under current investment conditions, there will be a sustained increase in the percentage of roads requiring maintenance across all road types.



### 8.3 CURRENT CONDITION OF THE FOOTWAY NETWORK

As such investing in our footways is a Mayoral commitment included within the Mayor's manifesto. It is therefore a priority to ensure footways are in a good condition and are invested in. A Footway Network Survey (FNS) was completed in 2020 on 100% of the footway network and the condition is presented in the pie chart below. As with roads, the data is held in XA© and is used to complete the Whole of Government Accounts (WGA) return as well as identifying future footway schemes in line with the Authority's asset management principles. Given improvements to footways is currently a Mayoral priority, they will be considered accordingly as part of current and future work programmes.

The pie chart below shows the current condition of footways across the Borough for the period 2022/23. This has not changed because a footway survey has not been undertaken since 2020. The reason for not carrying out a survey is that they are inspected annually for safety only and the DfT recommendation is to undertake a detailed condition survey of the footway network every 4 years. Therefore, it is the intention to re-survey the footway network next financial year to assess the effect of the additional investment in footways since it became a Mayoral priority.



Footway Service Standard as of 2020/21 (last survey year)



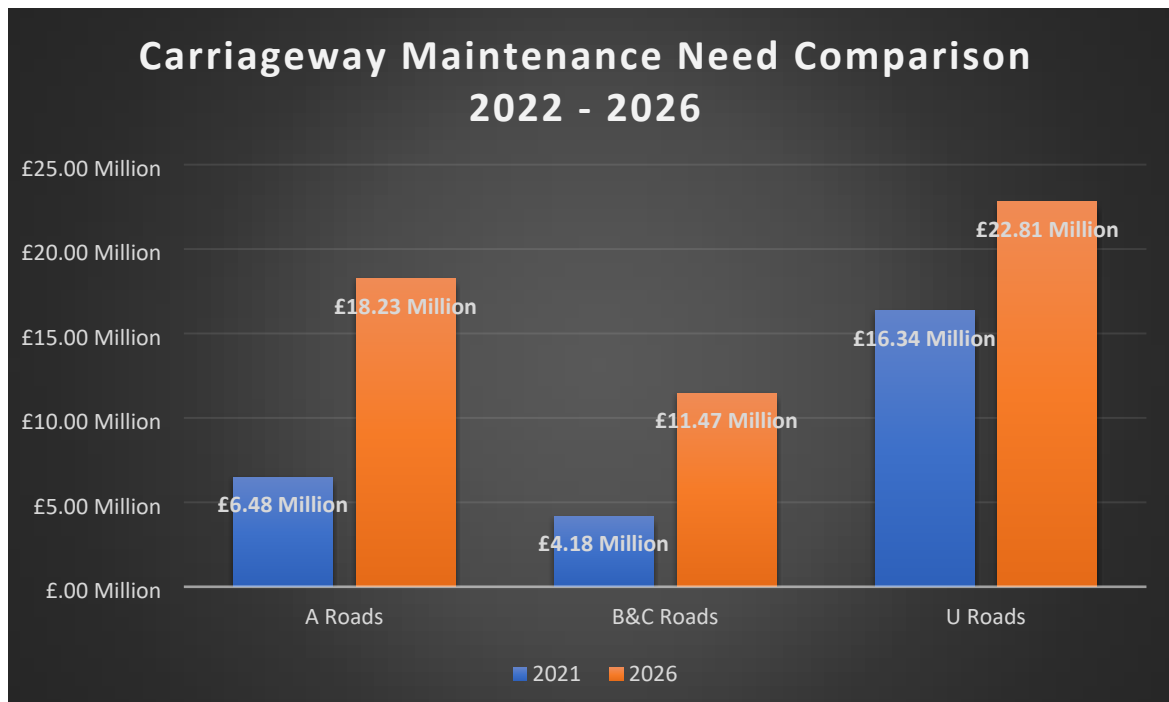
## 9 HIGHWAY MAINTENANCE BACKLOG

The XA© system can also be used to calculate the current backlog of highway repairs i.e.. the cost of rectifying highway defects.

In the 2021 report the estimated cost for the carriageway maintenance backlog, for carriageways identified as red category of repair, was circa. £25 million which represented steady state as indicated by the percentages reported.

However, in 2022 carriageway widths (collected by more advanced 360 degree camera surveys) were captured to ensure the maintenance backlog calculation is as accurate as possible. A review of unit rates was also carried out to see the effect of the current economic climate. This has resulted in the maintenance need increasing to £27 million.

The following graph compares the maintenance need now to the expected maintenance need in 2026, with current budgets. An increase to £52.5 million



The footways maintenance backlog is currently **£6million** which is unchanged.

## 10 CUSTOMER ENGAGEMENT

In recent years, corporate resident satisfaction surveys have shown that a well-maintained highway network is very important to residents and customer satisfaction in this area has proved to be a challenge.

The Highways Service utilises a range of customer engagement methods including the Annual Residents Survey and the National Highways & Transportation Survey. These provide an indication of satisfaction in the condition of roads and pavements. Feedback is also obtained from residents that have benefited from road resurfacing via a post-scheme survey that is carried out by contractors.

The Highway Asset Management Plan (HAMP) recognises that improvement to the network will always be constrained by available resources and so there is a need to prioritise. With this in mind, over the next 12 months the Authority will be developing more in-depth customer engagement to better understand customer priorities and where residents would like to see resources spent. Feedback from these surveys will help to inform future programmes of planned works in line with expectations set out by the Department for Transport and the Incentive Fund. Further information on the Incentive Fund is set out in Section 11.1.

Following a successful trial, a member of Capita's communications team has been providing engagement support in advance of selected road resurfacing schemes in the 2022/23 programme. This will be continued in future years.

## **11 OTHER AREAS OF INTEREST**

This section of the report advises of other items of interest within the Highway Maintenance Service and emerging issues which the Authority needs to be made aware of.

### **11.1 SELF-ASSESSMENT QUESTIONNAIRE BY THE DEPARTMENT FOR TRANSPORT (DFT)**

Several years ago, to encourage local authorities to adopt good asset management practices, DfT introduced changes to the highway maintenance formula funding mechanism. Each highway authority is required to complete a self-assessment questionnaire against a set of criteria aimed at assessing performance in relation to asset management, resilience, customer engagement, benchmarking, efficiency and operational delivery.

The self-assessment bandings are based on the maturity of the Authority in key areas, which are described in each question. The principle on which the levels of maturity for each question were determined is described as follows: Band 1 – has a basic understanding of key areas and is in the process of taking it forward; Band 2 – can demonstrate that outputs have been produced that support the implementation of key areas that will lead towards improvements; Band 3 – can demonstrate that outcomes have been achieved in key areas as part of a continuous improvement process.

The Authority successfully achieved Band 3 some years ago and has since maintained this position. It is important that Band 3 is sustained in order to receive maximum funding from the Government.

The funding allocation for the Authority over recent years is presented in the table below.

Year	Total needs/formula allocation (£) announced in December 2014	Indicative incentive element by “band” of self-assessment ranking (£)		
		Band 3 (highest band = 100% of maximum incentive) <sup>1</sup>	Band 2 (medium band of =100% maximum incentive) <sup>1</sup>	Band 1 (lowest band = 90% of maximum incentive) <sup>1</sup>
2016-17	2,070,000	125,000	125,000	113,000
2017-18	2,007,000	188,000	169,000	113,000
2018-19	1,817,000	378,000	265,000	114,000
2019-20	1,817,000	378,000	189,000	38,000
2020-21	1,817,000	378,000	114,000	0
2021-22	1,253,000	313,000	94,000	0
2022-23	1,253,000	313,000	94,000	0

## 12 FUTURE PLANS AND SERVICE IMPROVEMENTS

This section outlines plans for the next 12 months and new service improvements.

### 12.1 ACTION PLANS

The Technical Partnership is committed to continuous service improvement and a number of action plans are set out in the Partnership Annual Service Plan which can be viewed on request. A summary of the action plans that have been developed over the last 12 months is shown below:



- Introduction of improved procedures for income recovery following road traffic accidents
- Introduction of an improved process for dealing with overhanging vegetation
- Implementation of a new road marking testing regime to ensure that road markings are laid to the correct quality and specification

## 12.2 IMPROVEMENTS TO TECHNICAL SURVEYS

As mentioned in Section 8, within the last 12 months the Authority has introduced new cutting-edge road condition surveys. 360-degree cameras capture data on all highway assets. Artificial intelligence technology is then applied to detect, measure and highlight defects and data is then uploaded and accessible in the Authority's XA© Asset Management System. This gives users an unparalleled overview of current infrastructure assets and condition. Keeping track of assets and preventing avoidable degradation is a must for local authorities. This technology produces very accurate data across the whole network and enables much more precise projection modelling to forecast the future condition of the network.

## 12.3 SUPPORTING CARBON REDUCTION

The highways service is supporting the Authority's carbon reduction efforts and this is the subject of a specific action plan within the Technical Partnership Annual Service Plan. Trials have commenced using low temperature resurfacing materials in a number of streets across the Borough. These materials use less energy in the production and laying operations resulting in significantly lower carbon emissions compared to traditional hot laid materials. The performance of low temperature surfacing (compared to traditional) is currently uncertain across the industry so, for now, the treatment has been limited to 3 locations on different road classifications. The performance will be monitored and if deemed suitable, this type of treatment will be rolled out more widely leading to further carbon savings.

## 13 CONCLUSIONS

The following conclusions can be drawn from this report:

- The highway network is the most valuable asset in the Authority's ownership
- The current total value of highway assets is **£1.84 billion**
- The successful implementation of the HAMP policy and investment strategy is demonstrating that, over the years, the adoption of asset management principles by the Authority has gradually improved the condition of the road network.

However, the Authority is now at a point where improvement will be difficult to sustain without significant financial support from Central Government.

- Due to continued additional Authority investment over the years, the highway network is currently in a serviceable state, but its condition is forecasted to decline. This is to be expected when taking into account inflation and recent world events having had a serious impact on the cost of highway maintenance
- Consideration now needs to be given to increasing investment or changing maintenance priorities. Highway officers will commence discussions with the Elected Mayor and Cabinet and the Senior Leadership team around what options might be available for managing the network in the most effective way and addressing any backlogs on road and footway maintenance
- The Technical Services Partnership continues to be successful and is generally exceeding its Key Performance Indicator targets and through its Annual Service Plan is identifying innovative ways of working, service improvements and efficiencies which is evident in the report
- Bridge maintenance is under control and can be managed within existing LTP budgets. However, there are some emerging future schemes which may place a future pressure on budgets
- The Highways Service is supporting the Authority in its carbon reduction efforts